

Linking indigenous communities with regional development

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Outline

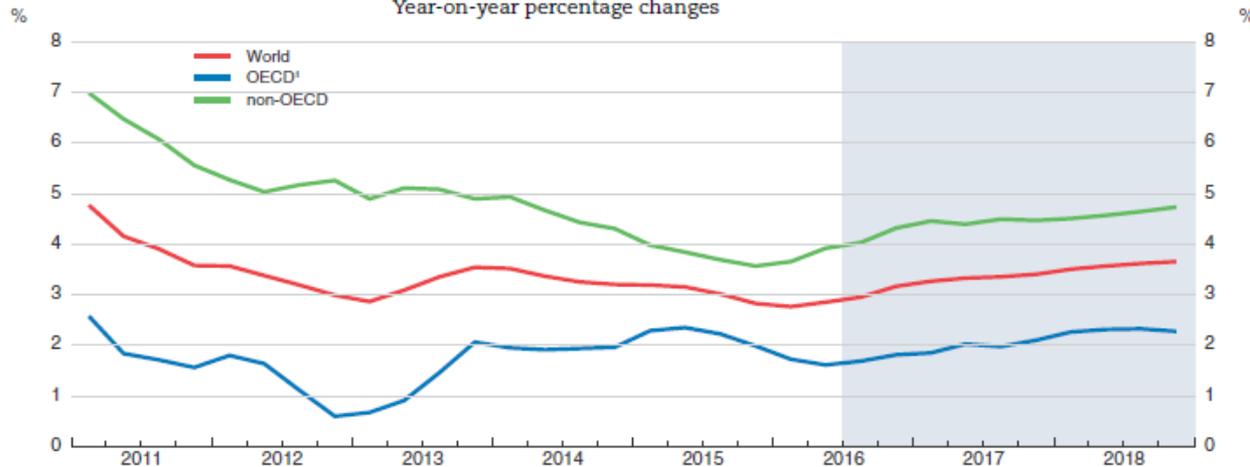
1. Global trends and broad debate
2. Performance urban & low density regions
 - Research methods, data and definitions
 - Trends and diagnosis
2. Policy considerations
 - Regional and rural
3. Indigenous project
 - Why indigenous communities are important to rural and regional development
 - Work within the OECD on this topic
 - Toward a more inclusive policy approach



Global Outlook

Global GDP growth is set to rise

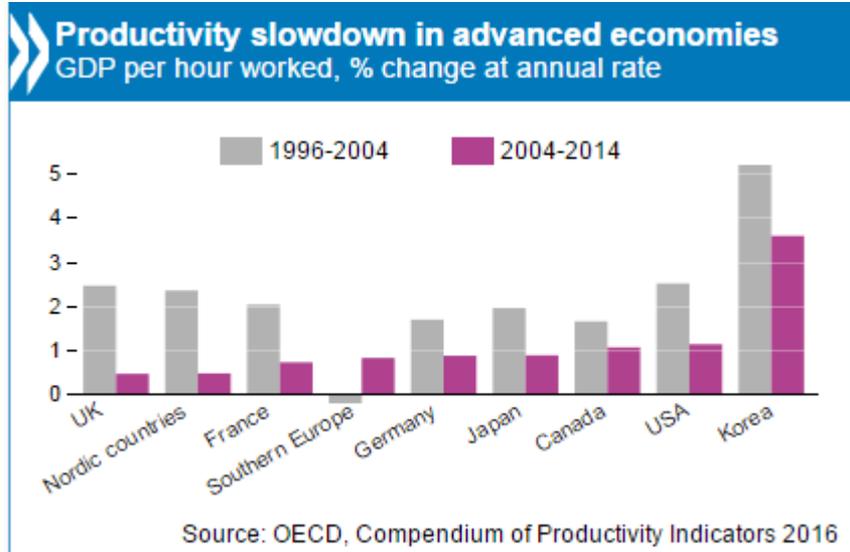
Year-on-year percentage changes



Source: OECD Economic Outlook 100 database.

Global GDP growth 3%

- $\frac{3}{4}$ pp weaker than av. in the two decades prior to the crisis
- **OECD GDP growth close to 2%**



Slowdown in productivity growth in the wake of the crisis

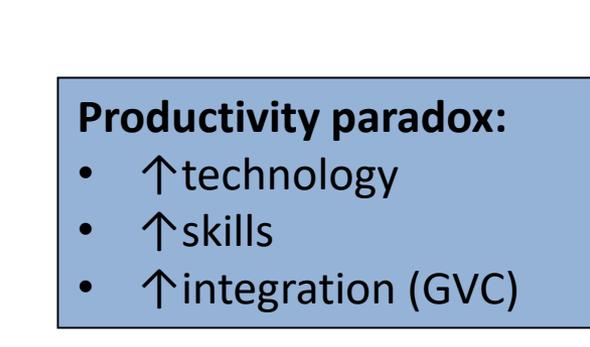
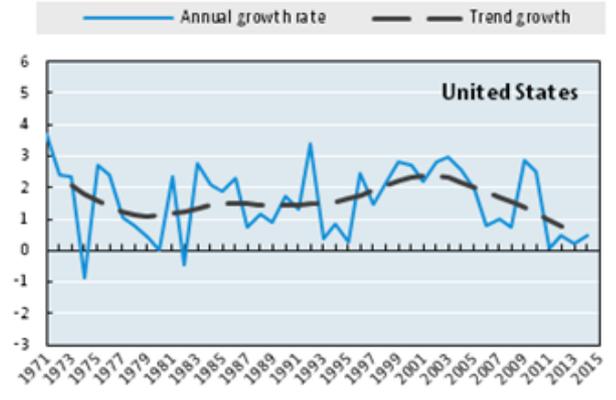
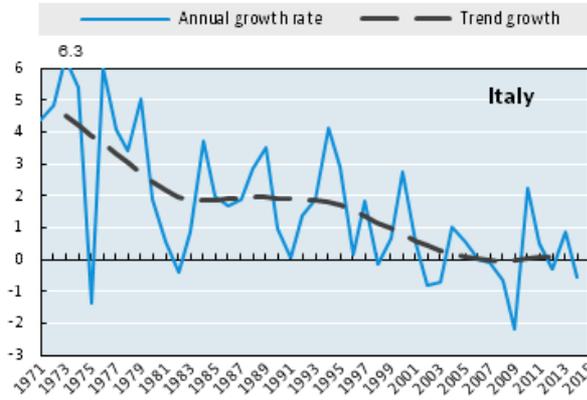
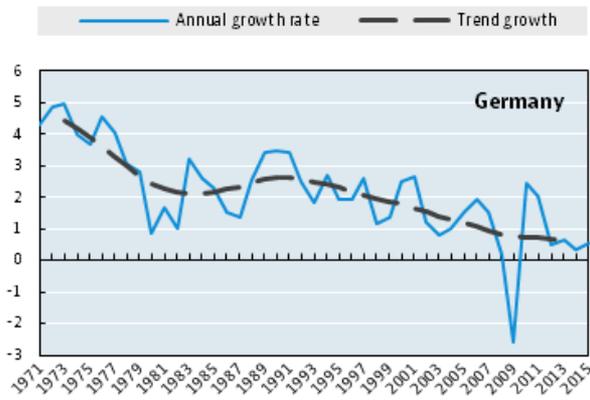
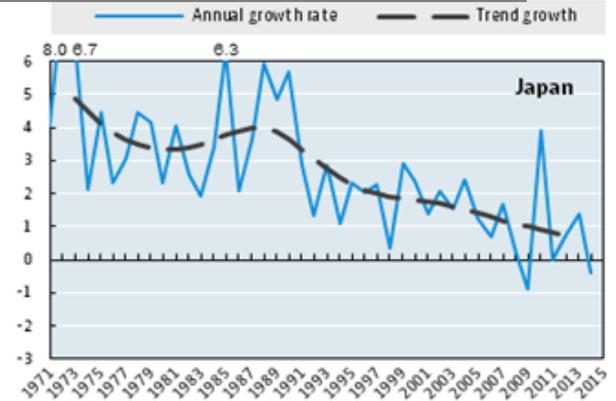
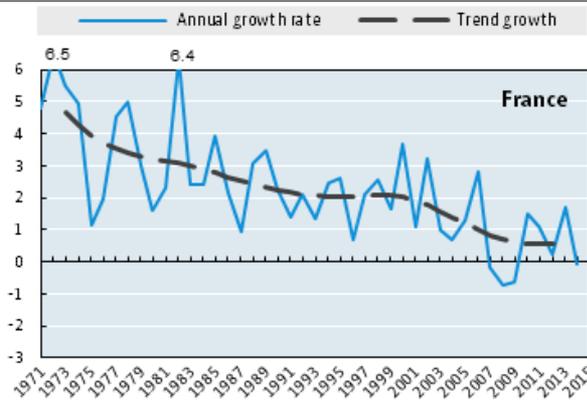
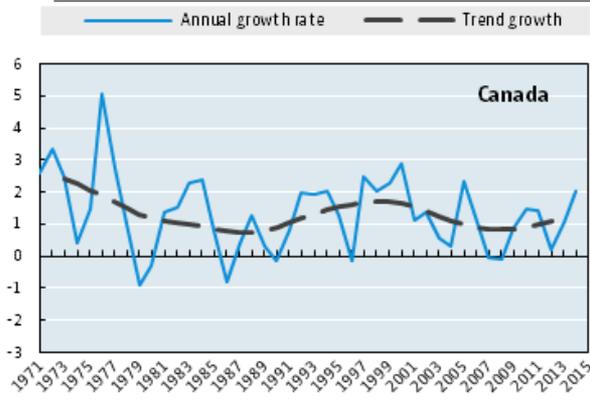
- skills mismatches, sluggish investment, and declining business dynamism



Hits **wages** → this may exacerbate income, wealth **inequalities** and **wellbeing**



Labour Productivity Growth G7



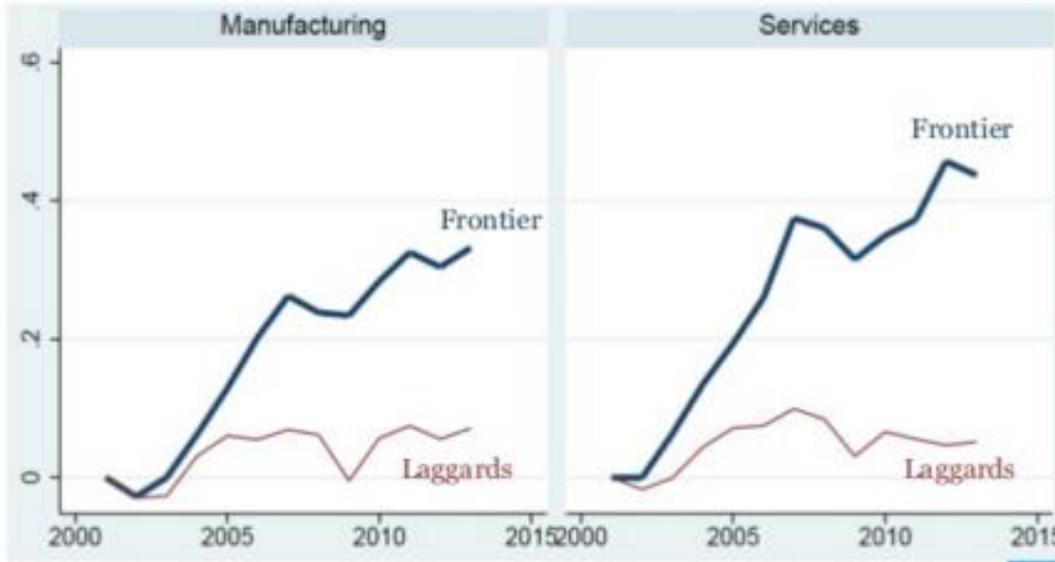
Productivity paradox:

- ↑technology
- ↑skills
- ↑integration (GVC)

