

Bridging the rural-urban divide Rural-urban partnerships in the EU

In today's Europe, the traditional rural-urban dichotomy seems no longer relevant from a territorial development point of view. The boundaries of both rural and urban regions are becoming increasingly blurred, and traditional geographic definitions no longer fully reflect the reality of areas connected by a range of complex socio-economic linkages. At the European level, statistical methods have been refined to better reflect this complexity and provide a clearer view of the European Union's territory according to a new rural-urban typology. Both types of regions have different assets and resources which can be used in a complementary manner. At the rural/urban interface, however, conflicts can arise in connection to land use, whenever cities spread over what used to be agricultural land.

Studies on the nature and extent of urban/rural linkages have identified the key concept of 'functional regions', which are defined by their socio-economic integration rather than by administrative boundaries. In all EU Member States, local and regional authorities have built rural-urban partnerships to better harness the potential of such regions. Over the past two decades, the EU has supported numerous projects and studies to assess the value of these partnerships and the way they can contribute to the objective of greater territorial cohesion. The policy framework for 2014-2020, which reflects the objectives of the EU 2020 strategy and offers better coordination of structural funds as well as new tools fostering integrated strategies, puts even greater emphasis on rural-urban interaction, allowing Member States to invest in mixed areas in a more targeted way.



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Background

No clear-cut divide

In the past decades, Europe's landscape has been transformed by deep territorial changes, which have blurred the traditional distinction between rural and urban areas, considered as separate territories with their own economic activities and ways of life. This is notably evidenced by the rapid expansion of [peri-urban](#) areas (where the space around urban centres merges into the rural landscape), which can be defined as a transition zone with a mix of urban and rural land uses and activities, and the creation of large [metropolitan regions](#) encompassing rural areas. Factors such as urbanisation and developments in ICT and transport, as well as increased movements of people, goods and services have created new patterns of rural-urban relationships and led to the formation of [functional regions](#), no longer defined by traditional administrative boundaries, but rather, by their economic and social links. However, the traditional division is not completely gone and despite nowadays being urbanised and largely made up of ['hybrid geographies'](#), Europe retains clearly recognisable rural and urban areas.

Cartography of rural and urban areas in the EU

Studying the economic, social and demographic dynamics of rural/urban areas requires a refined statistical system relying on precise definitions and reflecting the various degrees of population density. To this end, the European Commission's statistical office Eurostat has established an [urban-rural typology](#) dividing the Nomenclature of Territorial Units for Statistics (NUTS) Level 3 regions (the smallest classification size) into three further categories, depending on the prevalence of the urban or rural population in the total population: predominantly urban (the rural population is less than 20%), intermediate (the rural population is between 20% and 50%) and predominantly rural (the rural population is more than 50%).

