

New Urban-Rural relations in the face of the “Demographic Challenge”¹ in Spain: The Role of Small Intermediary Cities

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► Small and medium cities and towns in the face of the re-urbanisation process

From a functional point of view, nuclei of lower urban hierarchy in spaces in between large cities, that act as proximity sub-centers for smaller municipalities, are of great importance (Epstein, 1964). Small and medium cities and towns (SMC&T) are not always at the bottom of the urban hierarchy in functional terms. They have been playing an intermediary role, providing services and supporting local development based on endogenous resources and potentials (geographical location, city's local economic base, the strength of sub-regional economy, available quality of life...). Strong cultural traditions of entrepreneurship (e.g. industrial districts with small and medium enterprises) make some of them productive and competitive.

However, Spain, as Europe, has changed significantly in the past fifty years. Being industrial and primarily rural, became mainly urban and metropolitan. In this period, towns, suburbs, and the neighboring areas increased their population, due to population moves from rural areas to cities and towns, and from the core cities to wider suburbs and urban regions. Generally speaking, SMC&T were the major beneficiaries of the counter-urbanization in the 1960s and 1970s. However, in Spain, the situation was a little different because of the rural exodus to the main cities (Madrid, Barcelona, Bilbao,

1. It refers to depopulation process in rural areas, increasingly empty of population, activities and services.

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Valencia, Seville, Zaragoza, Valladolid, Vigo...) in the 1950s and 1960s. This trend was reversed at the end of the 1970s and the first 1980s, in tune with the general European trend. In Spain, years 1980s were those of metropolitanization process, when capital cities centrifuged population to surrounding areas and lower tier cities.

In the 1990s, within a clear context of economic globalization and neoliberal arguments, cities and territories wanted to compete with each other to attract investments, capital fluxes, and more competitive and advanced economic sectors. While the population is displaced around these nodes due to housing high prices, housing use is changed by other ones related to business and trade. This new trend of re-urbanization causes substantial revitalization in the cores of Europe's cities and the metropolitanization phenomenon. Then cities, suburbs and towns become combined settlements with shared transport systems and public services around the big city. This is going to mean a radical change and a threat to the objective of functional polycentrism (with its redistributive role and its positive effects on the objective of territorial cohesion).

In this way, and in this context of re-urbanization², cities (mainly large ones) earn more and more functions and activities, competing with each other, causing clear economic activities concentration but residential dispersion (urban sprawl) in their hinterland. The surrounding residential neighborhoods and satellite cities grow in population but have little functionality (basically dormitory and other social functions for those working within the metropolis). This ends up affecting the autonomous SMC&T, which reduces their functions and become more dependent on metropolitan spaces, which engulf them functionally and/or physically. As a result, in the 2000s a very clear economic re-centralization, not so much demographic, happened. Thereafter, cities, and especially capital cities, will continue to grow thanks to higher levels of migration and natural change, while all the rest start to lose population. The situation is especially unfavorable in rural areas, especially in the most peripheral ones. In Spain there are areas with a lack of strong cities near, they cannot provide facilities for the population nor infrastructural support for new activities such as tourism, crafts or alternative technology. The geographical position itself, and the distance to other nearby and accessible tractor centers (intermediate cities) are decisive factors for this.

2. This recent and last re-urbanisation process follows the previous ones of urbanization, sub-urbanization, and de-urbanization (Heineberg, 2014). It causes a dualization in smaller cities. On the one hand, some of them became more attractive residential locations because of developments in transport and telecommunications networks, making them more accessible and less remote. Meanwhile, other smaller cities suffer problems of peripherality and decline due to the lack of necessary resources to face depopulation and economic decline.

It is then when the conservation of SMC&T matters, due to their intermediary role for their hinterland, especially in rural spaces outside metropolitan areas; to correct the negative effects of excessive mega-urban polarization causing demographic gaps that threaten good territorial articulation and cohesion. Stopping and correcting the effects of fierce capitalism and neoliberal approaches (Fukuyama, 2022), focused exclusively on growth in large cities (now also the largest Second Tier Cities), trying to recover the traditional role of those at the lower levels of the urban system. They have a key role to play also concerning rural areas promoting positive synergies with the rural environment. Urban-rural linkages set many challenges and opportunities (UN-HABITAT, 2017; Ovaska et al., 2021).

► The specificity of the urban system in Spain

In Spain, in the 1960s it was said that no city with <20,000 inhabitants could fulfil all the urban functions attributable to a large city; being the typical range for fulfilling these functions in Western Europe 50,000-100,000 inhabitants. The threshold of 50,000 inhab. has remained in the imaginary, but it does not respond at all to the reality of many European countries, especially in Spain.

Spain is characterized by a high number of municipalities (8,131), with a total population of 47.6 Million inhabitants in 2022, and an average density of 94 inhab./km², a value well below the 3,000 corresponding to urban areas. A review of the evolution of municipal densities in Spain reflects the clear dichotomy between dynamic and regressive municipalities (Gómez Giménez, 2022: 455)³. Many municipalities have ended up being currently below 12.5 inhab./km² (3,926 municipalities, 48.28% of the total), which places them as municipalities at risk of depopulation⁴.

Regarding its demographic size, 4,997 municipalities (61.46%) are <1,000 inhabitants; 6,818 (83'85%) <5,000; 7,371 (90'65%) <10,000; and 7,717 (94'91) <20,000. That is, only 5% of the total Spanish municipalities are >20,000 inhabitants, and only 1'8% are >50,000 (see Figure 1). These compelling data confirm population concentrates in large cities, combined with a huge list of small nuclei, many of them without basic services or about to disappear. In a Spanish territory that is markedly rural; not so much for its physical distance as functional. (See Maps 1.1 and 1.2).

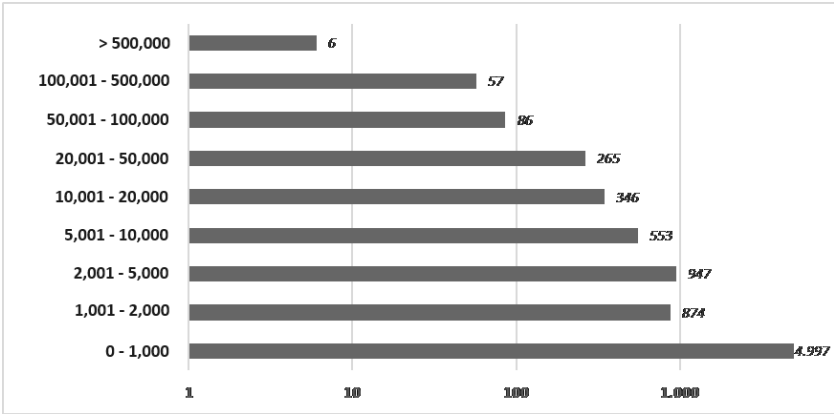
3. Free access available at <https://roderic.uv.es/bitstreams/b3a72141-e3c5-420e-92e0-a0c743d95abb/download> (acceded 11.04.2024).