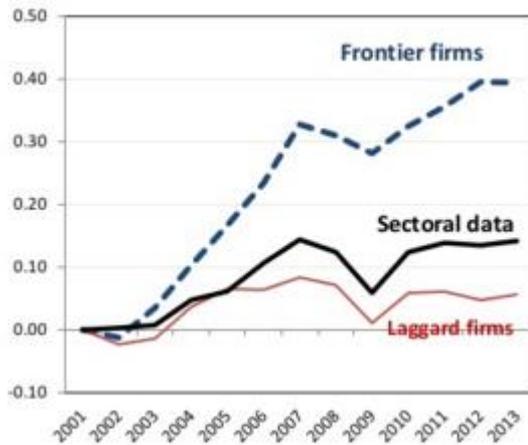


Rising labour productivity gap between global frontier and laggards

Average of labour productivity across each 2-digit sector (log, 2001=0)



Average of labour productivity across each 2-digit sector (log, 2001=0)



Frontier firms forge ahead on productivity



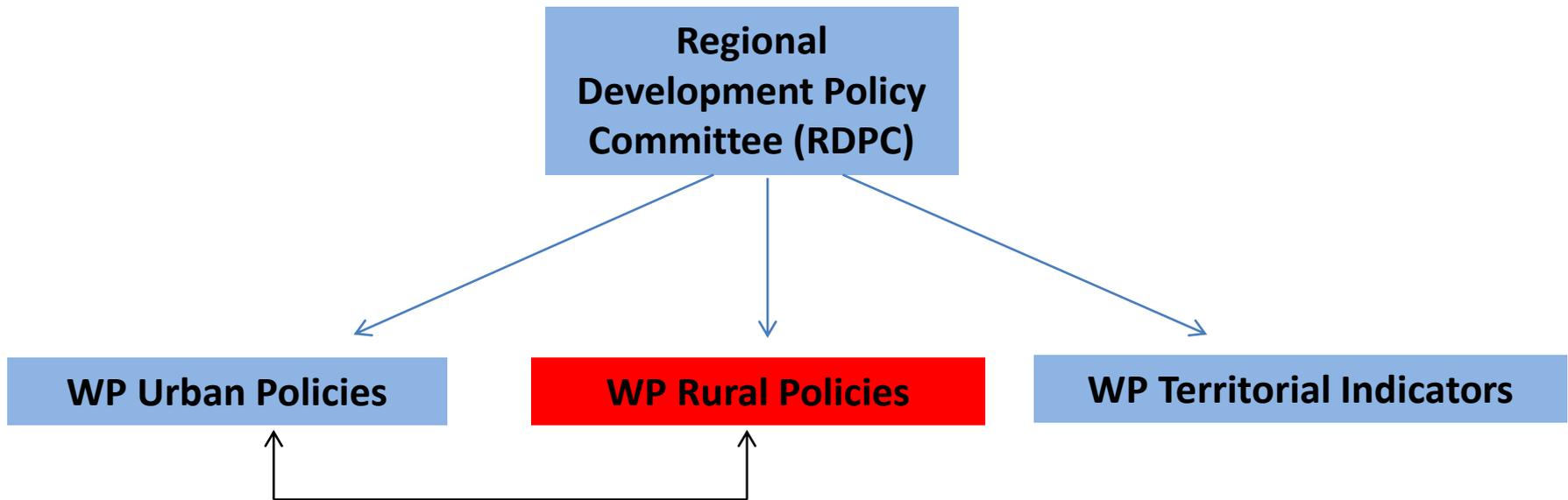
- Disseminating innovation
- Adoption and absorption
- Networks



Regions are key in this process



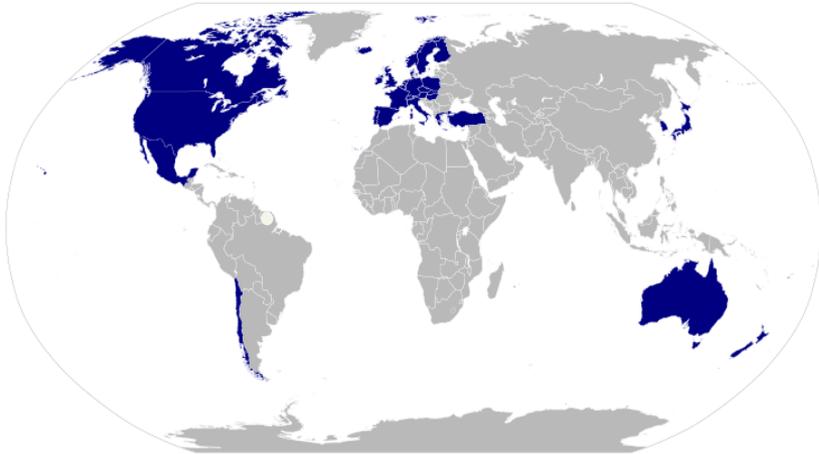
Regional and Rural Policy in OECD



The OECD Working Party on Rural Policy is a unique committee that discusses rural development policies at an international level.

OECD Territorial Reviews:

A series of case studies of regional policy



In OECD member countries :

- ❖ 20 National Territorial Reviews
- ❖ 8 Regional Territorial Reviews (NSPA)
- ❖ 5 Reviews on Regional Innovation Systems
- ❖ 23 Metropolitan Reviews
- ❖ 5 National Urban Policy Reviews
- ❖ 12 National Rural Policy Reviews





Thematic Reviews

❖ Factors of regional competitiveness

(1) Empirical evidence

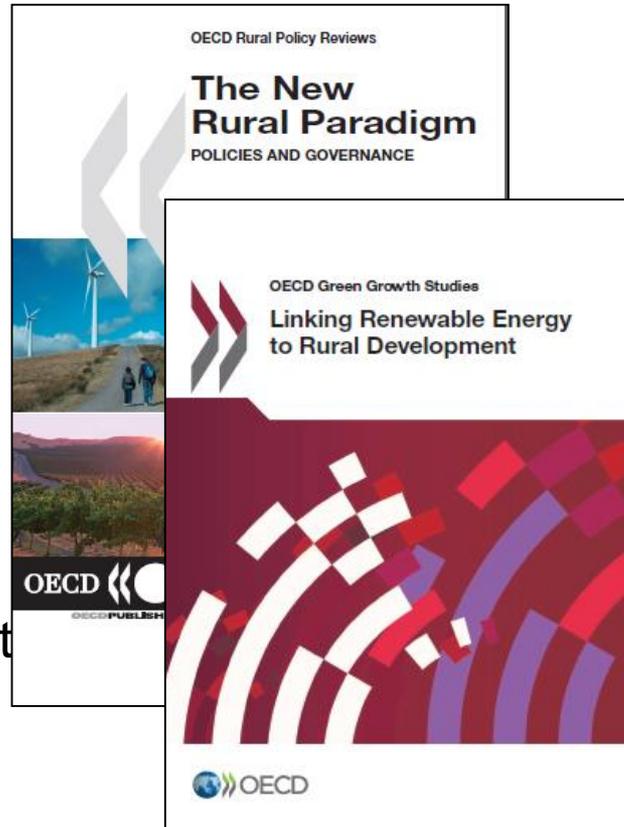
-- General trends

(2) Case studies

- Field analysis
- Questionnaires,
- Peer reviewers, experts



- Policy implications
- Implementation Governance



The new Rural Paradigm

Service delivery in rural regions

Promoting growth in all regions (15)

Linking RE Energy to Rural Dev. (15)

RURAL-URBAN Partnerships (16)

Territorial Approach to FSN

Indigenous Communities



Regional Outlook

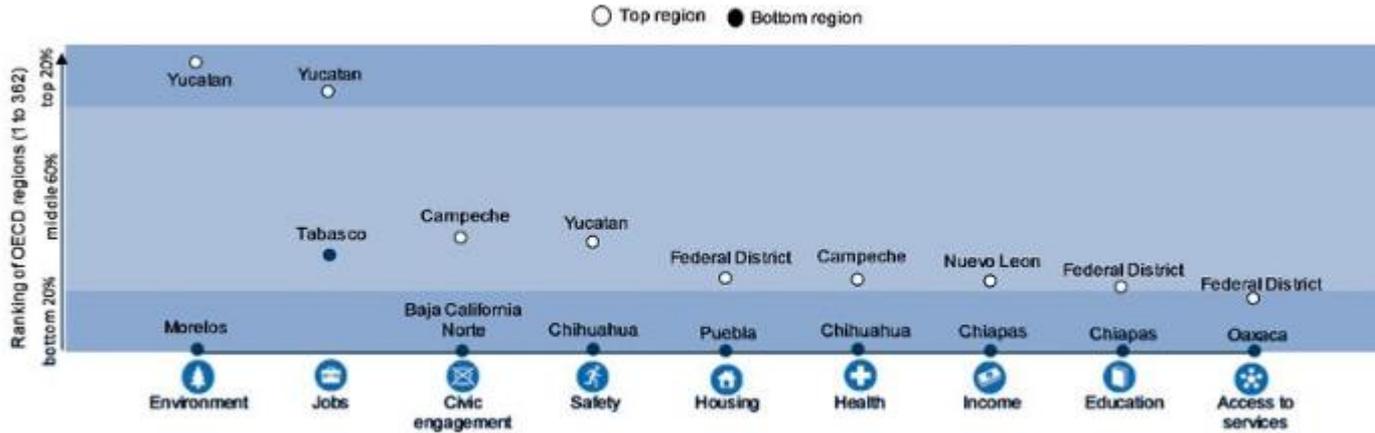
- 2012 : Building Resilient Regions for Stronger Economies
- 2014: Regions and Cities Where Policies and People Meet
- 2016: Productive Regions for Inclusive Societies



How's life in your region?

Regions compared in 11 dimensions

Relative performance of Mexican regions by well-being dimensions



Note: Relative ranking of the regions with the best and worst outcomes in the 9 well-being dimensions, with respect to all 362 OECD regions.

	Topics	Indicators
Material conditions	Income	• Household disposable income per capita (in real USD PPP)
	Jobs	• Employment rate (%) • Unemployment rate (%)
	Housing	• Number of rooms per person (ratio)

	Topics	Indicators
Quality of life	Health	• Life expectancy at birth (years) • Age adjusted mortality rate (per 1 000 people)
	Education	• Share of labour force with at least secondary education (%)
	Environment	• Estimated average exposure to air pollution in PM2.5 (µg/m³), based on satellite imagery data
	Safety	• Homicide rate (per 100 000 people)
	Civic engagement	• Voter turnout (%)
	Accessibility of services	• Share of households with broadband access (%)
Subjective well-being	Community	• Percentage of people who have friends or relatives to rely on in case of need
	Life satisfaction	• Average self-evaluation of life satisfaction on a scale from 0 to 10

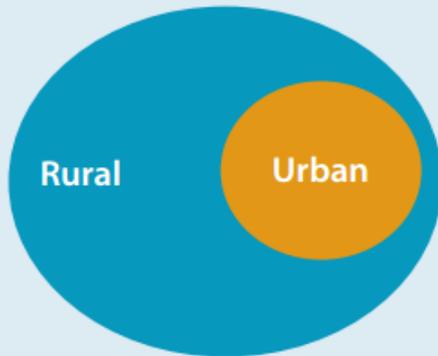


What are regions ?