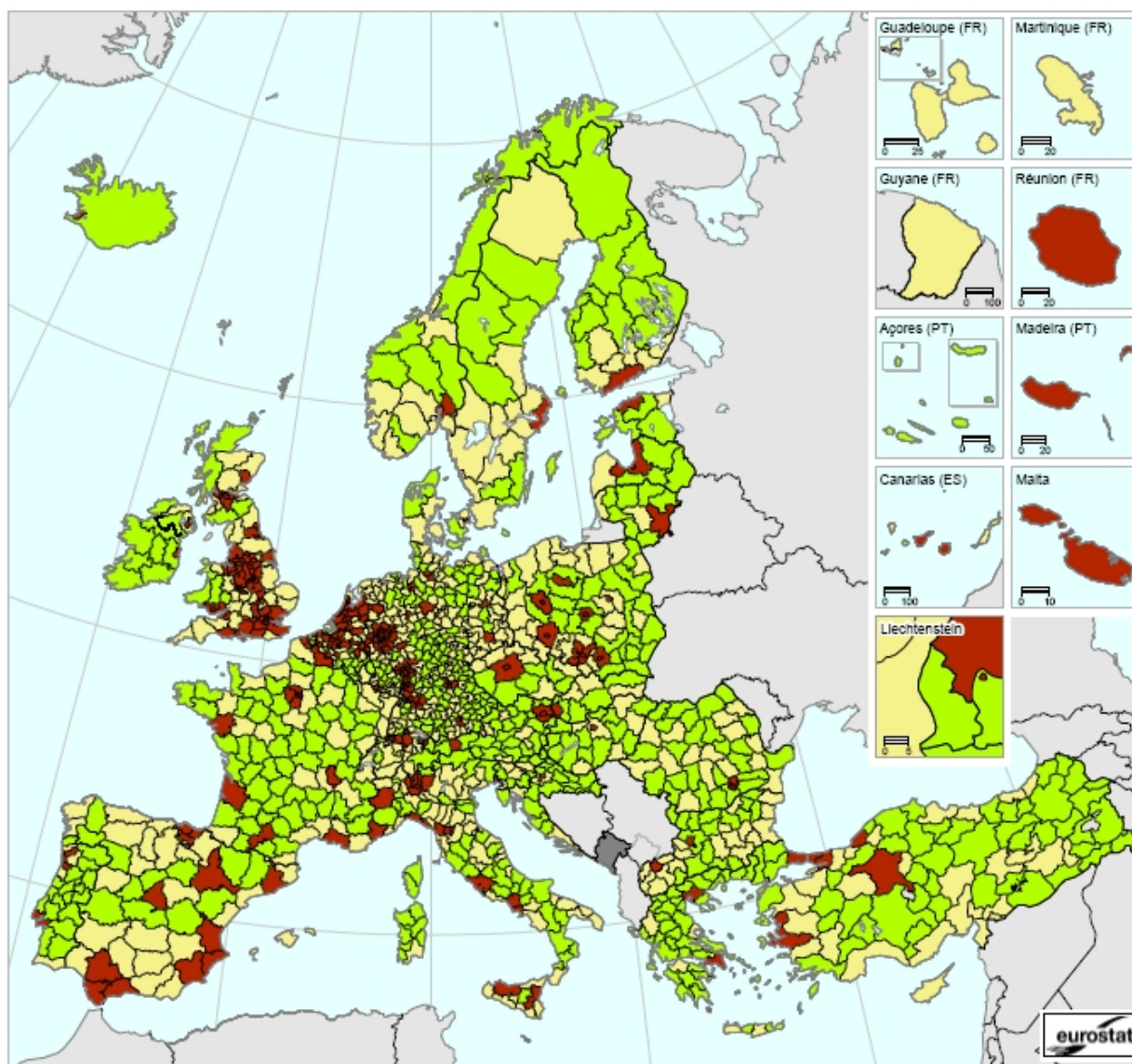
This gives a clearer picture of the EU's territory: according to 2012 [figures](#), more than half (51.3%) of the EU's land area is within predominantly rural regions and is inhabited by 22.3% of the total EU population (502 million); 35.3% of the EU population live in intermediate regions, which account for 38.7% of the total EU land area; 42.4% of the EU population live in predominantly urban regions, which make up just 10% of the EU's land area (see Map 1). There is a great [diversity](#) of landscapes in the various Member States: whereas in Estonia, Ireland, Greece, Portugal and Finland, predominantly rural regions account for more than 80% of the territory, in the Netherlands they represent a mere 2.1%. In the 13 countries that have joined the Union from 2004, predominantly rural regions account for 58.3% of their total territory and predominantly urban regions only cover 6.3% of it. The most urbanised Member States are Malta, the Netherlands, Belgium and the United Kingdom.

Rural and urban areas: partners or competitors?

Complementary needs and assets

Relationships between urban and rural areas are based on their potential to complement each other. Rural areas have many [resources](#) that are essential for urban areas: they provide food and water, renewable energy (biomass, wind, hydropower) and ecosystem services (air quality, preservation of biodiversity). They also provide agricultural or forest ('greenfield') land for new commercial or industrial projects and land for urban expansion. Furthermore, rural areas can provide a high quality of living, as well as cultural resources and landscapes for recreation and tourism. Finally, they offer space for waste disposal and decomposition.

Map 1 – Urban-rural typology for NUTS level 3 regions, using the 2006 population grid and according to NUTS 2010



Administrative boundaries: © EuroGeographics © UN-FAO © Turkstat
Cartography: Eurostat — GISCO, 01/2013

- Predominantly urban regions (rural population is less than 20 % of the total population)
- Intermediate regions (rural population is between 20 % and 50 % of total population)
- Predominantly rural regions (rural population is 50 % or more of total population)
- Data not available

0 200 400 600 800 km

Source: [Eurostat](http://ec.europa.eu/eurostat), 2013.

