Foreword

Innovation is a fundamental driver of growth and key to tackling the many megatrends our economies and societies face, including digitalisation, climate and demographic change. Each of these trends, and indeed more generally, economic shocks, affect regions in different ways. While many urban regions, for example, are able to quickly adapt, and leverage their agglomeration effects, rural regions often struggle to adapt. They also typically lag in innovation creation and up-take, measured by patent-intensity and R&D technological innovation. However, that narrow view may not fully reflect the notion of innovation for rural areas. As such, policies that focus on this narrow view may not take advantage of the full potential of rural places areas. This report adopts a broader perspective and provides analysis and guidance on how innovation can support regional and rural development in Switzerland.

Across Switzerland, peri-urban regions close to urban cities record the highest growth rates in labour productivity, outperforming urban and other types of regions. In contrast, productivity and innovation activity have been lagging in rural and remote regions. Given the differences in productivity and innovation performances across different types of rural regions in Switzerland, a one-size fits all approach can fall short in tapping the main drivers of innovation and reducing bottlenecks. This publication, *Enhancing Innovation in Rural Regions: Switzerland*, calls for a place-based approach and focuses on a broad perspective of innovation that also includes regional innovation systems and entrepreneurship.

The OECD, through the Regional Development Policy Committee and its Working Party for Rural Policy, has created a programme focusing on enhancing innovation in rural regions, building on over 2 decades of policy and economic analytical experience.

The first chapter describes the economic structure of rural economies, explores statistics on the geography of research and development and finally identifies how innovation can help manage demographic decline and ageing in rural regions. The second chapter describes the framework conditions that govern policies for innovation, notably those through the programmes in the State Secretariat for Economic Affair's programme on Regional Innovation Systems. The last chapter describes the agricultural innovation system in Switzerland and how it can build on the experiences of the Regional Innovation System.

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