4. See Map in <http://iuca.unizar.es/wp-content/uploads/2020/10/Mapa174.pdf> (acceded 30.06.2023).

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The arrival of the Autonomies made possible by the Spanish Constitution of 1978, together with the impacts of the economic crisis of the early 1980s, led to a certain redistribution of the population towards inner spaces and regional centers. A trend that reversed again in favor of a new process of metropolitan concentration from 1996 to 2007. From there, the successive crises caused by the bursting of the real estate bubble, the financial-speculative one, the political one (due to the different movements of discontent people), and then the sanitary one (derived from the COVID epidemic), will introduce nuances. In any case, what ends up giving rise to is a continuum of more or less close metropolitan areas and other forms of urbanization that go beyond administrative borders (Feria & Marínez, 2016; Gómez Giménez, 2022; Lois and Piñeira, 2017)⁵. (See Figure 2).

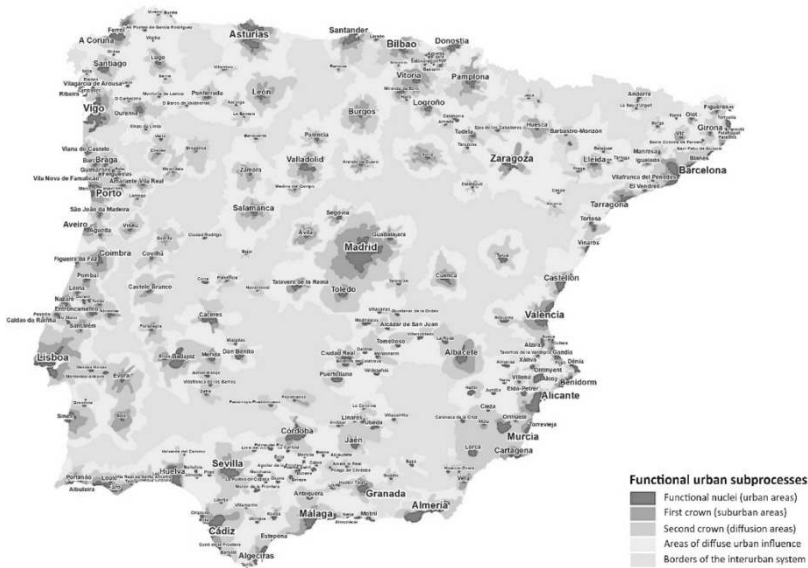
Fig. 1 : Spanish Municipalities: Population size distribution in 2021



Source: Own elaboration based on INE data.

5. In some Spanish Autonomous Regions this is taken into account in their territorial articulation policies and instruments. Thus, for example, the Valencian Spatial Vision defines Valencian Autonomous Region as "... a space of cities, especially medium-sized cities, whose abundance constitutes one of the main assets to establish an adequate system for the provision of supra-municipal goods and services to the whole territory.". Also one of the Spatial Visions of Catalonia interpreted its territorially as "City of cities". Special attention is also paid to the articulation of the system of cities in the Territorial Development Plan of Andalusia and in the Navarre Spatial Vision.

Fig. 2 : Delimitation of the main socio-functional systems in Iberia: FUAs



Source: Gómez Giménez et al., 2020. Adapted.

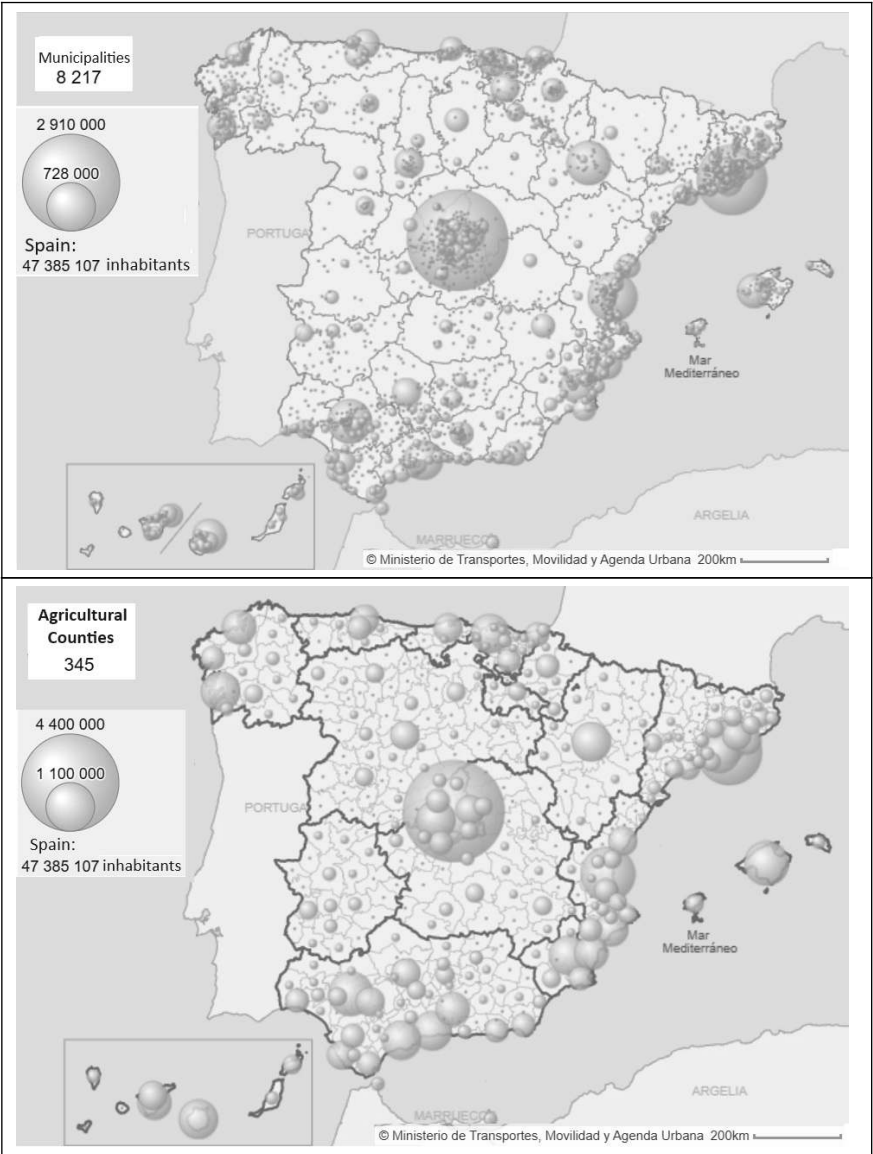
► Critical Review of Urban-Rural Relations: Need to move towards a New Planning of Sustainable Spatial Development