Urban areas, for their part, concentrate resources that are relevant for the development of rural areas. For instance, they provide large markets which benefit local production, job opportunities, advanced education and skills as well as commercial and public services (such as specialised healthcare). Additionally, they attract capital flows and concentrate financial institutions, but also pool administrative capacities and political power, which help local representatives to manage complex activities.

Conflicting interests at the rural-urban interface

The use of resources, land in particular, can be subject to competition between rural and urban areas. One of the most [urbanised](#) continents in the world, Europe has been exposed to the 'urban sprawl' phenomenon (the physical expansion of urban areas into

neighbouring land) for the past 50 years or more. Today, [72%](#) of the total EU population live in cities, towns and suburbs, and this figure is expected to increase to [80%](#) by 2020. Since the mid-1950s, the total surface area of cities in the EU has increased by [78%](#).

Urban growth and sprawl occur primarily on what used to be agricultural land; land is a non-renewable resource, the consumption of which – for new houses or transport infrastructure – tends to be permanent. Urban sprawl has many adverse environmental effects, threatening biodiversity both above and below ground and leading to an increased use of natural resources such as water. At the periphery of cities, it takes on the form of low-density development, habitually featuring individual houses with higher energy consumption and greenhouse emissions, and increased use of private versus public transport. This is illustrated by the fact that while European peri-urban areas have the same amount of built-up land as urban areas, their population density is [50% lower](#).

In the course of history, urban settlements have sprung up in proximity to the most fertile agricultural land, which means that present-day urbanisation is eating away at fertile soils. This results in loss of productive agricultural land and ultimately affects Europe's food security. The Commission's Joint Research Centre has carried out an [analysis](#) showing the consequences of [soil sealing](#) (the permanent covering of land and soil by impermeable artificial material such as asphalt and concrete): between 1990 and 2006, 19 Member States lost a potential agricultural production capacity corresponding to a total of 6.1 million tonnes of wheat (about a sixth of the annual harvest in France, Europe's top wheat producer).

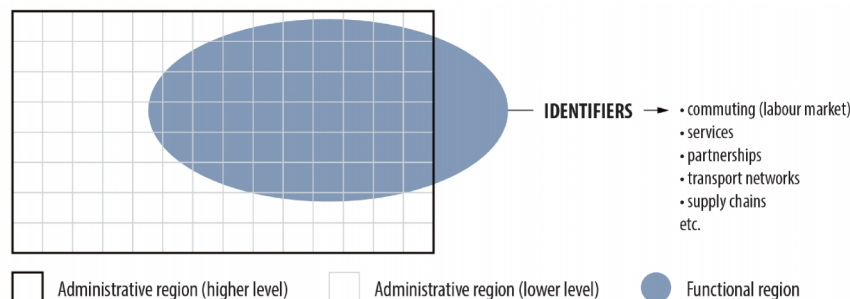
These conflicting developments highlight the need for a more **integrated** approach to rural-urban development (addressing economic, environmental, climate, demographic and social challenges through a combination of measures and sources of funding), and the importance of preserving the capacity of rural areas to produce sufficient food, eco-services and renewable energies, especially in the context of climate change.

Analysis of rural-urban interaction

The functional dimension of regions

In the EU, rural and urban areas are connected via [two-way flows](#) of people, goods, services (environmental among others) and money, creating interaction and integration. The geography of this interaction does not necessarily match formal administrative divisions. For instance, some areas are neither rural nor urban, because they share features of both (for example, rural towns and small or medium-sized cities). This is where the notion of [functional regions](#) comes in handy, because it allows policy-makers to design more integrated policies that meet the needs of such hybrid areas. According to the Commission's [Sixth report on economic, social and territorial cohesion](#), 'using functional geography can enhance the efficiency of public policies, even though it often calls for more coordination across administrative or political boundaries'.

Figure 1 – Illustration of a functional region



Source: [OECD](#), Assessing and governing rural-urban interactions, 2012.

Figure 1 clearly shows that functional regions are independent from administrative boundaries and form a single socio-economic entity defined by linkages.

