

Rural Territorial Dynamics in Latin America

Julio A. Berdegú

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jberdegue@rimisp.org**

Why?

1. Changes in rural and national societies
 - a. Diversification of the rural economy
 - b. Urbanization and new urban-rural relations
 - c. Decentralization
 - d. New social and economic actors

Corollary:

- Rural ≠ agricultural
- Agriculture-led rural development questioned

Why?

2. Preparatory work for the WDR 2008
 - a. Relationship between economic growth, poverty reduction and greater income equality, varied by large regions

Corollary:

- Same policy has different impact in different regions
- Different regions have different capacity to participate in development opportunities

Why?

3. Mainstream 'Washington Consensus' rural development strategy (e.g., WDR 2009)
 - a. Economic development policies for those products, firms and regions with comparative advantages
 - b. Social policies for the rest

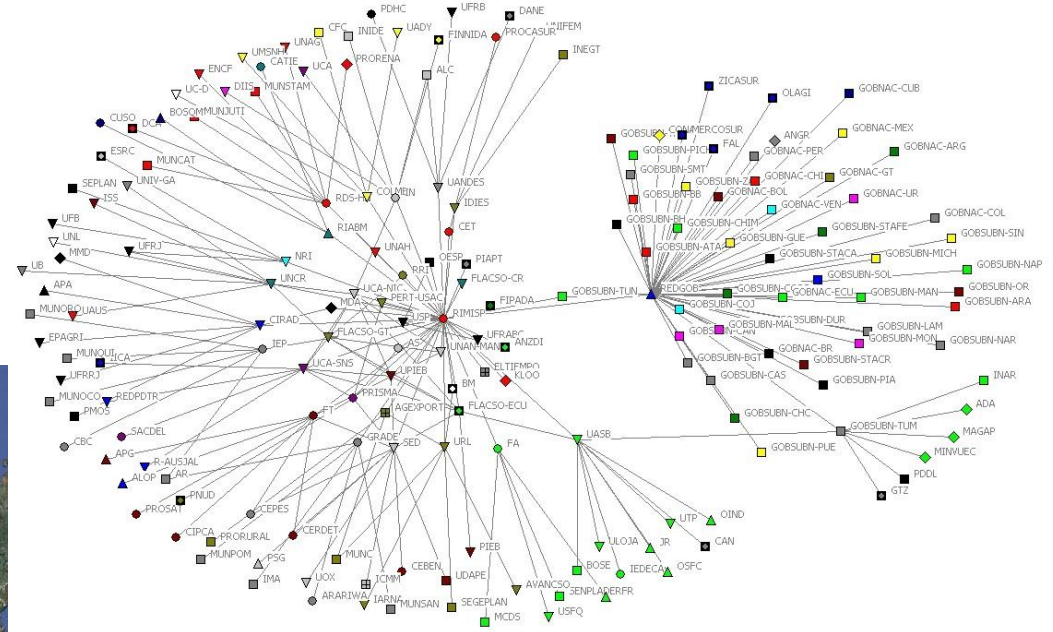
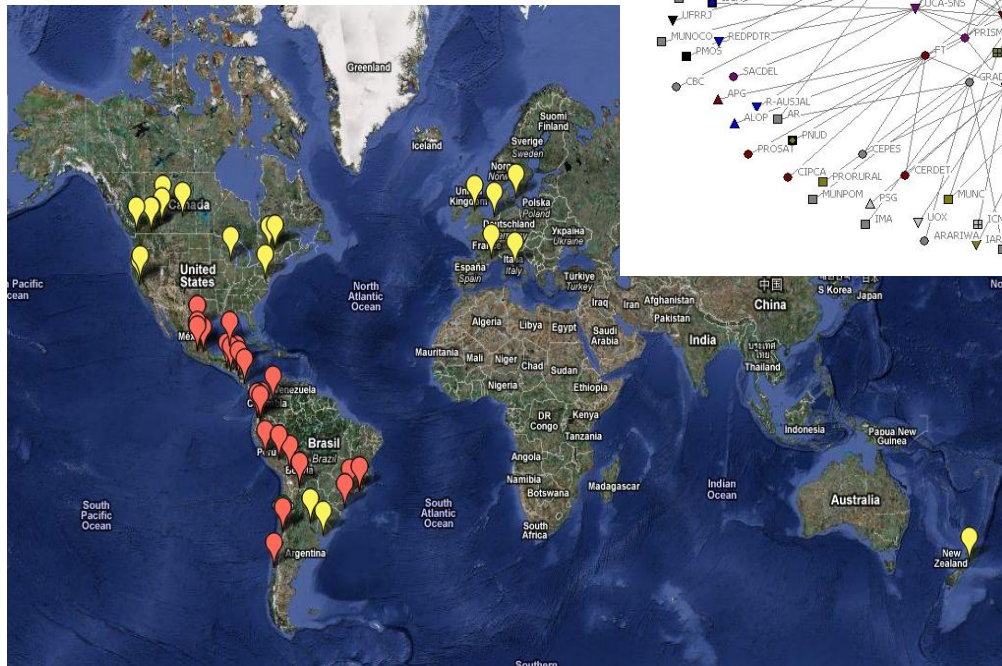
Corollary:

- A split between economically-integrated and socially-integrated or left behind regions
- Is there room for place-based development policies even in regions that lack a natural competitive advantage?

Rural Territorial Dynamics program

- ❑ A research-based capacity development and policy incidence program for rural economic growth, social inclusion and environmental sustainability in Latin America
- ❑ Eleven countries, 5 years

Rural Territorial Dynamics program



Development outcomes

- ❑ Changes in development outcomes as indicators of development dynamics
- ❑ What are the changes over time in development outcomes at the local level in the participating countries?
 - ❑ Aggregate economic well-being (proxied by average per capita consumption and/or income)
 - ❑ Poverty (proxied by the incidence of poverty)
 - ❑ Economic inequality (proxied by the gini coefficient of per capita consumption or income)

Development outcomes

- ❑ Small Area Estimates (Elbers, Lanjouw, Lanjouw 2003)
- ❑ Combines
 - ❑ Population censi – representativeness
 - ❑ Household surveys – richness of data including income or consumption

Development outcomes

1. Household survey data → statistical model that captures the association between per capita consumption (or income) and a set of individual, household, locality, and region-level correlates.
2. Set of correlates must exist not only in the household survey data set, but also in the population census data.
3. Parameter estimates from consumption model are taken to the population census data and are used to “forecast” consumption at the level of each household into the population census.
4. Estimates can be used to calculate aggregated statistics (for example, average consumption, and summary measures of poverty and inequality) at any chosen level of aggregation.

Development outcomes

- ❑ 11 countries - Bolivia, Brazil, Chile, Colombia, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Peru
- ❑ 400 million persons, 73% of Latin America
- ❑ 10 thousand municipalities

Development outcomes

- Change over last two censi
 - Average per capita income (or consumption)
 - Incidence of poverty
 - Gini coefficient of per capita income (or consumption)