In the traditional urban-industrial development model followed until the end of the 20th Century and the appearance of financial-speculative capitalism, rural spaces have been excluded from a series of networks, mainly urban, in which socioeconomic activities and value generation are concentrated. The toll rural spaces have had to pay to be able to access these networks has been the renunciation of their rurality, to end up hosting activities, goods and services from and for the urban world: housing, industrial and logistics, equipment, communication-transport-energy infrastructures, industrial meat production facilities ('macro-farms'), etc. An unbalanced system that attributes to rural territories the function of guaranteeing the supply to deficit-consuming urban regions, although with little benefit for them (Farinós, 2023).

The paradox is that all this happens at a time when the boundaries between the urban and the rural are blurring. This trend can be turned into a more positive and potential sense thinking on territorial cohesion terms. Improving territorial cohesion means reducing inequalities and achieving a more

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Fig. 3 : Population by municipalities and by Agrarian Counties^a in Spain (2021)



a. The Agrarian counties are statistical divisions and programming areas for public action. They are intermediate in size between a canton and a French arrondissement.

balanced territorial model in three senses: in the demographic and territorial structure (better physical articulation between the different parts of a territory), in economic development, and in a new relationship between the urban environment and the rural one that favors equal opportunities in any type of space (of urban, periurban, intermediate rural or more naturalized kind). In this sense, that of greater inter-territorial connectivity from a systemic point of view, Green Infrastructure (with the multiple ecosystem services for the social well-being of society it can provide: regulation, supply, and culture) is a transversal tool of great interest.

Rural development has been addressed through policies in favor of rural areas, which do not make explicit reference to their urban centers, particularly small cities. The challenge, therefore, consists of being able to go beyond rural spaces as simple containers for the activities necessary 'for' and displaced 'from' the city; to define new local development strategies adjusted to own character of these territories⁶ (Farinós & Peiró, 2022). However, the usual so far has been the sectoral approach, through tourism, rural or environmental planning, separately; something that must change for a better endogenous and self-sustained development.

In this context, SMC&T are key pieces to reverse this trend based on a "sustainable city" model properly integrated into their local territorial heritage system (a 'territorialized' city, not an 'island' city). So, territory is understood as heritage (natural and cultural, tangible and intangible), paying more attention to the relationships and interdependencies between the different components of the territorial system.

For this objective of achieving the necessary coherence of interventions of different sectoral departments (each one of them with its policies, programs, and projects), in the Spanish case is relevant the role played by the new Demographic Challenge Sectoral Commission (which, ideally, should add "and Territorial Cohesion" to its name). Greater coherence of the interventions, proposed ex-ante, will improve public policies' effectiveness and efficiency. That will result in a better service and more adequate response to population needs across the whole Spain territory. The rural population should have the same opportunities to have a life project as the urban population.

It is on these bases that the possibility of changing the decline process for another of progress (through a territorial, national, regional, and local planning approach) is raised. For this, there are already some measures and budgets at different administrative levels. This is the case at National level of

6. Such as the Community Led Local Development Initiatives –CLLD–, Integrated Territorial Investment –ITI– or 'Smart Specialization Strategies'.

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the National Strategy against the Demographic Challenge of the Government Commissioner against the Demographic Challenge (2021); the 130 measures against the demographic challenge of the Recovery Plan (of 2021) launched by the General Secretariat for the Demographic Challenge (SGRD) of the Ministry for the Ecological Transition and the Demographic Challenge (MITECO); and, at regional level, of commissions and funds for cohesion and territorial transformation in some Autonomous Spanish Regions (as Aragón, Asturias, Navarra). With all this, it is intended to answer to the needs of territories suffering from the problem of inequality and abandonment, due to their lack of services and opportunities for transformation, and social and territorial innovation. Helping them to articulate shared integrated and inclusive spatial visions for territorial development and cooperation (see next section).

That leads to a new Spatial Planning, going beyond land use planning setting limits to urban development, to be focused on the better use of the territorial potential of each space, and to be able to achieve the objectives of progress, balance and sustainability. With this, ideally, a polynuclear network system based on the county head cities and towns is demographically sustainable, compact, attractive, safe and beautiful⁷. But also functional and performing, through an adequate implementation of Local Green Deals (LGDs), making smart cities, renewable energies, biodiversity, and regenerative agriculture new local sources of employment⁸.

► New Urban-Rural Geographies of Small Cities

The economic, social and environmental links between cities and surrounding regions are changing rapidly, in opposition to the considerable inertia of institutional structures. For this reason, greater cooperation between municipalities and a reorientation towards approaches based on the needs and potential of functional urban areas are called for, to achieve the objectives of territorial cohesion, urban sustainability and increase the effects of interventions. This brings us to urban-rural partnerships, to the question of metropolitan governance, and the role of SMC&T for true polycentrism and territorial cohesion.

7. As what we can call 'Rural Bauhaus' as part of to current New European Bauhaus initiative (https://new-european-bauhaus.europa.eu/index_en ; acceded 23.11.23).

8. In line with the Intelligent Cities Challenge (ICC) European Commission initiative (<https://www.intelligentcitieschallenge.eu/news/local-green-deals-blueprint-action>), and the Schuman Papers n°727: “Les élus locaux européens, acteurs de premier plan de la transition écologique” (<https://www.robert-schuman.eu/questions-d-europe/727-les-elus-locaux-europeens-acteurs-de-premier-plan-de-la-transition-ecologique>). (Both acceded 23.11.23).