Rural-urban linkages

A comprehensive [study](#) entitled 'Rural-Urban Partnerships: an integrated approach to economic development', carried out by the Organisation for Economic Co-operation and Development (OECD) in 2013 as part of the RURBAN project (see section hereafter), has identified many different types of linkages: **demographic processes** (migration and commuting); **economic transactions and innovation activities** (for example, urban areas provide market services to resource-based industries such as agriculture); **delivery of public services** (particularly transport, which has an impact on social cohesion, access to goods and a host of services, including healthcare and education); **exchange in amenities and environmental goods**: rural areas provide essential ecosystem services (such as air quality, biodiversity and waste decomposition), rural amenities (quality of environment, closer social relationships) and renewable energy sources, while urban areas offer cultural and other amenities; and **multi-level governance interactions**.

The way such linkages are managed by national or regional authorities has an impact on the socio-economic development of functional regions.

Demographic spread effect between urban and rural areas

According to the above-mentioned study, rural regions benefit from their physical proximity (hence stronger linkages) to an urban region. Growth in an urban region has positive spread effects on GDP per capita and population growth in adjacent rural regions. These can outweigh the adverse effects, at least in terms of demographics, and bring on complementarity rather than destructive competition.

However, positive effects decrease more than proportionally as distances between urban and rural areas increase. Furthermore, rural areas draw more benefits from their proximity to a predominantly urban area than to an intermediate region, as the latter provides fewer advanced services and other amenities. Finally, a positive correlation has been found between population growth rates in neighbouring rural areas, which may indicate that linkages between them could also have spread effects.

The multiple facets of rural-urban cooperation

The challenge for local and regional governments across the EU is to find ways to govern those linkages which transcend administrative boundaries and policy areas. Within their spatial policies, sub-national authorities have built rural-urban partnerships in an attempt to use resources more efficiently in the implementation of integrated strategies. There is a great variety of partnerships according to their size or governance mode. They can cover whole metropolitan regions, as in the case of the Lombardy

Region (Italy), where the Milano metropolitan area partners with rural Alpine areas, or even involve several Member States, in the case of trans-boundary projects. At the other end of the scale, small partnerships can also be established between villages and small towns in sparsely populated areas.

Partnerships can have a single purpose, for example improving public transport between villages and cities, as is often the case in [France](#), with the aim of increasing mobility and lowering private vehicle CO₂ emissions. However, a rising number of partnerships deal with a whole range of issues to achieve the more general objective of economic development. In Romania, for example, rural-urban partnerships are in the form of multi-purpose inter-communal associations which focus on the development of infrastructure, public services, and projects funded under the EU structural funds.

Acknowledgement of the rural-urban dimension at EU level

Rural-urban partnerships as part of the EU territorial approach

Cohesion policy and its territorial cohesion dimension

The EU's [cohesion policy](#) has been reformed in the 2014-2020 budgetary period. Furthermore, strong emphasis has been placed on its [territorial cohesion](#) dimension in the current legislative framework. There is a growing understanding of the importance of balanced, sustainable and **integrated** territorial development, taking into account functional links in and between territories, notably **rural and urban areas**.

EU strategic documents on rural-urban linkages

Over the past 15-20 years, various strategic EU documents have highlighted the rural-urban dimension. The European Spatial Development Perspective ([ESDP](#)), adopted at the informal Council of Ministers responsible for Spatial Planning in Potsdam (May 1999), underlined for the first time the need for urban-rural partnerships, stressing the importance of balanced spatial development. The [Territorial Agenda 2020](#) (2011), building on the ESDP, acknowledges 'the diverse links that urban and rural territories throughout Europe can have with each other, ranging from peri-urban to peripheral rural regions. Urban-rural interdependence should be recognised through integrated governance and planning based on broad partnership'. It identifies cohesion policy as a 'key framework through which the EU can address territorial development challenges and help unleash territorial potential at local, regional, national and transnational levels'. The Territorial Agenda 2020 also recommends that cities should 'look beyond their administrative borders and focus on functional regions, including their peri-urban neighbourhoods.'

