

# Executive summary

The COVID-19 global pandemic has intensified the challenges of delivering public services to all citizens, particularly those living in rural regions. Service facilities in remote and lower-density places often have limited scale and struggle to recruit and retain professionals. These places also face lower fertility rates, rapid ageing and depopulation, which can, in turn, create a vicious circle through further pressures on local finances that have already been stretched because of the pandemic. Ensuring efficient use of public resources and delivering sustainable policy responses in the provision of services has never been more important, especially in those regions that have been hardest hit.

However, whilst Covid-19 has exacerbated many pre-existing challenges it has also accelerated progress in the development, scope and awareness of the potential of new technological and organisational possibilities to shrink and overcome place-based challenges and unleash the benefits of networks. Technological innovations such as improved digital skills and digital infrastructure are a critical component but to fully leverage on these, organisational changes are also needed: namely, close co-operation, co-ordination and co-production between national, regional and local governments and communities.

This thematic report identifies good practices in public service provision across territories, including innovations in service delivery and conditions for success to help countries in their efforts to deliver quality health and education services by establishing sustainable long-term strategies.

## Rethink the future of rural schools with networks and digital solutions

Many rural schools are facing or will soon face declining student numbers, bringing consequently smaller schools, class sizes and student-teacher ratios. While smaller sizes can present some opportunities such as more teaching time per student, many small rural schools operate in isolation and under capacity with a limited educational offer and their principals and teachers struggle with multiple roles. At the same time, rural schools often benefit from stronger community engagement and are in the best position to benefit from substantial travel savings and increased diversity from digital education.

To prepare rural schools for the future, countries need to rethink traditional approaches to education provision, starting from going beyond relocating rural students to larger, more distant schools. Governments should consider a more flexible approach to class and school size regulation so rural schools can maximise the resources available to them while prioritising investments in the attraction, retention, development and empowerment of teachers in rural communities. School clusters involving formal collaboration between rural schools can also help mitigate size-based challenges, for example through economies of scale in specialised facilities and a better use of scarce educational professionals. Distance learning is a valuable resource for small schools to offer more training opportunities for teachers and support school communities, while service co-location can expand the traditional scope of schools.

## Address territorial health care gaps by reinforcing primary and integrated care

The provision of health care is a territorial issue because balancing costs, quality and access necessarily involves factoring in density and distance. Many rural populations face longer travel times to access rural

care facilities, which in turn face the constant threat of declining user numbers and difficulties in recruiting and retaining health care professionals. The supply of health care services in many rural communities, especially after the 2008 financial crisis, has not kept pace with increasing demand from rural dwellers who, compared to urban dwellers, are on average older, have shorter life spans, display worse health outcomes and suffer more from chronic diseases.

To ensure access to quality health care across territories, policies should focus on reinforcing primary and integrated care. Because it is expected to be the first point of contact for the majority of patients' needs, primary care (regular, preventive and person-focused care), is best placed to deal with higher levels of multiple chronic conditions and higher demand for long-term and chronic care in older populations, as it helps to prevent unnecessary hospital admissions in rural areas. More extensive use of tele-medicine and new configurations of care, such as clinical networks, are key to the sustainability of rural health care provision, as well as strategies for workforce attraction that combine financial incentives, multidisciplinary medical homes and sharing of responsibilities.

### **Tackle skill and Internet access gaps to harness digital provision**

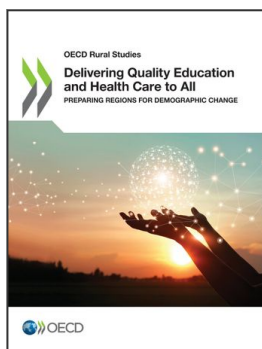
Normative, skill and Internet connectivity barriers currently limit the great potential of telemedicine and distance learning to bridge provision gaps in rural areas. However, regulation and funding for digital services are, at present, not sufficiently tailored to the needs of rural areas. Existing digital divides call for revised strategies and investments in the digital skills of rural users and providers. Above all, policies need to address rural Internet connectivity gaps and the often poor quality of broadband connections that disrupt the provision of public services in low-density areas.

Governments can empower communities to solve local connectivity challenges through successful local-level initiatives led by non-profit co-operatives, mutual organisations and local government. National governments can support these efforts by aligning financial support with the development of long-term solutions that go beyond subsidies, coupled with an enabling regulatory environment. Alternative approaches, such as voucher schemes and demand aggregation models accessible to community-led initiatives can support the development of more sustainable market-based solutions. Public-private partnership models that combine public funding with private investment can help in balancing the risks borne by taxpayers with the potential to share in future revenue streams.

### **Increase the scale and quality of services with decentralisation**

Decentralisation of service provision, involving the transfer of powers, responsibilities and resources from central government to subnational governments, can increase efficiency by establishing more user-oriented systems and better information on local needs. Subnational units, however, may not correspond to the appropriate service areas, which can result in unmanaged negative spill-overs and externalities across borders leading to inefficiencies. Earmarked transfers from central to subnational governments, co-operation agreements between subnational governments (including across regional borders) and upscaling responsibility levels have worked to mitigate inefficiencies. To bring back scale in service provision, governments should support municipal mergers and inter-jurisdictional co-operation.

Decentralisation of education and health care systems do not always incorporate the needs of lower-density areas. For instance, penalising small sizes to improve financial performance may work in city schools but may be counterproductive in rural schools experiencing an inevitable decline in student numbers. The increasing efficiency from health care decentralisation can result in higher disparities through poorer health outcomes in regions with lower institutional capacity. Above all, decentralisation requires a clear definition of responsibilities and the alignment between these and funding levels.



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