In many countries, including Spain, local territorial development faces the problem of municipal smallholding, unable to respond to the great current challenges. Several lines of action have been developed to overcome it. On the one hand, the reduction in the number of municipalities (e.g. the United Kingdom, reduced the municipal map during the Margaret Thatcher government to set a minimum threshold of around 100,000 inhabitants). On the other hand, inter-municipal cooperation to provide the necessary basic services through consultation and agreement (agreements or contracts, as in France); and, in the Spanish case municipal commonwealths and, with better positive results, consortiums (Farinós & Gomis, 2017). Also in the Spanish case, a third way, imposed by the economic-financial crisis due to the bursting of the real estate bubble in 2008, was the concentration of material resources, legally limiting the possibilities that small municipalities could contract the provision of these services. This is left in the hands of the Provincial Councils, under the argument of best economies of scale and economic efficiency (Law 27/2013, of December 27, of rationalization and sustainability of the Local Administration). This ended up not going in favor of a better network of small towns. For this reason, cooperation seems to respond better to their interests.

In terms of inter-administrative cooperation, section 1 of article 10 of Law 7/1985, of April 2, Regulating the Bases of the Spanish Local Regime, states that "the local Administration and the other public Administrations will adjust their reciprocal relations to the duties of mutual information, collaboration, coordination and respect for the respective spheres of competence". For its part, Law 40/2015, on the Legal Regime of the Public Sector, in section k) of Article 3 establishes cooperation, collaboration, and coordination as general principles of action and operation of the public sector. It defines collaboration, a generic principle of action in administrative interrelationships, as "the duty to act with the rest of the Public Administrations to achieve common goals", and cooperation as "the situation that occurs when two or more Public Administrations voluntarily and in the exercise of their powers, assume specific commitments for the sake of common action" (art. 140. 1. c and d).

Among the bodies provided for cooperation, it is worth highlighting the figure of the Territorial Coordination Commissions, regulated in Article 154 and provided for circumstances in which "territorial proximity or the concurrence of administrative functions so requires [...] between Administrations whose territories coincide or bordering, to improve the coordination of the provision of services, prevent duplication and improve the efficiency and quality of services". It must be taken into account that the decisions adopted by the Territorial Cooperation Commissions will take the form of Agreements,

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which will be certified in the minutes and will be binding on the signatory Administrations. Despite their great potential as a coordination instrument, there is neither an inventory of them nor a follow-up of their activities or their possible development and results; which is as desirable and pertinent as it is indicative of their little progress (Farinós et al. 2023).

In the 2014-2020 programming period of EU structural funds, the LEADER method support for cooperation is reflected in sub-measure 19.3⁹. For the Spanish case, until now, no experiences have resulted from inter-territorial cooperation projects between rural and urban areas; they are limited to interregional and transnational cooperation initiatives between rural territories instead (Escribano et al., 2021). The Community Local Lead Development (CLLD) initiatives are a guiding document that usually establishes how and which topics, mainly economic (tourism, small service companies, crafts, heritage maintenance, small-scale industrial activities, exploitation, and conservation-forest management...) should be promoted and/or consolidated to achieve the sustainable development of each rural environment¹⁰. They are not documents detailing the location of activities on the territory, but rather strategic proposals for economic development, within the framework of the Spatial Planning laws and instruments of each Spanish Autonomous Region¹¹.

Cooperation is mostly Urban, and within the City

Cohesion Policy has experimented with several ways to engage with cities, starting with the Urban Pilot Projects in the 1990s and the URBAN I and II Community Initiatives in the 1990s and 2000s. To strengthen the role of cities in Cohesion Policy, the 2014-2020 period introduced:

9. See: European Network for Rural Development “LEADER Local Development Strategies (LDS) Guidance on design and implementation. June 2016”, p. 18. (https://ec.europa.eu/enrd/sites/default/files/enrd-guidance_lds.pdf) (accessed 23.11.23)

10. One of the newest aspects of Regulation (EU) No. 1303/2013 was Association Agreements. A document prepared by a Member State, with partner's participation and multilevel governance, where the strategy of that State is presented, the priorities set and the willingness to use the European Structural and Investment Funds efficiently and effectively in order to achieve a sustainable, inclusive and smart local strategy.

11. In comparison to Spain, the situation at the European level is somewhat different. CLLD initiatives (through Local Action Groups –LAGs-) appear as the most appropriate tool to address local development (Servillo, 2019). CLLD enables bottom-up approaches in the definition of Local Development Strategies tailored to the specific needs and character of each area. CLLD enlarges the previous LEADER range of actions in two potential lines: broader thematic scope leading to potentially more integrated actions; and more diversified areas of intervention (from urban neighborhoods to subregions), consequently involving a wider range of stakeholders. However, LAGs are much more frequent for primary sector initiatives financed through the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund (2,331 of 3,318 –ESPON TOWN Project Final Report-), but not so much from the European Regional Development Fund (ERDF) and European Social Fund; with the possibility in this last case to have an integrated rural-urban approach and to pay attention to small and medium cities and towns.

- Specific funding for investment in cities (Art. 7 ERFD; now objectives 5.1 and 5.2 period in the new 2021-2027 programming period¹²), managed directly by cities; but mainly addressed to major cities and not to small ones.
- Integrated Territorial Investments (ITI) for easier combining financial support from different funds and programs supporting development strategies targeted at Functional Urban Areas (FUAs).
- The establishment of an Urban Development Network to help cities implement their Cohesion Policy-funded actions. Small cities could achieve the necessary scale economies by networking. Cities Networks are a system of relationships and flows, horizontal and non-hierarchical, linking centers of similar size.
- Urban Innovative Actions (UIA): UIA was a new program under the Cohesion Policy encouraging cities to experiment with new solutions to emerging challenges. The total budget for the period 2014-2020 was 371 million. Projects will be selected through calls for proposals and can last up to three years. The selection criteria were: innovativeness and quality of the project, partnership, measurability of the results, and replicability of the process and solutions. The first call for UIA proposals was launched in 2015 and focused on four themes: energy transition, urban poverty (with a focus on deprived urban neighbourhoods), inclusion of migrants and refugees, as well as jobs and skills in the local economy. Nothing about urban-territorial cooperation nor specific actions for SMC&T, both within or outside metropolitan regions.
- For the 2021-2027 period, the European Commission launched a new European Urban Initiative (EUI) in the third quarter of 2022, financed by the ERDF to support cities with innovative actions, capacity and knowledge building, policy development and communication on sustainable urban development. This new EUI is not aimed at supporting only major urban areas, but any EU urban authority of a local administrative unit defined according to the degree of urbanization as a city, town or suburb, or a grouping of such authorities (as FUAs) >50,000 inhabitants. The overall objectives of the EUI are to strengthen integrated and participatory approaches to sustainable urban development and to provide a stronger link to EU policies and to Cohesion policy and investments in urban areas, supporting innovative actions, capacity building, and knowledge building (territorial impact assessments, policy development, and communication).