Typology

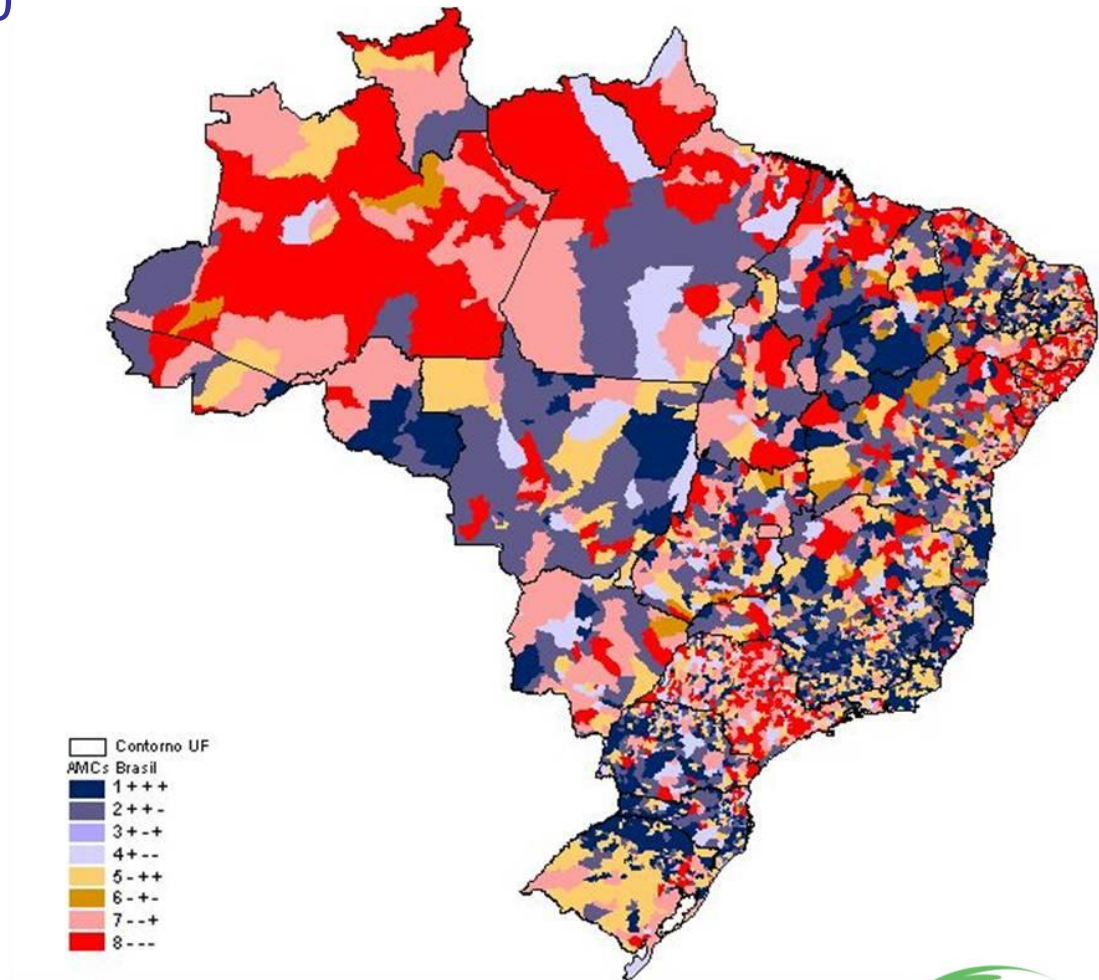
WWW	LWW
WWL	LWL
WLW	LLW
WLL	LLL

Development outcomes

Type	Population	%	Municipalities	%
1 W W W	34.810.814	9%	1.260	12%
2 W W L	60.920.050	15%	2.129	20%
3 W L W	5.512.634	1%	120	1%
4 W L L	32.708.854	8%	736	7%
5 L W W	30.934.332	8%	1.034	10%
6 L W L	9.462.410	2%	395	4%
7 L L W	85.462.336	21%	1.388	13%
8 L L L	139.697.708	35%	3.359	32%
Total	399.509.138	100%	10.421	100%