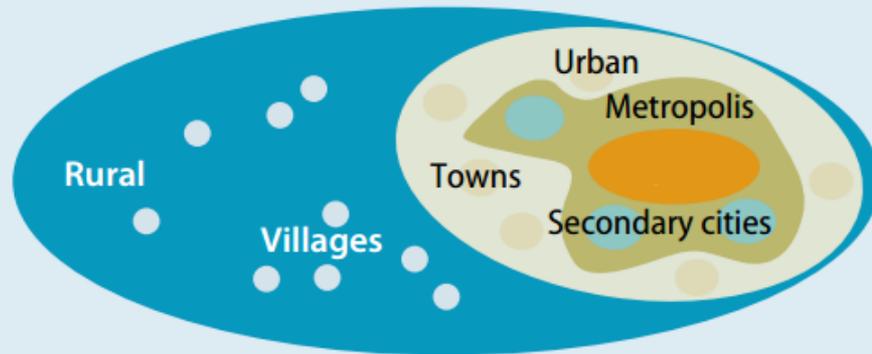
Low density economies



a. The simplified area economy

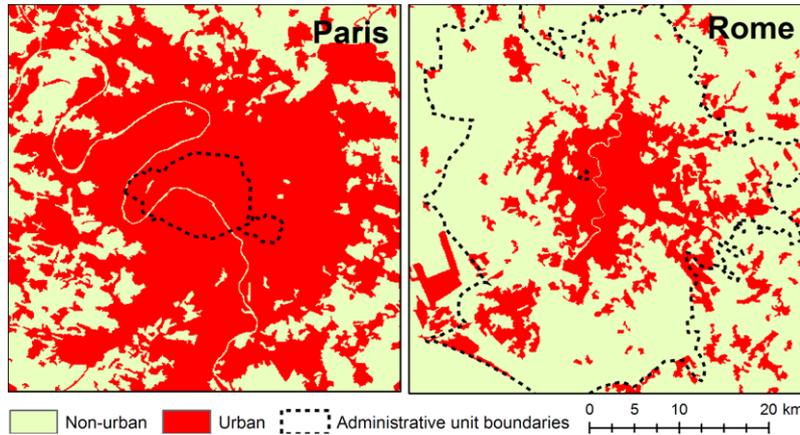


b. And a more realistic representation

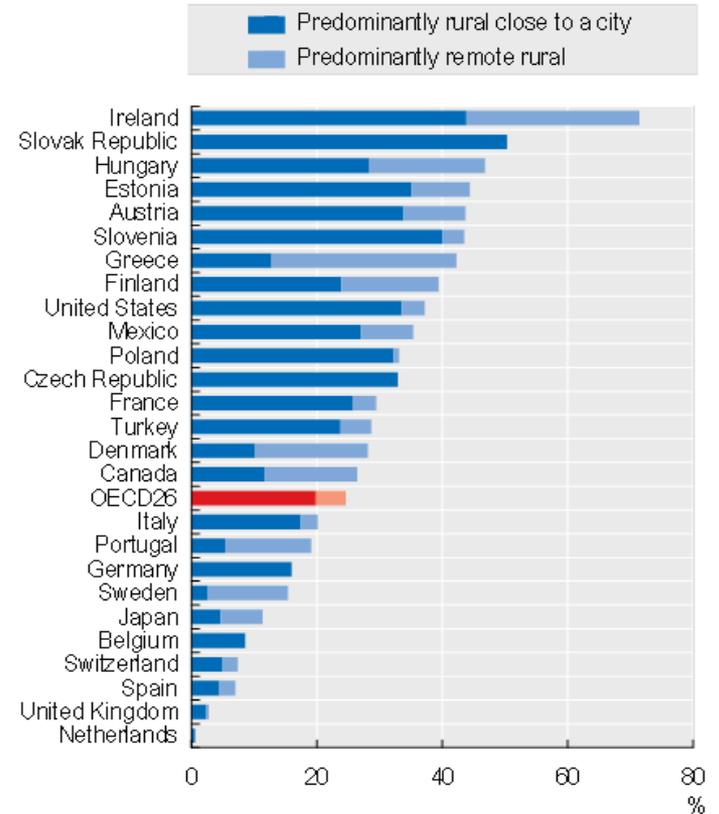
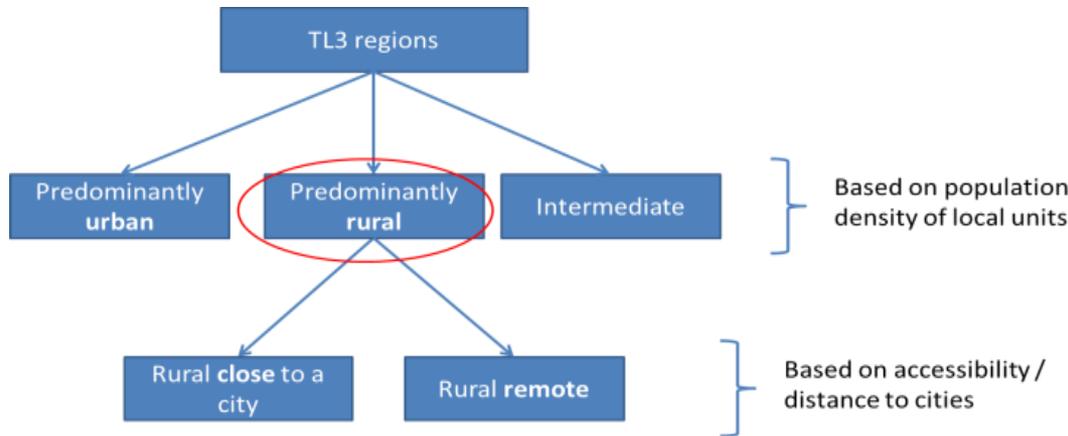




What are regions?

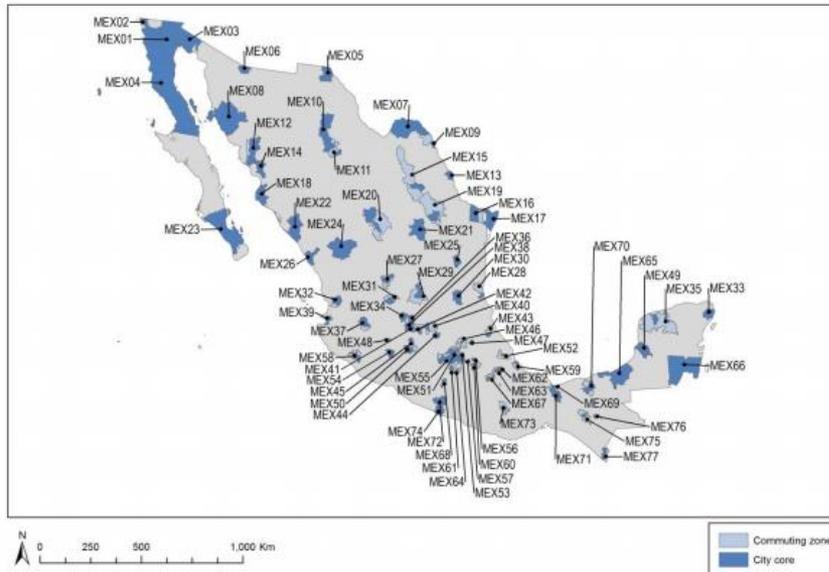


Functional vs. administrative regions





Functional Urban Areas in Mexico



Country	ID on the map	Name FUA	Class type	Total population (2000)	Total population (2014)
Mexico	MEX51	Mexico City	Large metropolitan areas	17,162,654	20,404,259
Mexico	MEX37	Guadalajara	Large metropolitan areas	3,643,307	4,905,204
Mexico	MEX19	Monterrey	Large metropolitan areas	3,327,363	4,823,452
Mexico	MEX60	Puebla	Large metropolitan areas	1,713,670	2,342,519
Mexico	MEX55	Toluca	Large metropolitan areas	1,468,565	2,167,067
Mexico	MEX34	León	Large metropolitan areas	1,258,841	1,775,758
Mexico	MEX05	Juárez	Metropolitan areas	1,139,951	1,417,787
Mexico	MEX02	Tijuana	Large metropolitan areas	1,100,314	1,793,265
Mexico	MEX35	Mérida	Metropolitan areas	1,098,378	1,422,422
Mexico	MEX20	Torreón	Metropolitan areas	1,027,946	1,348,608

Total functional urban areas	57,600,171	75,879,931
Share of national population in functional urban areas	60.4%	63.4%
Number of functional urban areas		77



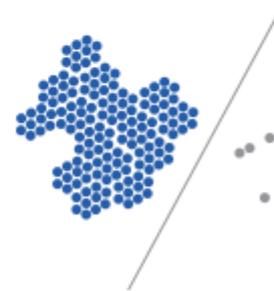
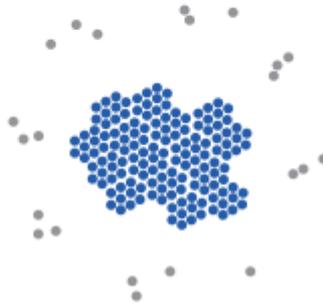
... three types of rural areas present different challenges

Three types of rural regions

Rural inside
the functional
urban area (FUA)¹

Rural outside but
in close proximity
to the FUA²

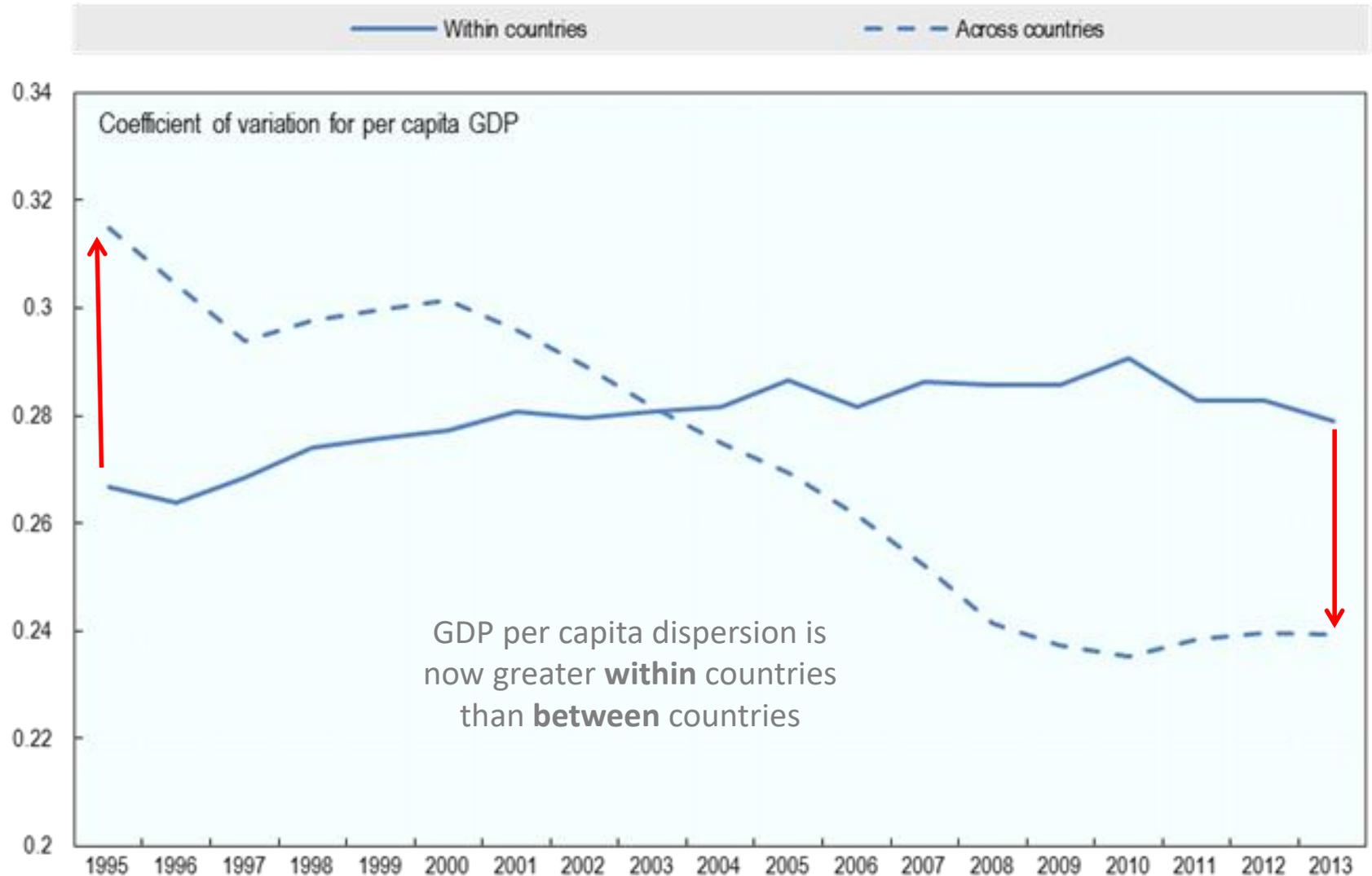
Rural is remote
from the FUA³



- ❖ **Rural within FUA** – part of the catchment area
 - Challenges with service delivery, matching of skills, land use policies
- ❖ **Rural close to cities** – attract new residents, tend to have good industrial mix
 - Challenges to balance economic and social diversity and competition for land and landscape
- ❖ **Rural Remote** – primary activities play a relevant role in the regional economy
 - Challenges to mobilise areas of absolute advantage, improving provision of essential services