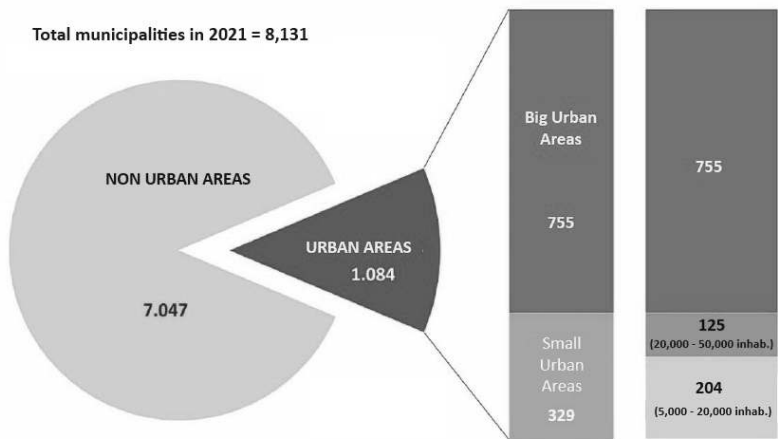
12. Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021; and Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund.

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Thus, today’s political agenda is concerned not only with FUAs but also with different types of other functional and soft cooperation areas which may be regarded as new geographies, among them functional rural areas (as well as functional cross-border areas, functional transnational cooperation areas, labor market areas, areas of land-sea interactions, areas of green infrastructure, macro-regions, island areas, neighbourhood areas, etc.).

At the Spanish level, however, the leading role remains with the 86 great urban areas (GUA) (see Figure 4). 69% of the Spanish population and 76% of employment are concentrated in GUA >50,000 inhabitants. Between 2001-2021 their population increased by almost 5’2 million inhabitants (from 27’6 to 32’7 million, increasing by 18’82%). This growth represents almost 80% of the national total. Another dynamic to highlight is that the largest percentage increase (24’10%) occurs in small urban areas. Demographic growth also affects non-urban areas (almost 1’5%). This growth in nonurban areas is, however, concentrated in only 30% of these municipalities, since most of them present a negative dynamic. There are 125 municipalities with between 20,000-50,000 inhabitants not included in the GUA (representing 7’5% of the population and 5’7% of the total area), and 625 municipalities with between 5,000-20,000 inhabitants (MITMA, 2022, 8-10)¹³.

Fig. 4 : Distribution of Municipalities in Urban Areas in 2022



Source.: Ministerio de Transportes, Movilidad y Agenda Urbana (2022:19). Adapted.

13. Significantly, in the group of 204 municipalities from 5,000-20,000 inhab. are not considered cities <10,000, those with negative demographic trends and very low average of economically active population, but including instead those with significant second housing; being finally reduced to 204. For detailed maps and graphics see Atlas Digital de las Áreas Urbanas de España - Indicadores: mapas, datos y gráficos (mitma.gob.es) (acceded 23.11.23).

Local Urban Agendas as Innovation

The most promising advances in the Spanish case are being obtained from the Local Urban Agendas. The recent promotion of urban agenda processes at the local and supranational level stems from the conviction that the challenge of sustainable development and the commitment of the 2030 Agenda of the United Nations and its 17 Sustainable Development Goals (SDG) is at stake mainly in cities, to which it is dedicated SDG 11 "Make cities and human settlements inclusive, safe, resilient and sustainable".

On 2016 the Urban Agenda for the EU was adopted at an informal meeting of the Council of European Affairs ministers of the EU. It aims to promote cooperation between Member States, the European Commission, and cities to stimulate growth, liveability and innovation in EU cities. It is a new working method to ensure maximum utilization of the growth potential of cities and successfully tackle social challenges. The Urban Agenda for the EU recognizes that urban areas of all sizes can boost growth, create jobs for citizens, and enhance Europe's competitiveness in a globalized economy. However, the EU does not have a specific policy for SMC&T.

For its part, and as a result of international influence (the New Urban Agenda approved at the Habitat III Summit in Quito, the European Urban Agenda, and the Integrated Sustainable Urban Development Strategies -ISUDS-¹⁴), in Spain, a more comprehensive vision of the city is making its way. With this objective, as well as to improve traditional urban master plans, the Spanish Urban Agenda (approved by the Council of Ministers on February 22, 2019) establishes as its first objective "Spatial Planning and making rational land use", conserving and protecting it. Its purpose is to establish itself as "the roadmap that will mark the strategy and actions to be carried out until 2030" to achieve a healthier rural and urban world with a better quality of life. For its part, Specific Objective 10.1 of the Spanish Urban Agenda demands to "Achieve an updated, flexible and simplified regulatory and planning framework that also improves management".

In this last sense, the administrative structures face the great challenge of being able to make adequate use of the European Next Generation funds promptly and to achieve the planned objectives. To do this, they have had to face the challenge of having to address quickly necessary adjustments.

14. For them, the minimum population threshold was lowered to 20,000 inhabitants, initially foreseen at 50,000. In the Spanish case, and although they could be considered for FUAs or municipal groups (with their corresponding CLLDs) to achieve this demographic threshold, the projects selected in the three phases of the call from the Spanish Ministry, proposed by each Autonomous Region, always focused on a single municipality, and in parts or neighborhoods of usually cities >50,000 inhabitants (Peiró & Farinós, 2018).

The New Urban Agenda approved in Quito in 2016 makes explicit reference to urban-rural links as a new component that must necessarily be incorporated into integrated and balanced spatial and urban planning (see arts. 49, 50, 75, 96, 136) (UN-HABITAT, 2017). Not only an urban but also a territorial agenda is called for, as is the case of the Urban Agenda of the Basque Country; or not only urban but rural-urban, paying special attention to medium-sized cities, as in the case of the Valencian Autonomous Region Urban Agenda (Farinós, 2023) and other recent UN initiatives (UN-HABITAT, 2017, 2021, 2023).