Box 1 – EU cohesion policy

Cohesion policy, the EU's main investment policy, aims to reduce social, economic and territorial disparities between European regions, thus supporting the 'overall harmonious development' of Member States and their regions. It focuses on 11 thematic objectives to help deliver the goals of the Europe 2020 strategy. In particular, it supports economic growth, job creation, sustainable development, research and innovation as well as business competitiveness. Some €351.8 billion, or about 32.5% of the EU budget, has been allocated to cohesion policy for 2014-2020. This money is delivered through three main funds: the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Cohesion Fund (CF). Together with the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF), they constitute the [European Structural and Investment \(ESI\) funds](#).

In its 2010 communication '[The CAP towards 2020](#)', the European Commission explicitly stresses the importance of improved links between rural and urban areas to support the balanced territorial development of rural areas.

Gathering knowledge: EU programmes and projects

The first EU initiative on rural-urban partnerships was the [Study Programme on European Spatial Planning](#) (SPESP), which aimed at gaining knowledge on relationships between rural and urban areas through a selection of case studies. The SPESP led to the launching of the **European Spatial Planning Observation Network** ([ESPON](#)), an applied research programme intended to support the formulation of territorial development policies in Europe. Its project 1.1.2, 'Urban-Rural Relationships', focused on the ways in which an integrated policy approach to urban and rural issues could be developed.

Within the Sixth Research Framework Programme, two projects will be mentioned here: [PURPLE](#) (Peri-Urban Regions Platform Europe) and [PLUREL](#) (Peri-Urban Land Use Relationships). The [URMA](#) project (Urban-Rural Partnerships in Metropolitan Areas), conducted between 2012 and 2014 in the framework of the [European Territorial Cooperation](#) (ETC) programme [INTERREG](#) IVC, is also relevant. Its main aim was to improve urban-rural cooperation and contribute to the territorial cohesion of metropolitan regions and areas.

The ETC programme [URBACT](#) – a cohesion policy instrument – fosters sustainable integrated urban development in cities across Europe. It is co-financed by the ERDF, the EU Member States, Norway and Switzerland. Although URBACT mainly focuses on cities, several of its projects address [rural-urban](#) issues.

Finally, a project entitled [RURBAN](#) was launched in 2010 to gather further knowledge on rural-urban partnerships, ahead of the 2024-2020 programming period.

RURBAN

Parliament has been promoting rural-urban partnerships in different resolutions¹ and reports. In 2010, the [EP URBAN Intergroup](#) launched a preparatory action, 'RURBAN, Partnership for sustainable urban-rural development', with the aim² of drawing policy lessons regarding the role of rural-urban partnerships in improving territorial cohesion and regional competitiveness, and feeding them into the design of the EU 2014-2020 strategic framework, so as to bridge rural development and regional policies. The project had a €2 million budget and was implemented by the Commission. It led to the publication of a comprehensive 2013 OECD report, 'Rural-Urban Partnerships: an integrated approach to economic development', which explores the changing relationships between urban and rural areas and the use of partnerships to better manage these relationships. On the basis of 11 case studies from different OECD countries, it also gives recommendations to help policy-makers at all levels set up effective and sustainable rural-urban partnerships for better economic development.

EU 2014-2020 policy framework and tools to support integrated territorial development

A better integrated common strategic framework

The common strategic framework (see figure 2 below) presented by the Commission in March 2012, has helped Member States and their regions set clear investment priorities for the 2014-2020 programming period. More specifically, it has called on Member States to adopt an approach that 'addresses urban-rural linkages, in terms of access to affordable, quality infrastructures and services, and problems in regions with a high concentration of socially marginalised communities'.

The importance of integrated territorial development to which rural-urban partnerships are contributing, is generally reflected in the integration of the five ESI funds (see box 1 above) within the common strategic framework. The EAFRD (supporting rural development), the ERDF (supporting, inter alia, urban development) and the three remaining funds are now governed by a single set of rules (the [Common Provisions Regulation](#), CPR) which ensures improved coordination and harmonisation in terms of implementation to maximise the impact of investments.

Figure 2 – Common strategic framework for the 2014-2020 programming period



Source: [European Commission](#).

New provisions and tools supporting rural-urban partnerships

Integrated actions for sustainable urban development

Within the common strategic framework, Article 7 of the ERDF provides that Member States are required to devote at least 5% of their national ERDF allocation (under the Investment for Jobs and Growth goal) to strategies supporting **integrated actions for sustainable urban development**. These investments should take into account the need to promote urban-rural linkages. It is up to Member States to determine the right scale for their urban areas: some will focus on inner-city issues (for example, deprived neighbourhoods) while others will target the integration of the wider metropolitan areas, which may include urban-rural linkages.