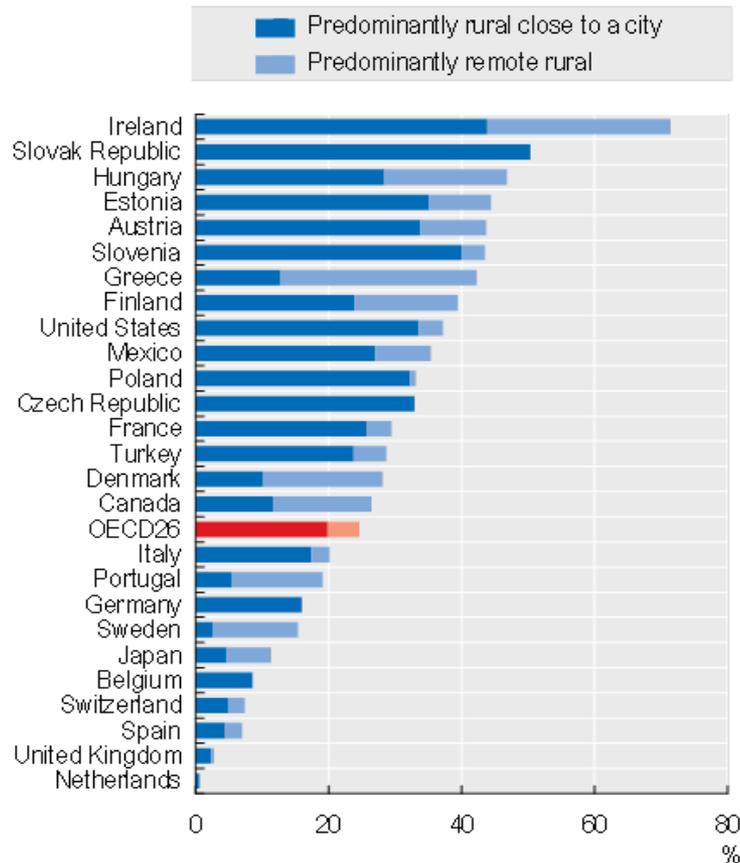


Convergence of countries vs. divergence of regions in the OECD





Urban and rural regions are increasingly integrated

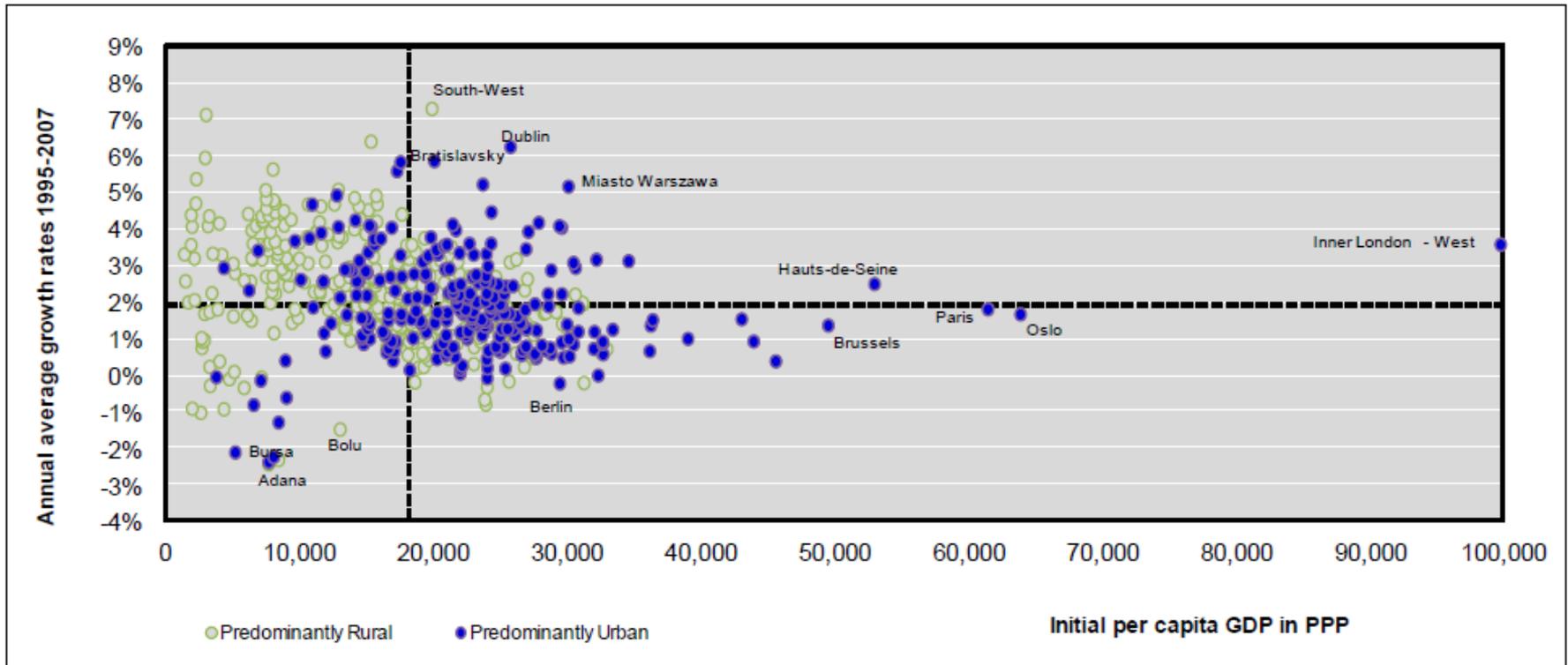


- ❖ ***In OECD countries, 26% of population live in PR regions (297 million)***
- ❖ ***20% in rural regions close to an urban area (235 million)***
- ❖ ***6% in remote rural regions (62 million)***



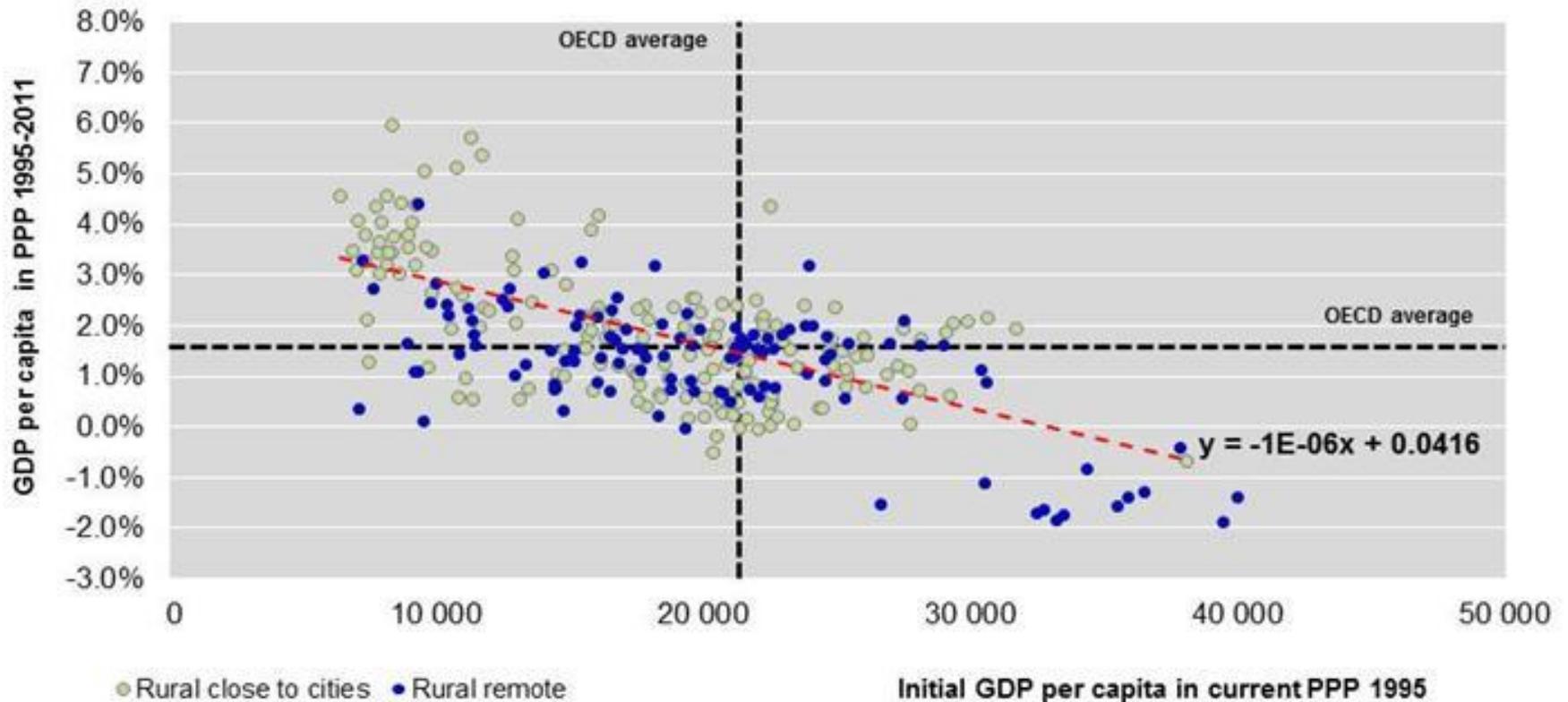
There is no single/unique path to growth...

No marked convergence or divergence profiles by type of region
Predominantly urban and rural regions, 1995-2007





Convergence forces in low density regions...





Convergence forces in low density regions...