At the local level, Spanish cities such as A Coruña, Castellón de la Plana, Málaga, Murcia, and Sant Feliu de Llobregat have already approved their Urban Agenda and corresponding Pilot Actions Plans. Others, such as Alfaro (La Rioja), Algeciras (Cádiz), Aranda de Duero (Burgos), Alzira, Castelló (both in Valencia Province), Elda (in Alicante province) have started it; others are on the way to do it, as the small municipality of Rincón de la Victoria (in the province of Málaga)¹⁵. These initiatives usually limited to municipalities reach medium and small cities, with a clearer consideration of the urban with its territorial hinterland, making way for supra-municipal urban agendas. Thus, in the 2021 call, a total of 121 Local Entities, were distributed by size as follows: 16 <5,000 inhabitants; 24 >5,000-20,000; 20 >20,000-50,000; 22 >50,000-100,000; 20 >100,000-300,000; 8 of >300,000 inhab.; and 10 for Provincial Councils, Island Councils of the Balearic Islands, Canary Islands Councils, and Municipal Groups¹⁶.

► The General Secretariat for the Demographic Challenge of Spain as New Key Player for Territorial Cohesion from Small Rural Towns

The context has highlighted that the challenges that have already existed for decades in Spain around territorial imbalances have become valid. This necessarily implies to adapt current regulations to the new challenges, which involve favouring a new socio-territorial contract between rural and urban

15. For more details see <http://www.aue.gob.es/> (accessed 23.11.23).

16. By Order TMA/957/2021 of the Spanish Ministry of Transport, Mobility and Urban Agenda, of September 7, published in BOE No. 219, of September 13, the regulatory bases for the granting of aid for the development of pilot projects of local action plans of the Spanish Urban Agenda were approved. The call has a provision of 20 million euros. Of the total of 121 cities, 4 have resigned: Añora and Hornachuelos (with less than 5,000 inhabitants), Motril and Ciudad Real (from the group of >50,000-100,000 inhabitants). The text of the Definitive Concession Resolution can be consulted at https://cdn.mitma.gob.es/portal-web-drupal/sede_electronica/subvenciones_prtr/resolucion_definitiva_convocatoria_proyectos_piloto_aue.pdf (accessed 30.06.2023).

areas to achieve active, inclusive, and functional territories. Spain began its journey in the defence of rural development and territorial structuring more than fifteen years ago with the approval of Law 45/2007 for the Sustainable Development of the Rural Environment, which laid the foundations for an inclusive rural policy, with a State perspective and in concert with the Autonomous Spanish Regions and Local Entities, promoting synergy between administrations based on their respective competence frameworks.

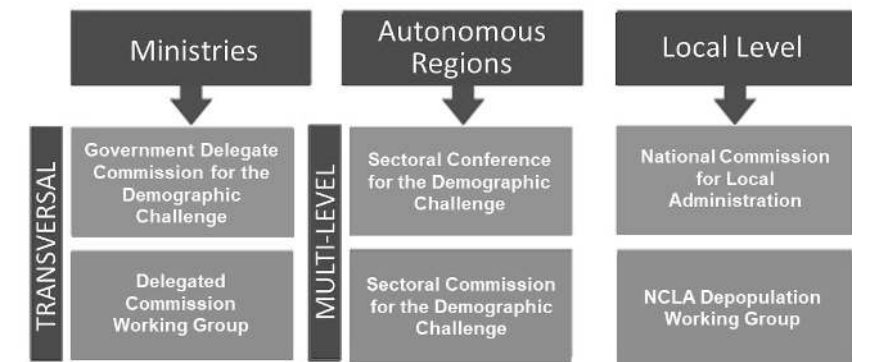
This law, although in need of updating, was pioneering and ahead of its time, since it establishes that urban centres are the fundamental pillars to provide the dynamism and functionality necessary for rural development. It constitutes a regulatory framework of reference at the national level, visionary of the 2030 Agenda of the United Nations, which already pointed out the social, environmental and economic shortcomings of a development model that is not sustainable over time. So, in its preamble, it stated that the intense economic development during the last decades, which has led to a very significant leap in the levels of income and well-being of citizens, has been concentrated in the most urban environment and to a lesser extent in the most rural areas. This phenomenon, characteristic of modern economic development, is manifested in the persistence of relative economic and social backwardness in rural areas, due to economic, social, and political causes that are avoidable.

In the Spanish Government (2020-2023), the General Secretariat for the Demographic Challenge (SGRD) was the responsible governing body, under the superior direction of the head of the Ministry for the Ecological Transition and the Demographic Challenge (MITECO), to which it corresponds the promotion and coordination of the powers regarding the demographic challenge. Its basic functions are the development and promotion of strategies, plans, and priority actions in terms of demographic challenges; the coordination of the ministerial departments and the territorial public administrations in terms of the demographic challenge, as well as the promotion of public-private collaboration; the development of policies that guarantee equal rights and opportunities, especially for rural areas. The SGRD develop a new model of multilevel governance, with a transversal approach (through the Delegate Commission of the Government for the Demographic Challenge) and multisectoral (with the creation of the Sectorial Conference on the Demographic Challenge) (see Figure 5).

In 2020, the SGRD launched the "Recovery Plan. 130 Measures to face the Demographic Challenge to improve multilevel governance and demographic

decline” (Plan 130)¹⁷. The 130 actions are arranged in 10 lines of action (see Figure 6). These 10 axes are oriented towards a broad set of objectives that promote equal opportunities and territorial vertebration through: the economic diversification of the most disadvantaged areas, the promotion of innovation, full digital connectivity, the strengthening of rural-urban ties; the enhancement of territory and its endogenous development possibilities; the adequate provision of basic services; or the incorporation of the demographic perspective in the Spanish Government decision-making.