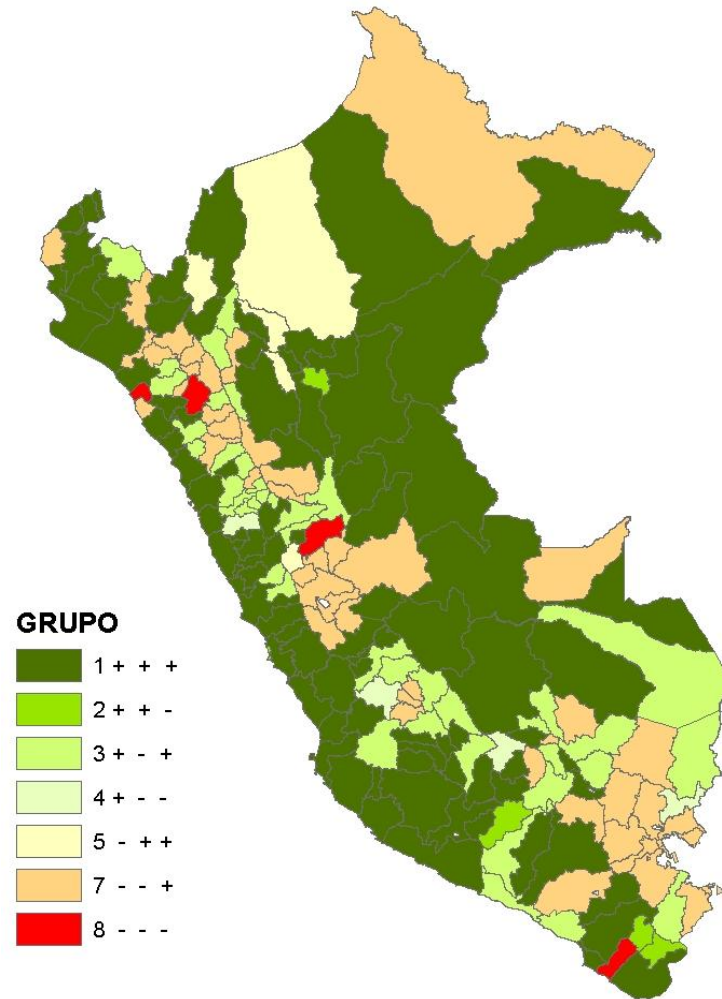
Development outcomes

Brazil, 1991-2000



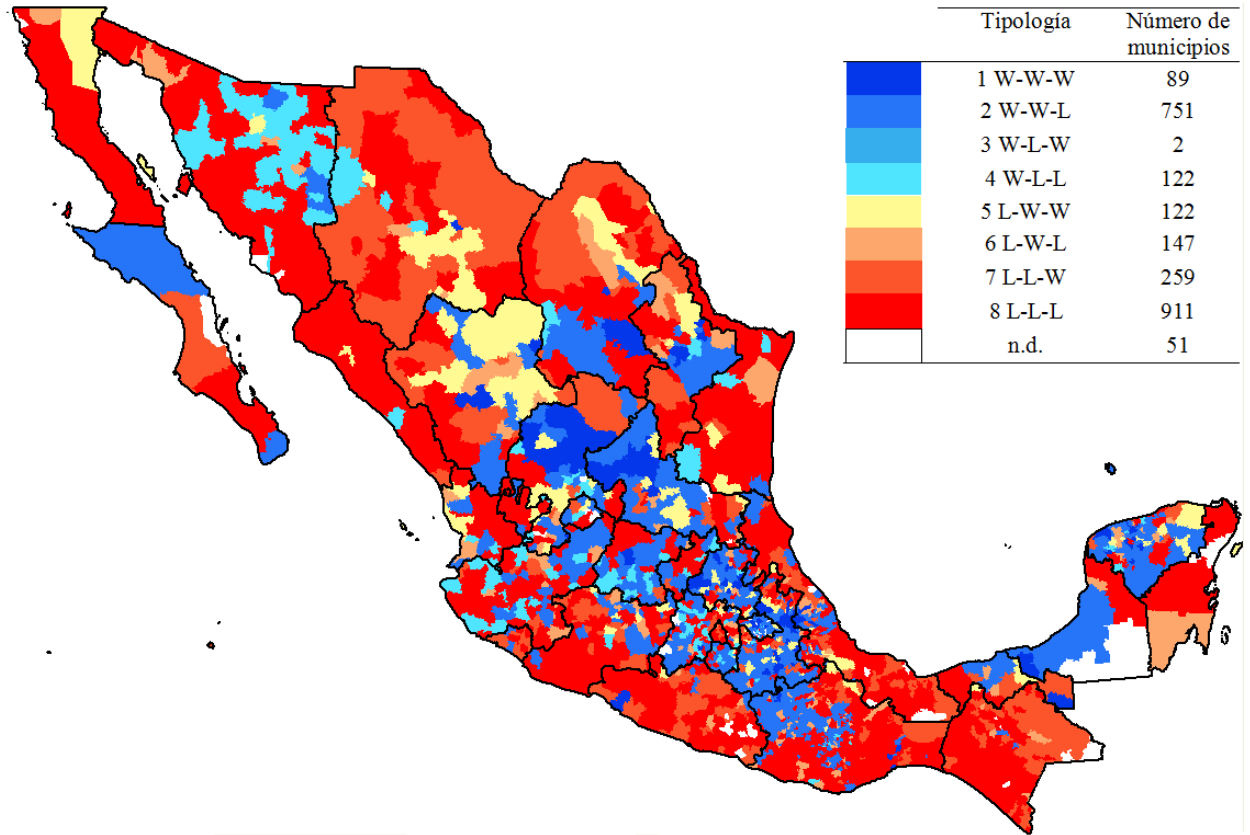
Development outcomes

Peru, 1993-2005



Development outcomes

Mexico, 1990-2005



Next stages

1. Why?

- In depth research in 19 territories

2. What can we do about it?

- Strategies for capacity development at subnational level
- Policy dialogue an incidence at subnational, national and international levels

Next presentations

- ❑ A. Schejtman – conceptual framework and approach to examine these patterns
- ❑ J. Escobal – Is there a spatial effect beyond individual and geographic attributes
- ❑ E. Ramírez and F. Modrego – Is institutional change an important component of spatial effect?