Summary Statistics

	GDPpc		GDPpw		Population	
	2000	2012	2000	2012	2000	2012
PU	120.6%	121.1%	112.0%	111.9%	231.5%	229.3%
IN	98.6%	99.7%	99.2%	99.3%	102.6%	101.4%
PR	85.5%	83.9%	91.6%	91.4%	50.0%	49.9%
PRC	85.8%	86.3%	91.3%	93.3%	72.9%	74.3%
PRR	84.9%	79.9%	91.9%	88.5%	24.0%	22.6%
All	100%	100%	100%	100%	100%	100%

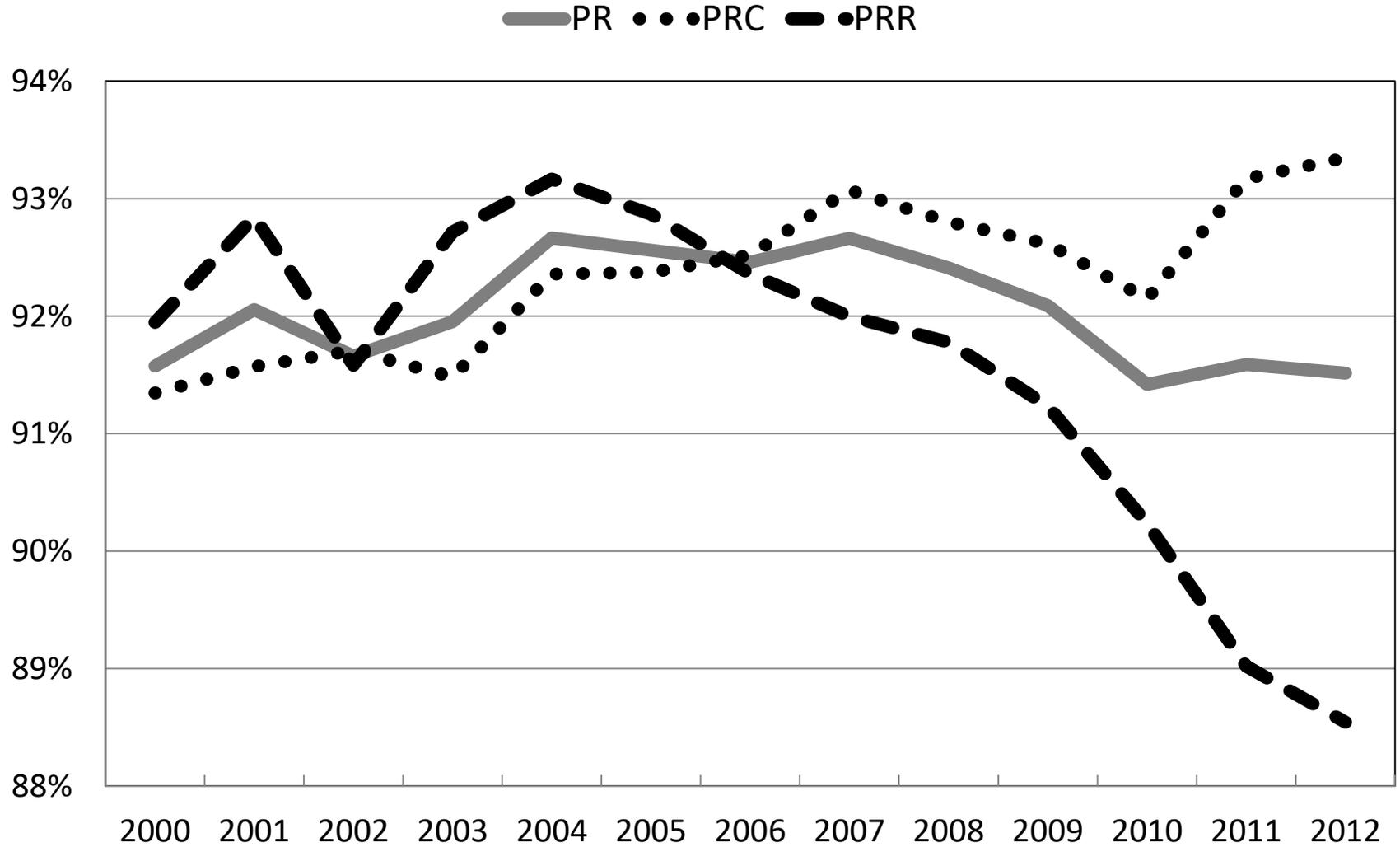
	Growth GDPpc		Growth GDPpw		Population growth	
	2000-08	2008-12	2000-08	2008-12	2000-08	2008-12
PU	2.07%	-0.70%	1.39%	0.24%	0.78%	0.67%
IN	1.98%	-0.28%	1.29%	0.65%	0.58%	0.45%
PR	1.95%	-1.11%	1.62%	0.12%	0.35%	0.38%
PRC	1.95%	-0.28%	1.77%	0.56%	0.63%	0.55%
PRR	1.95%	-2.45%	1.38%	-0.61%	0.02%	0.18%
All	1.99%	-0.70%	1.44%	0.34%	0.50%	0.46%

Note: Data refer to GDP and GVA evaluated at PPP constant 2010 US dollars, using the SNA2008 classification.

... driven primarily by rural close to cities.



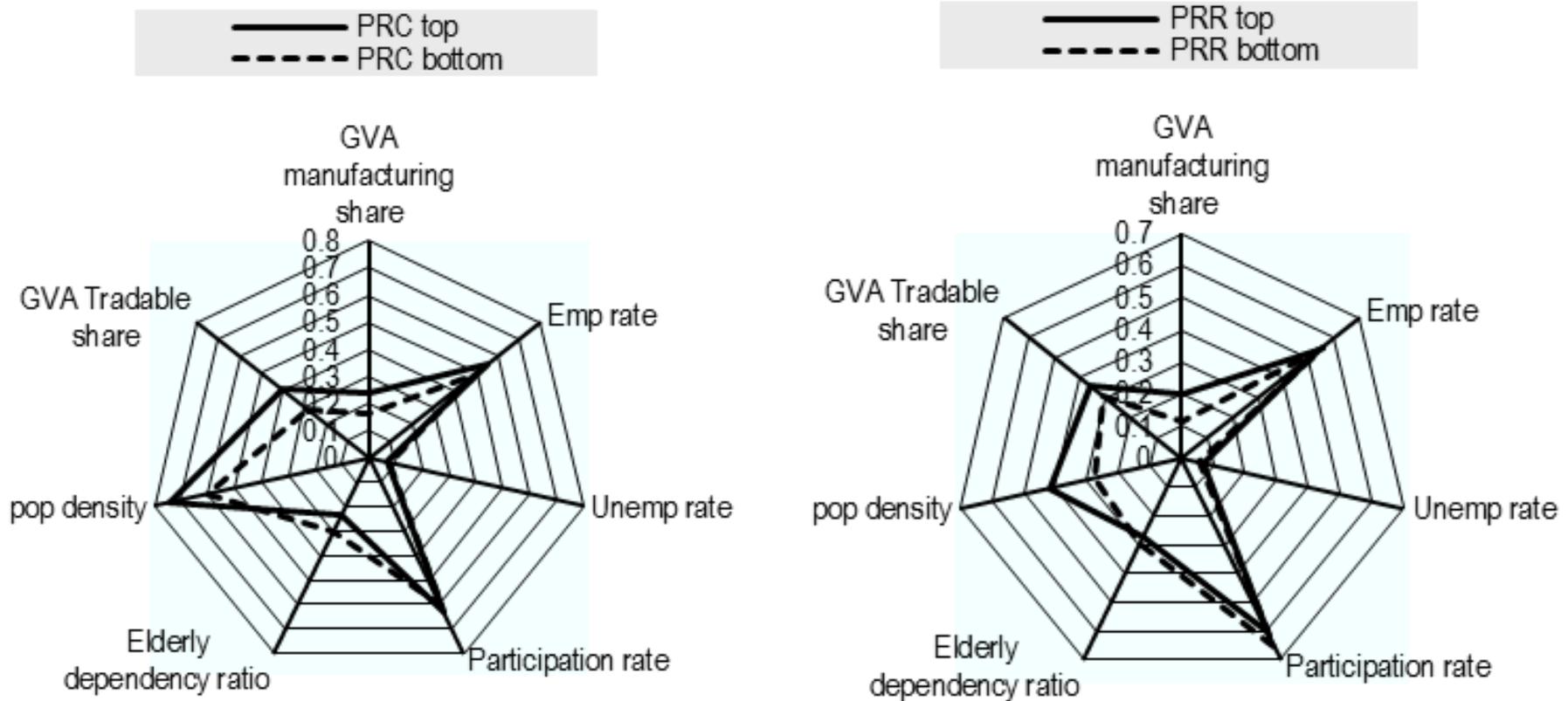
Convergence forces drive by rural close to cities...





What are the key drivers of productivity growth?

Determinants of productivity growth before the crisis (2000-2008)



- **Tradable activities** are key for rural close to cities and remote rural
- A minimum level of **density** is key for economies of scale/scope and delivery of goods and services.

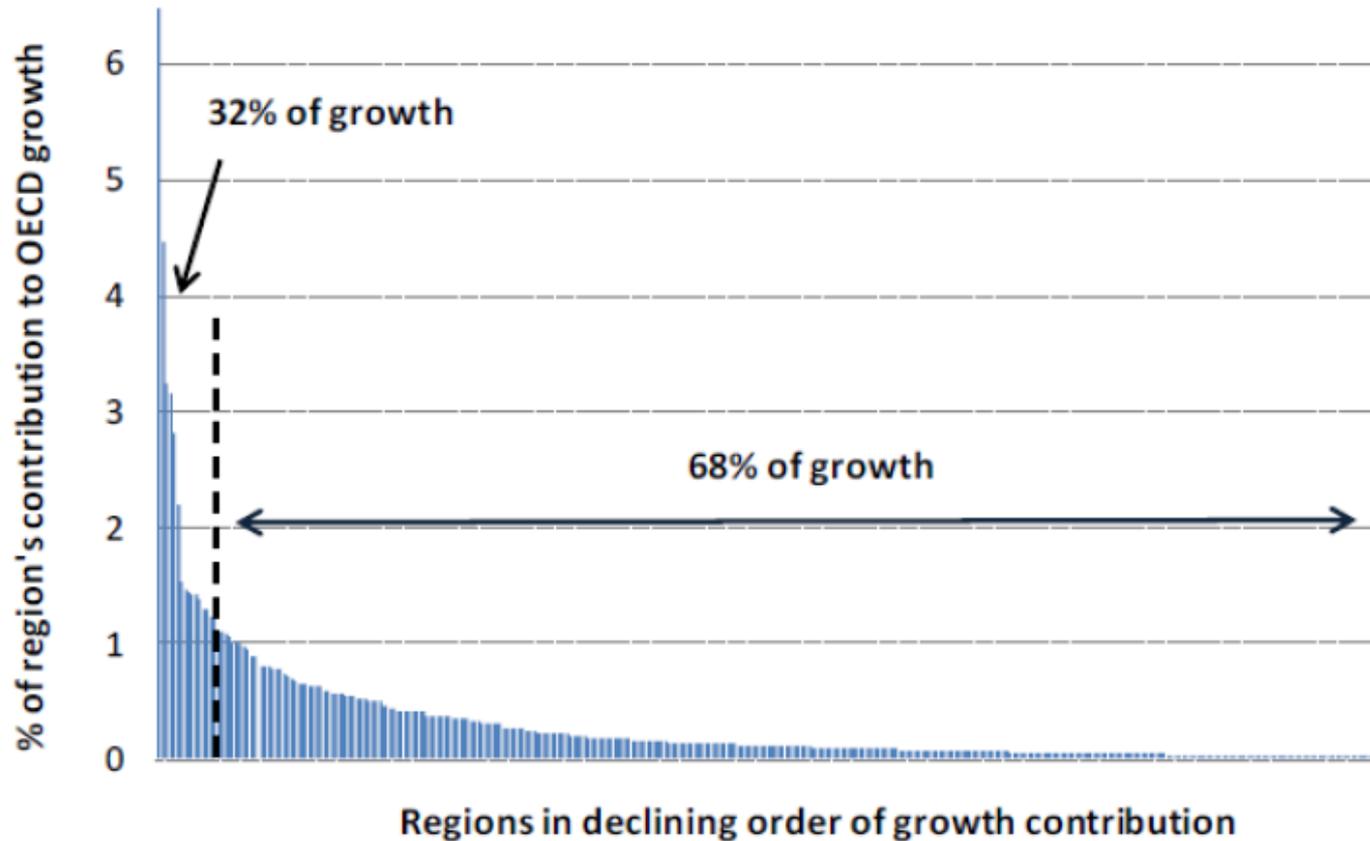


Summary of trends

- ❖ **Low density regions display convergence trend:**
 - there is growth potential
- ❖ **No systematic evidence of rural paradox**
 - sustainability is possible
- ❖ **Rural close to cities particularly dynamic**
- ❖ **Tradable activities are key**
- ❖ **Agglomeration benefits can occur at different scales**
- ❖ **Enabling factors are key (skills, accessibility)**
- ❖ **Demographic challenges and service provision**

Contributions to aggregate growth depend on few hub regions...