Fig. 5 : SGRD New Governance Model

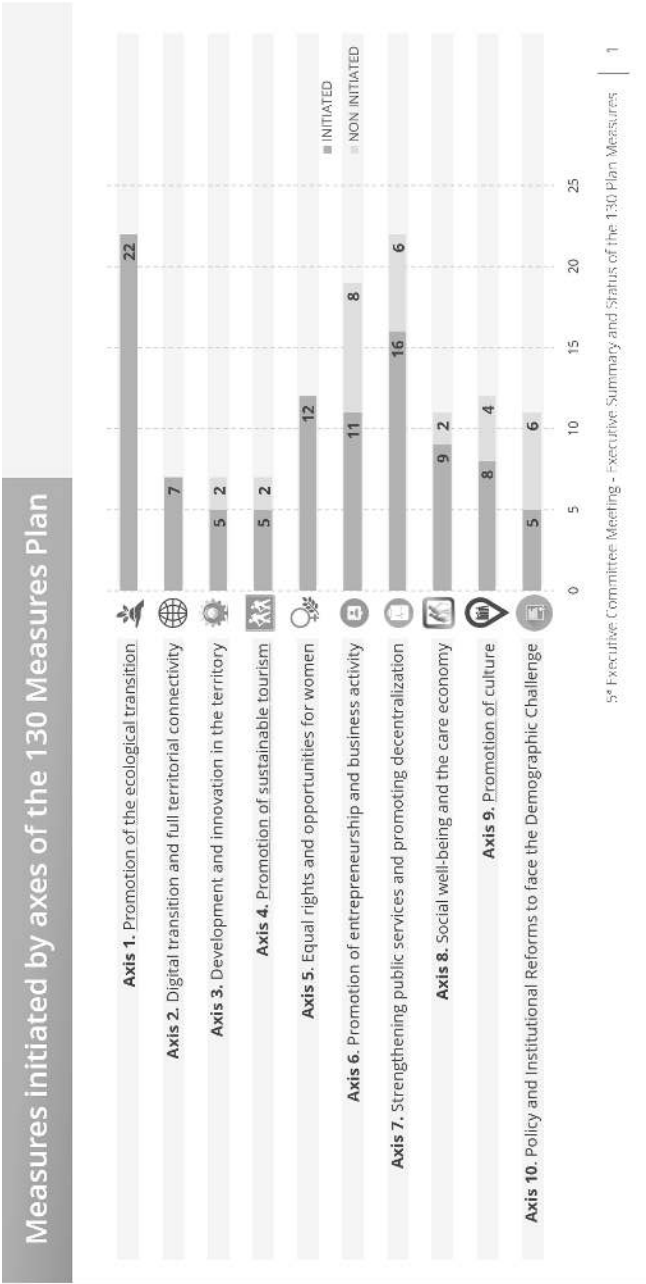


Source: <https://www.miteco.gob.es/es/reto-demografico/temas/secretaria-general-reto-demografico/> (Adapted)

‘Plan 130’ is the starting point for a new public policy to face the demographic challenge, cohesion, and territorial and social vulnerability. It is a transversal action program in the field of demographic challenges and the fight against depopulation; as a result of the coordinated action of all the ministerial departments. It is a priority policy for social and territorial cohesion policies. ‘Plan 130’ is linked to the Recovery, Transformation, and Resilience Plan (PRTR) of the Government of Spain, which is financed by the Cohesion and Recovery Funds. It is subject to continuous monitoring: periodic rounds (approximately every four months), with the submission of a form with the main fields to be reported, meetings, emails, and calls to each of the respective ministerial Departments, and other sources of information.

17. https://www.miteco.gob.es/images/es/plan_recuperacion_130_medidas_tcm30-528327.pdf (accessed 30.06.2023).

Fig. 6 : ‘Plan 130’ initiated measures: Axes 1-10



Source: Dirección General de Políticas contra la Despoblación. MITECO. 2022. Adapted.

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A very important milestone of ‘Plan 130’ has been the constitution in 2022 of the Cohesion and Territorial Transformation Fund¹⁸. It is an instrument to meet the needs of areas at risk of territorial vulnerability, which allows the financing of all kinds of initiatives that generate benefits for territorial cohesion and opportunities for economic and social development. The selection of actions and implementation correspond to each Autonomous Communities. Some of them have developed their instruments (Cohesion Fund), as in the case of Aragón (Palacín, 2020), Navarra (Pons, 2022) and Asturias.

The Fund serves, among others, to finance unique or innovative projects for “Territorial Transformation”, with three modalities: institutional projects for local entities, social projects for non-profit entities, and business projects (with special attention to women and youth) (see Figure 3). Projects must provide an innovative component or substantially improve ongoing actions. They must start from a prior diagnosis of the area in which it is planned to be carried out.

To this end, the Ministry has developed a tool, the Integrated Municipal Data System (SIDAMUN), which offers and combines six groups of data: demographic, geographic, economic, related to available services, housing and household, and environmental. The objective is to guarantee the basic conditions for the activation and development of rural and smaller municipalities, promoting networking and promoting endogenous development models. The scope and its area of influence must be identified: from one municipality <5,000 inhabitants to several municipalities (associated, commonwealth, region, province or Autonomous Region). To make an objectified diagnosis of the situation of territorial vulnerability of each territory, a Multidimensional Indicator of Territorial Situation and Synopsis (INSISTE) has been arranged, which has been validated by the National Statistics Institute¹⁹.

In ESPON Program, and the context of the Spanish Presidency of the EU for the second semester of 2023, the SGRD, together with the General Directorate of Structural Funds of the Spanish Ministry of Finance, have proposed as a priority of the Presidency the realization of a series of analytical reports on “Small and medium-sized towns and cities in Spain, Portugal, Italy, Germany and at the EU level in general: policies strengthening their role in achieving active, inclusive and functional territories”. These urban places it is considered have an underexploited potential to achieve a better-balanced

18. Its distribution was approved at the Demographic Challenge Sectoral Conference (€15,7 million in 2022, whose distribution was unanimously approved). For the year 2023, a greater territorialization of funds to the Autonomous Communities is foreseen, reaching the figure of €21 million.

19. <https://www.ine.es/dyngs/IOE/es/operacion.htm?id=1259946001874> (acceded 30.06.2023).

territorial development; avoiding depopulation and promoting sustainable development opportunities for all territories, mitigating effects of too much population concentration in great cities and depopulation of rural areas. It constitutes a further step forward in territorial cohesion, strengthening the role of SMC&T as intermediary cities to promote the necessary basic conditions and access to services of general interest for sustainable territorial development outside the metropolitan areas/regions.