Community-led local development and integrated territorial investments

More specifically, the CPR provides for two territorial tools that can be used to support an integrated rural-urban approach: [Community-led local development](#) (CLLD – Articles 32-35, CPR) and [Integrated territorial investments](#) (ITI – Article 36, CPR). Both can be funded jointly by the ERDF and EAFRD and can thus have a strong impact on the use of funds to support rural-urban linkages.

[CLLD](#) is an approach to territorial development whereby local actors work in partnership to implement their own strategies in order to meet development needs in their area. It has been introduced in the new cohesion policy framework by extending the bottom-up and place-based [LEADER](#) approach (formerly limited to rural development) to both rural and urban areas and to different funds. This means that partnerships can be created in mixed rural-urban areas (for instance, to reinforce cooperation between a small town

and its rural surroundings), with CLLD support via the EAFRD and the ERDF, or the ERDF and the ESF.

Integrated territorial investments are new, and offer the possibility of pooling funding from several ESI funds and [operational programmes](#) to implement territorial development strategies. Unlike CLLD, ITI can be implemented on large-scale territories and are well-suited for metropolitan governance. Another difference is that the ITI approach can be top-down or bottom-up, or a combination of both. ITI can apply to any geographical area with particular features, such as deprived urban neighbourhoods or rural-urban areas, at various levels (metropolitan areas, sub-regional or inter-regional levels).

A combination of investments funded by the ERDF and the EAFRD is particularly relevant to supporting rural-urban partnerships. For instance, the EAFRD can be used to promote: access to information and communication infrastructure in rural areas; farming products in local town markets; short supply chains; ecosystem services such as water management, etc. The ERDF can: help develop transport services for better accessibility of rural and peri-urban areas; create links and synergies between companies located in rural and urban areas; promote the production of renewable energy in rural areas for consumption in both types of areas, etc.

Future implementation by Member States

Stronger urban-rural cooperation can result in more efficient land use and planning, improved service provision (for instance, public transport, healthcare), increased growth opportunities, improved quality of life and enhanced natural resources management. For the 2014-2020 programming period, Member States have been provided with a number of (mostly optional) territorial tools, such as CLLD and ITI, to help them implement better-integrated strategies in functional regions. Member States can also take advantage of the new possibilities to combine structural funds to target mixed areas in a more efficient way. While it is still too early to speak about the scope and nature of the rural-urban investments Member States are planning to make, the Commission staff are currently examining their operational programmes with regard to these specific issues. In October 2015, the first results of a preliminary survey showed that around half of the Member States studied had laid specific emphasis on rural-urban linkages in areas such as basic services, short supply chains, broadband infrastructure and transport, and that many of them intended to use ITI and CLLD to address these issues. As regards small and medium-sized towns, CLLD was the most frequent approach adopted for handling EAFRD financing.

Main references

OECD (2013), [Rural-Urban Partnerships: An Integrated Approach to Economic Development](#), OECD Publishing, Paris.

CEMR (Council of European Municipalities and Regions): ['Urban-rural partnership - CEMR survey on integrated territorial development'](#), June 2013.

Deutscher Verband für Wohnungswesen Städtebau und Raumordnung - DV (Federal institute for research on building, urban affairs and spatial development): ['Partnership for sustainable rural-urban development: existing evidences'](#), 23 March 2012.

Endnotes

¹ For example, EP resolution of 15 January 2013 on optimising the role of territorial development in cohesion policy (2011/2312(INI)), where the EP 'highlights the importance of strengthening existing urban-rural linkages and promoting new ones; emphasises that this requires a strong multi-level focus and collaboration between rural and urban stakeholders, and that the right conditions must be created through fostering partnerships and networks in order to encourage rural participation in the integrated activities of a given functional geographical entity.'

² The formal aim of the project was to 'analyse territorial partnership practices for towns/cities and rural areas, to achieve better cooperation between different actors in developing and implementing common urban-rural initiatives based on the integrated approach and to promote territorial multilevel governance'.

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