Contributions to growth by OECD TL2 Region, 1995–2007



Source: OECD Regional Database (Territorial Level 2 regions).

...the fat tail is equally important -- if not more -- to aggregate growth...



Outline

1. Performance rural and urban regions

- Research methods, data and definitions
- Trends and diagnosis

2. Policy considerations

3. Framework for action



OECD Regional Policy Paradigm

Compensating lagging regions does not work:

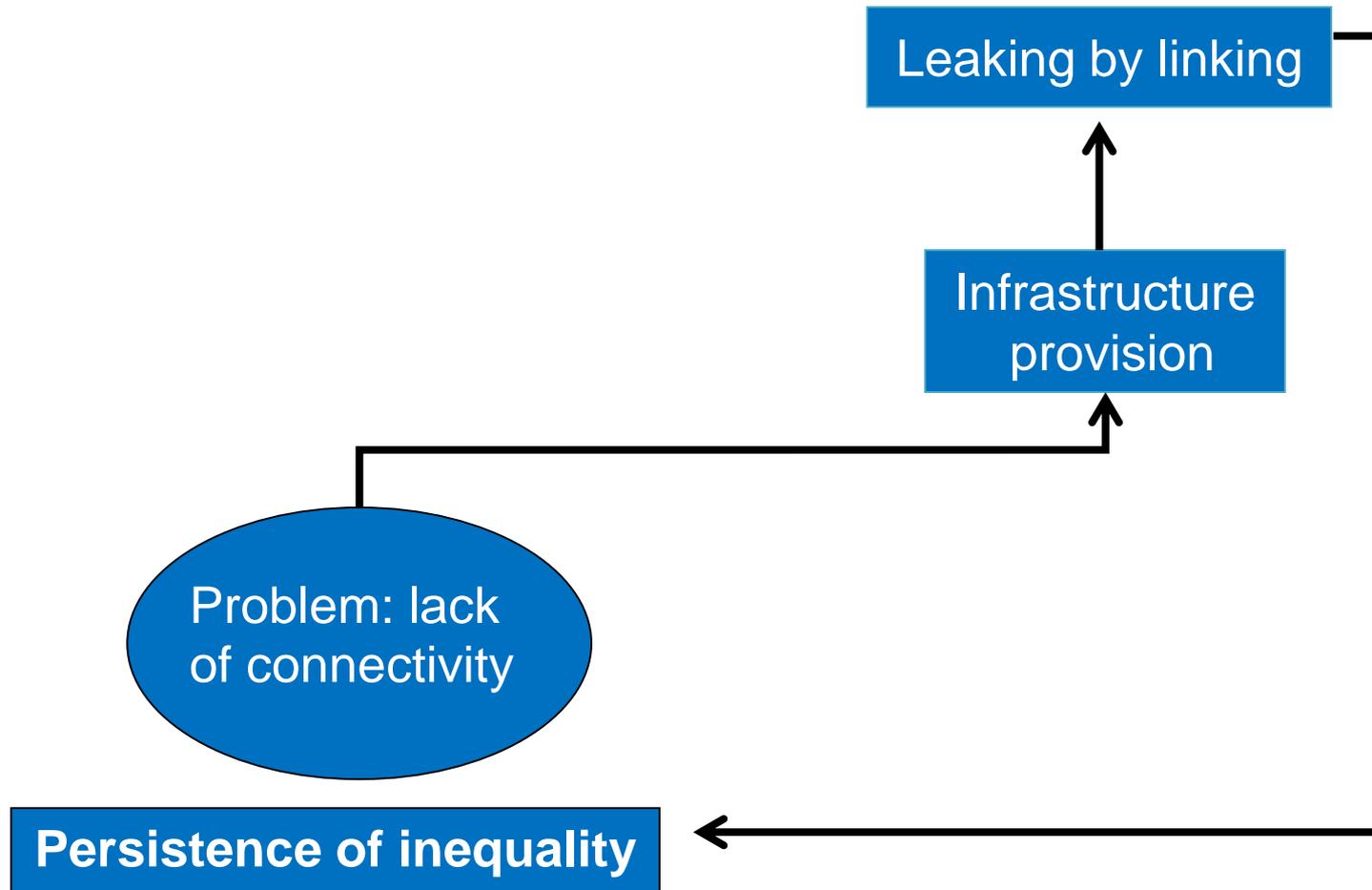
- Creates dependency, not development
- Wealthier regions may become reluctant to support lagging regions

OECD promotes 'place-based' policies focusing on:

- Use of **regional specific assets** (or create absolute advantages to stimulate competition & experimentation across regions)
- Create **complementarities among sector policies** at the regional (or local) level
- Use of **multi-level governance mechanisms** for aligning objectives & implementation

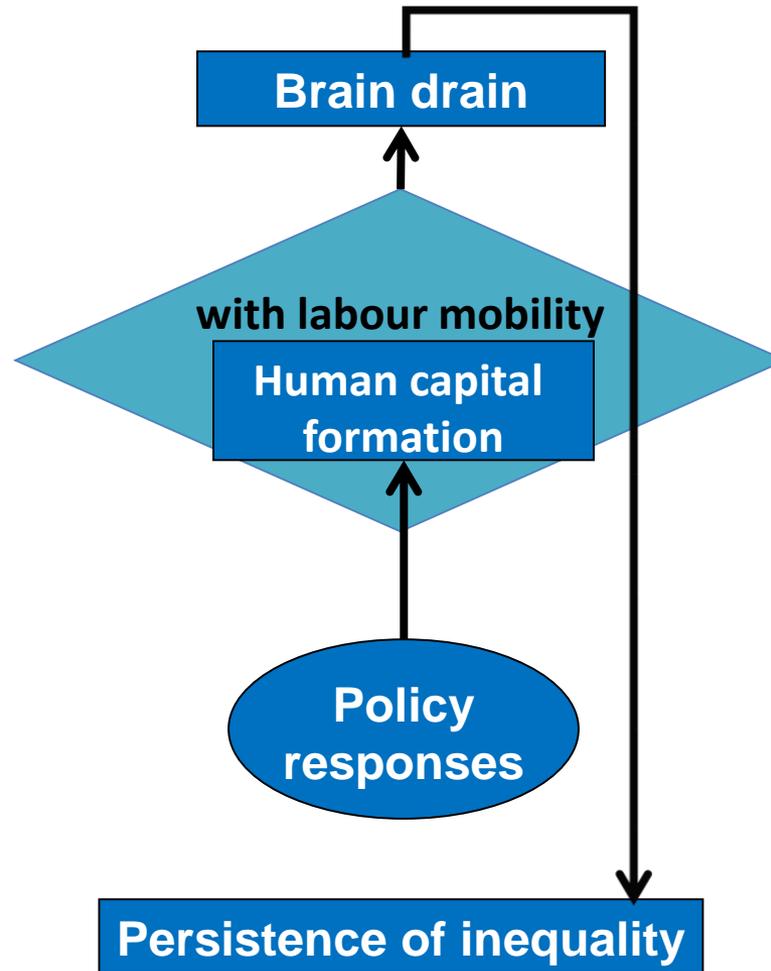


The policy headache: isolated sectoral action may have unintended outcomes.





The policy headache: isolated sectoral action may have unintended outcomes.





Towards a Multidimensional Response

Regional growth
and convergence

Many countries are reforming in this direction, but implementation is still difficult.

At the regional scale

Innovation

Business
environment

Human capital
formation

Infrastructure
provision

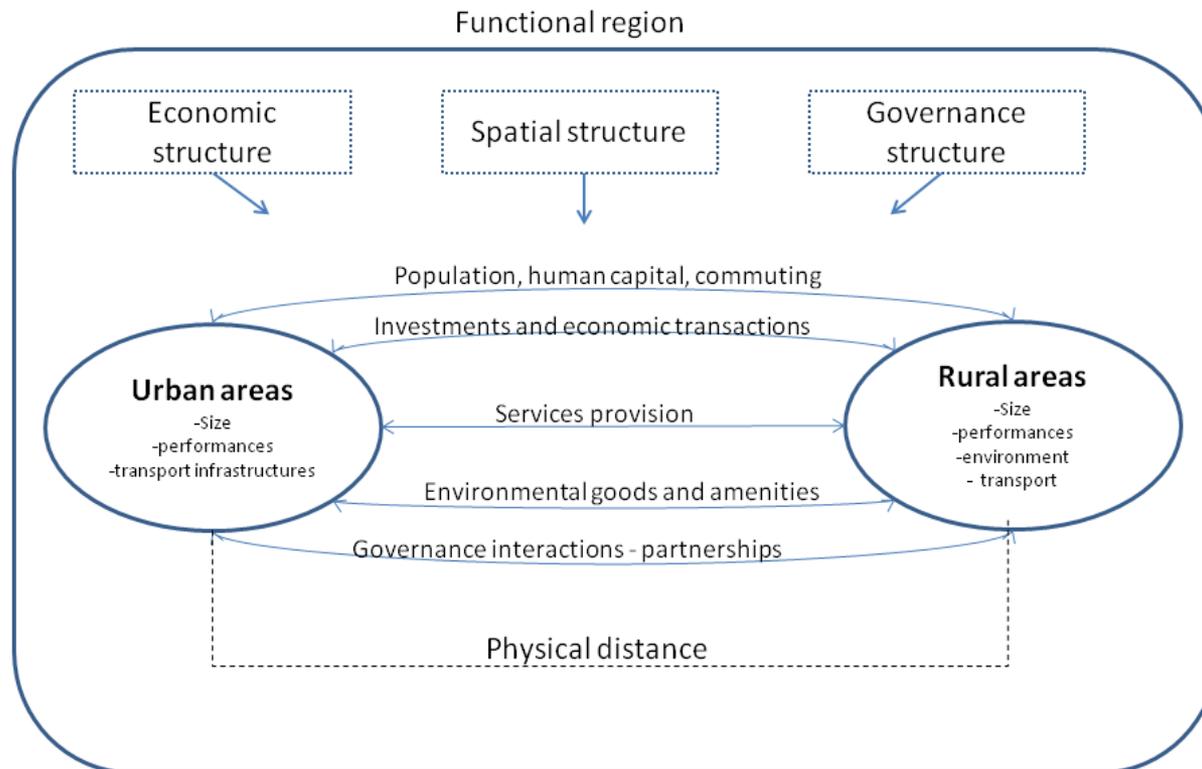
Policy
responses

- Horizontal evidence?
- Policies ?
- Institutions ?