Fig. 7 : Initiatives of the General Secretariat for the Demographic Challenge 2020/2023

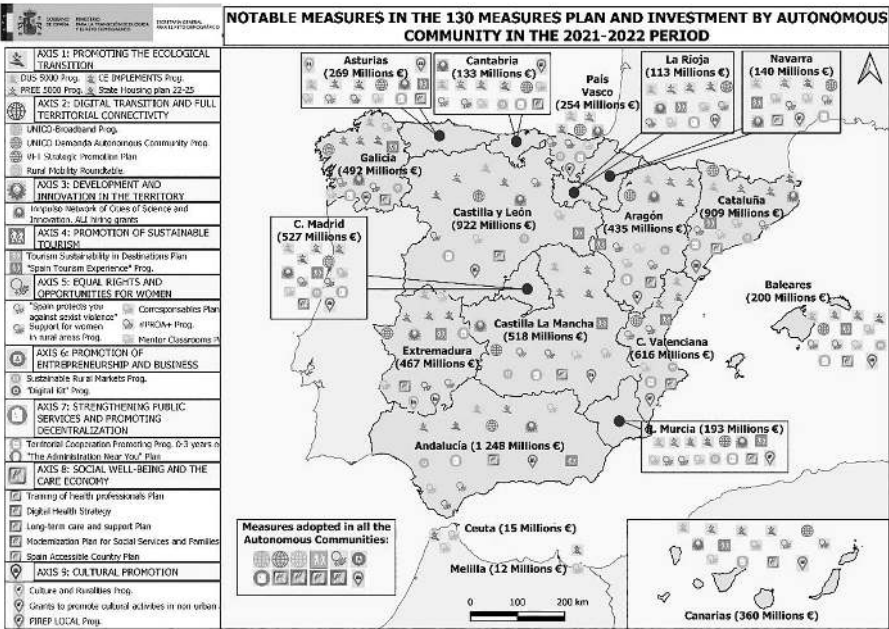


Source: General Secretariat for the Demographic Challenge. MITECO.

After the implementation of this new public policy, one of the main conclusions is that to combat socio-territorial inequalities it is essential to rethink the territorial model of Spain, and for this, it is essential to promote a new socio-territorial contract. An urban-rural pact that must deal with complementarity between the different territories to ensure that the aspirations of the Sustainable Development Goals are realized. In coherence with the 2030 Agenda of the United Nations, the fight against depopulation is the fight against inequality as democratic challenge, consisting of rebalancing rights and opportunities for all throughout the Spanish and EU territories.

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Fig. 8 : Plan 130 measures and investments by Autonomous Communities 2021/2022



Source: General Secretariat for the Demographic Challenge. MITECO.

► Some recommendations as conclusion

In order to ensure cohesion and social and territorial justice, the spatial and geographical distribution of resources is emerging as a fundamental tool. Until now, SMC&T are hardly considered both in EU policy as well as in the Spanish one. What matters is to support them outside metropolitan areas, as autonomous centers that ensure the supply of services and demographic and economic dynamism, improving the level of territorial articulation

As we can see in this paper, neither the current urban nor the rural policies in Europe are appropriate for small towns, enabling them to continue to serve as rural service centers. In Spain, until now, there have been no experiences of territorial cooperation between rural and urban areas, only between rural ones instead. Following the UN New Urban Agenda and the European Urban Agenda, and their transposition to the national level, the Spanish Urban Agenda, the development of urban agendas at different levels of government is an essential condition for eliminating tensions between rural, intermediate, and urban areas. Local Urban Agendas are intended to be urban-rural and metropolitan, and not only 'inner city', as has happened so far with the rest of the initiatives.

The gap between urban areas and rural territories and smaller municipalities leads to a differential in rights and opportunities in these areas. Depopulated areas have emerged as the main public and political problem in Spain. In the XIV legislature, the Spanish Government 2020-2023 designed and launched a national policy to fight against depopulation and socio-territorial imbalances according to a new multilevel governance perspective. Thus, a new Sectoral Conference on Depopulation, where regional and national governments share common goals and strategies, was constituted on 23 July 2020. In 2021 the Government of Spain approved for the first time a National Action Plan, the Plan of 130 Measures against the Demographic Challenge, with a budgetary commitment of more than 13.000 million euros coming mostly from the Spanish “Recovery, Transformation and Resilience Plan”. It represents an exercise of coordination and activation of new lines of action of each of the Ministries to invest directly in rural areas and the municipalities with the smallest population.

After three years of these political initiatives, three key messages emerge:

- The current model of concentration of people, services, and investments in cities on the top of the urban system is unsustainable; both in economic and social terms, as well as in natural ones, due to the most natural areas are paying costs as lagging regions it is not fair. That implies rethinking the relationship between the urban, intermediary, and, mainly, rural (small/medium) places/cities due to specific characteristics of the Spanish urban system in much of their regions.
- Sectoral policies have not contributed efficiently to balanced territorial development; this supports to application Integrated Territorial Approach (ITA) on such sectoral policies. That is why the Government of Spain is trying to redefine our territorial model, following a new approach and style of governance according to the European 2030 Territorial Agenda. It underlines the importance of Strategic Spatial Planning in small and rural intermediary cities and guides strengthening the territorial dimension of sectoral policies at all levels of governance giving greater relevance to territorial cooperation for common smart integrated spatial visions.
- The deployment of policy against the demographic challenge must be carried out in a framework of multi-actor partnership and multi-level governance, coordination, and mutual learning, based on the commitment between the Government of Spain, Regional Governments, and Local entities; in line with the European Territorial Agenda 2030. Involving residents and stakeholders can improve the results of urban policies empowering public and social participation of the local administrations in the design, implementation, monitoring, and evaluation of urban agenda action plans, as well as other integrated Smart Specialisation Strategies (some of them

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as implementation of European Green Deal, supported by EU initiatives as the European Climate Pact, the New Bauhaus Movement, the Renovation Wave Initiative and the European Skills Agenda).

For all these reasons, comprehensive spatial visions focusing on economic, social, and territorial cohesion, from local to EU level, are needed. Also a great 'Rural Pact', in which to incorporate local, regional, national and EU partners, promoting economic, social and territorial cohesion. In line with the EU Rural Action Plan, as part of the launch of the long-term vision for stronger, better connected, resilient, and prosperous rural areas by 2040 (approved in November 2023 under the Spanish Presidency of the European Council).

SMC&T, especially the small ones, can play a key role in territorial cohesion (as a way to fight against depopulation and economic decline), mainly in rural areas outside the biggest FUAs. So, they have to prepare their strategic agendas. Local and regional authorities (LRAs) are key actors in the development of circular activities on the ground. SMC&T have an important role to deliver basic services for the population and facilities for economic performance, as part of new employment sources based on ICT and Green and Blue economy linked to Climate Change Adaptation.

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