Capitalise on Rural Urban Linkages

- **Labour market flows are key, but there are other crucial Rural-Urban interactions**
 - ❖ The spatial scale to consider depends on the **purpose of the partnership**
 - ❖ The spatial scale of cooperation should be **flexible**





Building effective and sustainable rural-urban partnerships: a strategy

Matching

...the appropriate scale

1. Better understanding of Rural-Urban conditions and interactions

2. Addressing territorial challenges through a functional approach

Engagement

...including relevant stakeholder

3. Working towards a common agenda for urban and rural policy

4. Building an enabling environment for Rural-urban partnerships

Learning

...to be more effective

5. Clarifying the partnership objectives and related measures



Further Policy Considerations

1. Identifying drivers in rural areas

- Tradables (manufacturing), renewable energy, natural resources, services, fisheries, forestry, agriculture, tourism, natural amenities
- Finding the niche (smart specialisation)

2. How to add value in these domains

- Policy focus on enabling factors: skills, accessibility, market intelligence, institutions, innovation

3. Demographic trends and forward looking policies

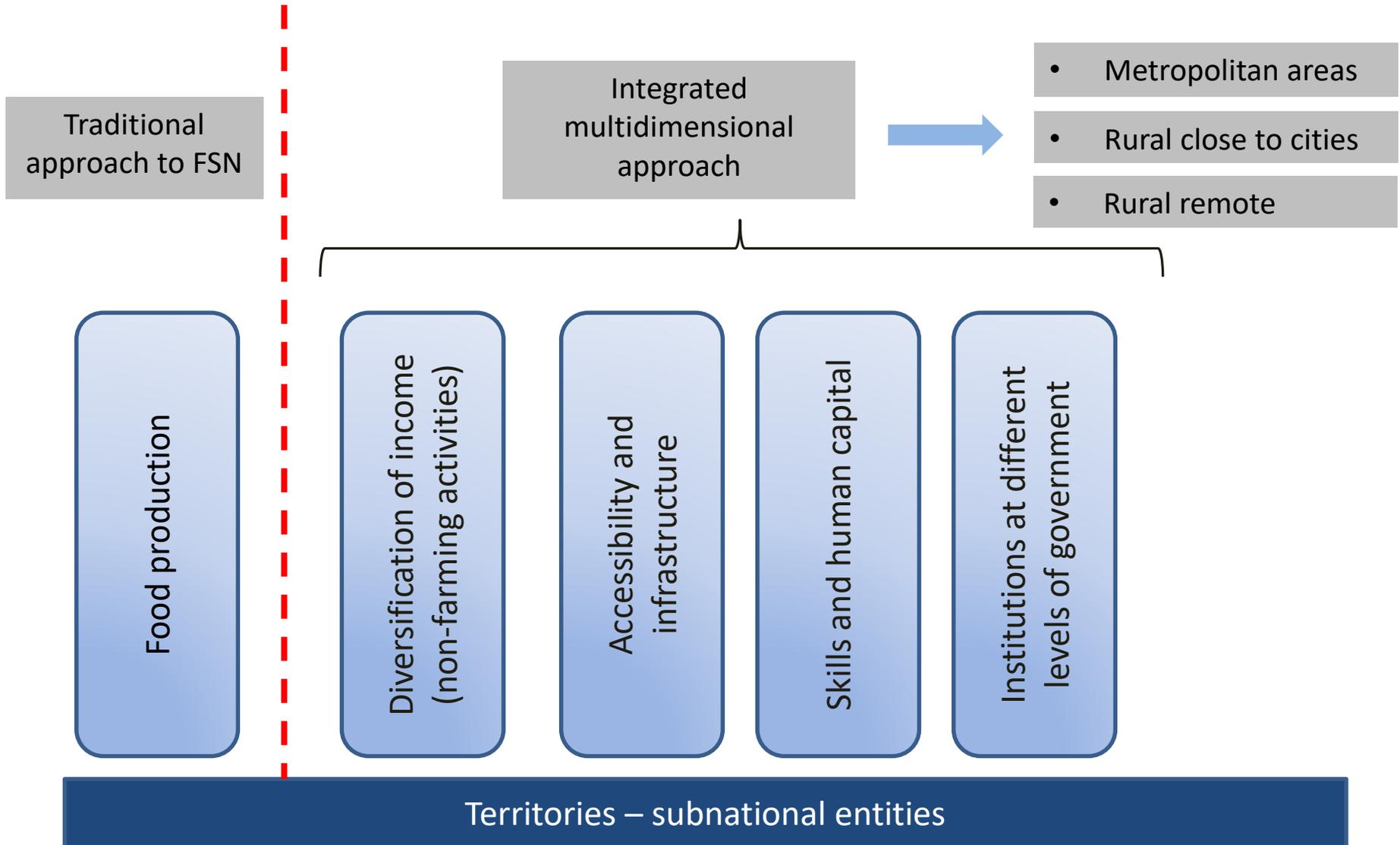
- Address long term cost enhancing efficiency in service provision (planning, ICT)
- Mitigation and adaptation to climate change

4. Address spatial pockets of poverty in low density areas

- Beyond transfers, identify bottlenecks of enabling factors, better target national. Regional and local interventions



Enhancing strategies and programmes beyond agriculture (FSN)

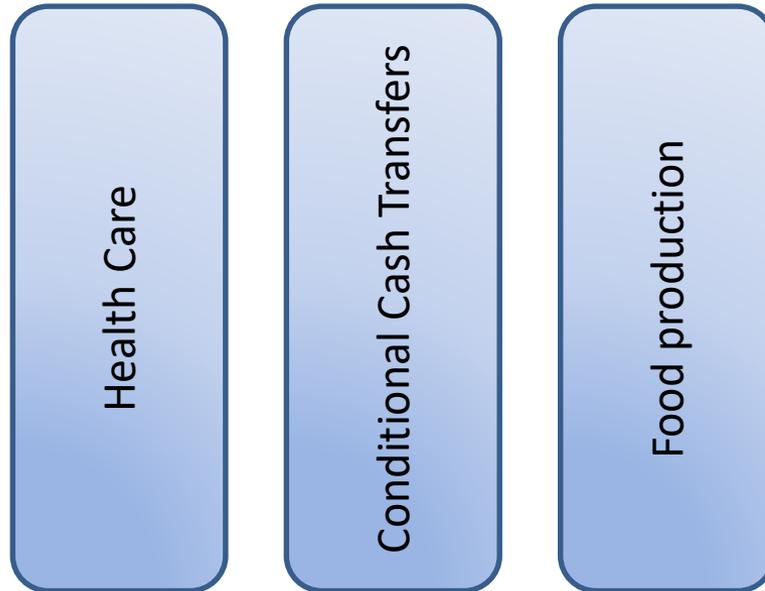




Linking social policies with economic growth policies (FSN)

- Physical AVAILABILITY of food
- Economic and physical ACCESS to food
- Food UTILIZATION
- STABILITY of the other three dimensions over time

Typical domain of Food security and nutrition policies



Pro-growth policy



Territories – subnational entities



An Evolving OECD Rural Paradigm

Rural Policy 3.0

	Old Paradigm	New Rural Paradigm (2006)	Rural Policy 3.0 –Implementing the New Rural Paradigm
Objectives	Equalisation	Competitiveness	Well-being considering multiple dimensions of: i) the economy, ii) society and iii) the environment
Policy focus	Support for a single dominant resource sector	Support for multiple sectors based on their competitiveness	Low-density economies differentiated by type of rural area
Tools	Subsidies for firms	Investments in qualified firms and communities	Integrated rural development approach – spectrum of support to public sector, firms and third sector
Key actors & stakeholders	Farm organisations and national governments	All levels of government and all relevant departments plus local stakeholders	Involvement of: i) public sector – multi-level governance, ii) private sector – for-profit firms and social enterprise, and iii) third sector – non-governmental organisations and civil society
Policy approach	Uniformly applied top down policy	Bottom-up policy, local strategies	Integrated approach with multiple policy domains
Rural definition	Not urban	Rural as a variety of distinct types of place	Three types of rural: i) within a functional urban area, ii) close to a functional urban area, and iii) far from a functional urban area



Why indigenous communities are important for regional and rural development in OECD countries



Our journey so far

- **A number of projects that have looked at indigenous issues mainly related to rural development over past 5 years** (South Africa, Chile, Colombia, Peru, Norway, Sweden and Finland) → desire from Canada for RDPC to take a role
- **Regional development framework can address key challenges facing indigenous communities** → place-based, bottom up and partnerships, coordination and policy coherence, enabling factors and reducing subsidies ...
- **Discussion Paper and special session on indigenous communities at 19th meeting of OECD Working Party on Rural Policy Nov 2016** → with Sami Parliament of Sweden and Indigenous Peoples Secretariat of Arctic Council (with interventions from USA, Canada, NZ, Australia, Colombia, and Sweden)
- **Since November 2016 working with countries toward a global project on better linking indigenous communities with regional development** (scoping, seeking feedback, and fundraising) → internal dialogue within OECD to lift profile and better coordinate efforts (LEED, ENV, EDU, GRS and TAD)



Indigenous communities are important to regional and national wellbeing

Connection to land:

- Legal recognition/rights and stewardship of land, sea, and resources - key players in shaping tradeable sectors and investment climate
- Local knowledge that is important for managing natural resources and adapting to climate change

Source of economic growth and opportunity:

- Unique business and employment opportunities (e.g. ecotourism, food and agriculture, natural resource management) that can diversify regional economies
- Indigenous populations are generally growing faster than non-indigenous populations – labour resource and consumption of services

Significant barriers to economic participation remain:

- Experience poorer socio-economic outcomes (health, education, housing, and employment) – latent potential and key to achieving inclusive growth



Indigenous population across OECD...

Country	Indigenous peoples	Population	% national population
Australia	Indigenous	670 000	2.8
Canada	First nation/Inuit/Metis	1 400 685	3.9
Chile	Various	1 565 915	8.7
Denmark (Greenland)*	Inuit	51 377	0.9 (91.6)
Finland	Sami	8 000	0.1
France (New Caledonia)*	Kanak	70 000	0.1 (25.9)
Japan	Ainu	28 782	0.02
Mexico	Various	15 703 474	12.4
New Zealand	Māori	645 000	14.0
Norway	Sami	50 000 – 65 000	1.0 – 1.3
Sweden	Sami	20 000	0.2
United States	American Indian/Alaskan native	5 200 000	1.6
TOTAL		25.4 million	3.9

Source: Food and Agricultural Organisation (<http://www.fao.org/indigenous-peoples/en/>) and OECD

*Greenland is defined as an autonomous country within Denmark, whilst New Caledonia is a special collectivity of France



and partner countries...

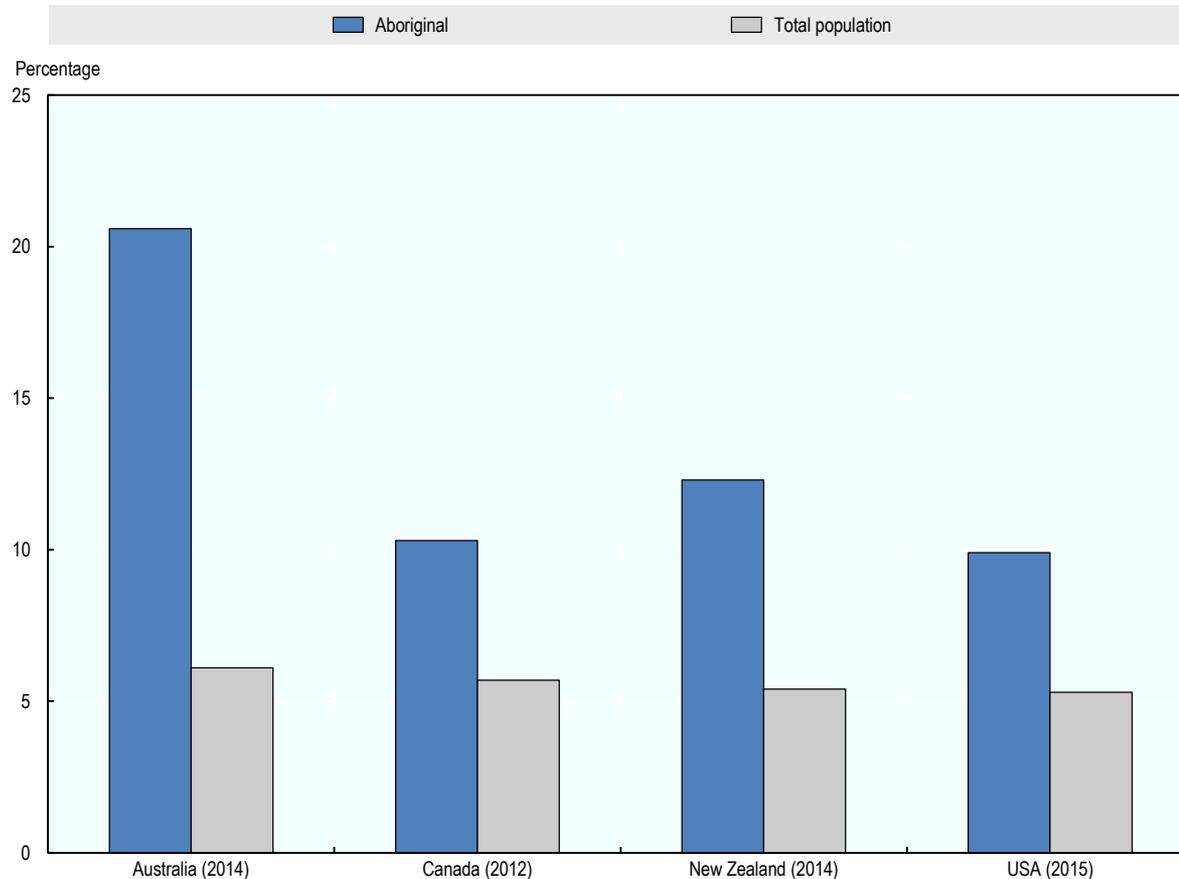
Country	Indigenous peoples	Population	% national population
Costa Rica	Various inc. Bruca and Bribri	104 143	2.5
Colombia	Various (65 Armerindin languages)	392 623	3.4
Brazil	Various inc. Guarani	896 917	0.47
Indonesia	Masyarakat Adat	50 000 000 – 70 000 000	19.4 – 27.2
India	Adivasi	84 000 000	6.4
South Africa	San People and Khoekhoe	529 819	1
Morocco	Amazigh and Berber	8 510 627 – 20 000 000	24.8 – 58.2
Peru	Various inc. Quechua and Aymara	4 000 000	4
Russian Federation	Various inc. Sami and Yupiq	250 000	0.2
TOTAL		164 428 816	7.7

Source: Food and Agricultural Organisation (<http://www.fao.org/indigenous-peoples/en/>) and OECD and World Bank



Key to achieving inclusive growth

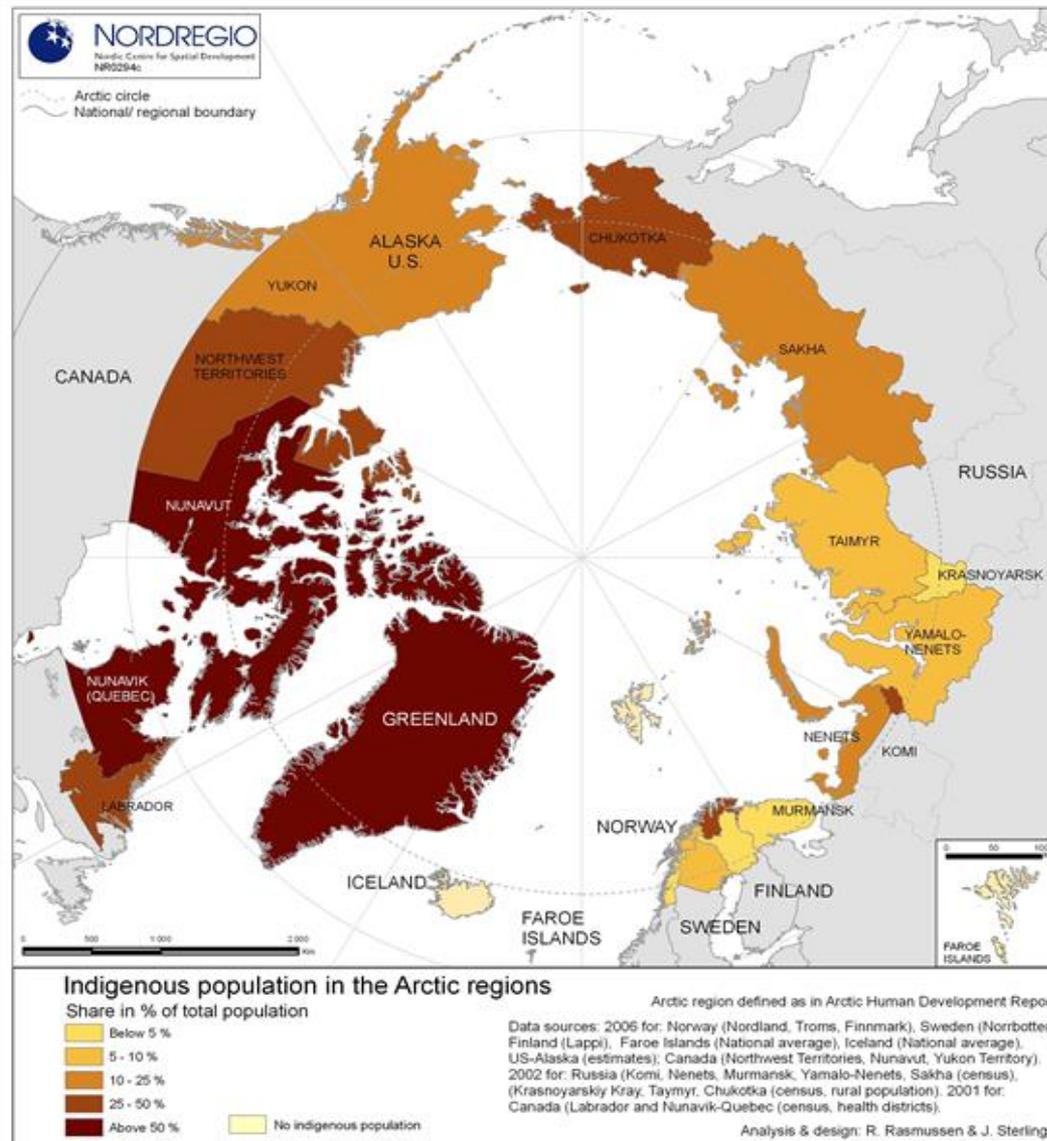
Unemployment rate, indigenous population compared to national levels – Australia, Canada, New Zealand, and United States



Source: Statistics Canada 'Aboriginal peoples survey: educational attainment and labour force status'; Australian Bureau of Statistics 'National Aboriginal and Torres Strait Islander Social Survey 2014-2015'; Statistics New Zealand 'Household Labour Force Survey: September 2014 quarter'; US Bureau of Labor Statistics 'Labor force characteristics by race and ethnicity, 2015.



Indigenous populations are significant in some rural and remote areas





OECD work on this topic



Value-add of the OECD

- Framework based on productivity and inclusive growth
- Objective and evidence-based
- Peer review mechanism and participatory approach
- Outside perspective by a respected international institution
- Tap into different competencies within OECD (e.g. local skills, employment, tourism, SMEs and entrepreneurship, environment, mining etc.)



Literature review – indigenous policy trends

- **Self-determination** now accepted as a principle across most countries – has led to the creation of **self-governing and semi-autonomous** indigenous organisations at national and subnational levels
- **Linked to land rights** (rights to use land for traditional purposes, participate/ determine future land use, and negotiate benefits from resource extraction) **with important variations between countries**
- **National policy priority** because of entrenched inequalities and recognition of historic institutional discrimination
- **Policy shift from subsidies toward mobilising potential** (unlocking the value of land, access to finance, education and skills, capacity building)



OECD regional development work on the indigenous topic

- **Entrenched inequalities** – which are worse in rural and remote areas
- **Challenging and difficult historical context** – lack of trust, seen as impediment to development, and engagement processes which are not culturally appropriate
- **Weak multi-level governance and low community capacity** – bilateral relationship with national agency, governance of reservation land separate from regional context, and lack of effective community capacity and leadership
- **Lack of policy and delivery coherence at the regional and local level** – different programmes and investments (targeted and not targeted to indigenous people) are not well coordinated
- **Lack of local area data and capacity to use it** – makes it difficult to identify assets and role in regional economies, participate in the development process

Our work on this topic can be found in the following reports: Rural Policy Review of Chile (2014), Territorial Review of Colombia (2014), Stakeholder Engagement for Inclusive Water Governance (2015), Territorial Review of Peru (2016) Territorial Review of the Northern Sparsely Populated Areas (2017), and Multi-level Governance Reviews – Chile (forthcoming)



Work done by the OECD on this topic

Directorate	Areas of work
Centre for Entrepreneurship, SMEs and Local Development	<ul style="list-style-type: none">• Promoting more inclusive approaches to local employment and skills development activities• Strengthening the role of community development finance institutions and supporting entrepreneurship
Directorate for Education and Skills	<ul style="list-style-type: none">• Inequalities in education and training outcomes, and good practices to improve them for indigenous students
Directorate for Environment	<ul style="list-style-type: none">• Role of indigenous lands in environmental protection and sustainable development, and traditional knowledge in environmental management
Directorate for Financial and Enterprise Affairs	<ul style="list-style-type: none">• Guidelines for extractive industries to engage with indigenous communities, and responsible business conduct
Directorate for Trade and Agriculture	<ul style="list-style-type: none">• Guidelines for business in relation to natural resources, and local content policies in mining export countries
Economics Department	<ul style="list-style-type: none">• National policies to address inequalities in socio-economic outcomes and managing impact of agriculture in traditional settlement areas



***Linking indigenous communities with
regional development (project)***



Purpose of the project

To develop policy recommendations for OECD and partner countries to improve economic outcomes for indigenous people by better linking them with regional development efforts.



Rationale for the project

- Important issue for RDPC committee (Canada, USA, Australia, New Zealand, Colombia, Chile, Peru, and Sweden)
- OECD regional development framework can put focus on critical indigenous policy issues – economic development, policy coherence, community capacity, and data
- OECD expertise and peer review mechanism can help improve policies related to indigenous economic development within countries
- Opportunity to develop more strategic focus within OECD and raise the profile of indigenous policies as a national economic policy issue



Project outputs

Outputs	Description
Global / thematic report	<ul style="list-style-type: none">• Statistical chapter – descriptive and diagnosis• 2x policy chapters (themes of “people” and “land”)• Chapter on governance, funding and financing, and capacity building• Appendix with short country profiles (demographic/ institutional and policy settings)
In-depth country case studies	<ul style="list-style-type: none">• Statistical analysis – descriptive and diagnosis• Assessment of 2/3 key policy issues• Assessment of governance and funding related issues
Knowledge-sharing activities	<ul style="list-style-type: none">• Initial project workshop• Mid-term project workshop• Workshops and events on missions



Mixed methods approach

- **Literature review** (existing academic research, policy evaluations)
- Analysis of **qualitative data** collected through:
 - Survey to national /sub-national governments to collect an assessment of current policy and governance settings, and information on data sources
 - Survey to participating place-based indigenous communities to collect information about their vision for development, bottlenecks/enabling factors for development, and local leadership arrangements
 - Notes and observations from **missions** to countries (meetings with key policy stakeholders and place-based indigenous communities and, workshops/knowledge-sharing activities)
 - Relevant policy documents and reports
- Analysis of **quantitative socio-economic, land use, and investment data** from national statistical and administrative sources (descriptive, correlation, use of micro data to estimate economic contributions)



Project outcomes

- **Objective assessment of policies** by a respected international economic institution, which can give momentum to reform efforts within countries
- **Provision of tailored evidence and advice** that supports the development of business cases, and the future design of policies, strategies and programmes
- **Stronger relationships** across different portfolio areas and levels of government, and other sectors (communities, business, and not for profit) about indigenous economic development issues
- Develop a **common pool of knowledge between OECD member and partner countries** about different policy instruments and their results
- **Stronger OECD agenda** about indigenous peoples that is supported by a more coordinated approach to this topic (e.g. policy issues such as entrepreneurship, gender, land use and environment).



Project implementation (TBC)

- **Project launch and workshop:** 20th September in Quebec City, Canada **Data collection and surveys to countries:** key phase will be September → November 2017
- **Missions to countries:** November 2017, January → June 2018
- **Mid-term project event:** April 2018
- **Consideration of report by OECD Regional Development Policy Committee:** by January/ February 2019
- **Event to communicate findings and recommendations:** April/ May 2019



Drafting of the report and case studies will begin when the project is launched , and continue until it is finalised in late 2018/ early 2019. Countries will have the opportunity to comment on the draft report/ case studies before they are considered by the RDPC Committee.

thank you

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