Understanding Rural Territorial Dynamics in Latin America
A Methodological Framework

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27th International Conference of Agricultural Economists
Beijing, 16-22 August 2009
## Development outcomes

<table>
<thead>
<tr>
<th>Type</th>
<th>Population</th>
<th>%</th>
<th>Municipalities</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 W W W</td>
<td>34.810.814</td>
<td>9%</td>
<td>1.260</td>
<td>12%</td>
</tr>
<tr>
<td>2 W W L</td>
<td>60.920.050</td>
<td>15%</td>
<td>2.129</td>
<td>20%</td>
</tr>
<tr>
<td>3 W L W</td>
<td>5.512.634</td>
<td>1%</td>
<td>120</td>
<td>1%</td>
</tr>
<tr>
<td>4 W L L</td>
<td>32.708.854</td>
<td>8%</td>
<td>736</td>
<td>7%</td>
</tr>
<tr>
<td>5 L W W</td>
<td>30.934.332</td>
<td>8%</td>
<td>1.034</td>
<td>10%</td>
</tr>
<tr>
<td>6 L W L</td>
<td>9.462.410</td>
<td>2%</td>
<td>395</td>
<td>4%</td>
</tr>
<tr>
<td>7 L L W</td>
<td>85.462.336</td>
<td>21%</td>
<td>1.388</td>
<td>13%</td>
</tr>
<tr>
<td>8 L L L</td>
<td>139.697.708</td>
<td>35%</td>
<td>3.359</td>
<td>32%</td>
</tr>
<tr>
<td>Total</td>
<td>399.509.138</td>
<td>100%</td>
<td>10.421</td>
<td>100%</td>
</tr>
</tbody>
</table>
A concept of rural territorial development (RTD)

- We define RTD as a process of closely integrated productive transformation and institutional change of rural territories whose aim is the reduction of poverty and inequality (Schejtman and Berdegué 2004). From this definition, it follows that RTD rests on the simultaneous evolution of its two pillars: productive transformation and institutional change.

- Productive transformation is a process of change in the prevailing production patterns in order to articulate the area’s economy with more dynamic markets in a competitive and sustainable way which means the introduction of innovations in products, processes and management.

- Institutional development as the process of configuring an institutional architecture, has the objective of promoting the concerted action of local agents, both among themselves and with relevant external agents and of changing the formal and informal rules that perpetuate the exclusion of the poor from the processes and benefits of productive transformation.
Types of territories

Type T2

Type T3

Type T4

Type T1

Growth

Exclusion

Inclusion

Stagnation or decline
The analytical framework
The basic model: two pillars
Opening the black box of institutions

INSTITUTIONAL DEVELOPMENT

CONSTELATION OF ACTORS
- Public
- Private
- Social

MODES of INTERACION
- Competition (markets)
- Cooperation (Networks)
- Hierarchy (estate)

AMBITO
- International
- National
- Territorial
- Local

TERRITORIAL GOVERNANCE
Coalitions and the policy process

Relative stable frame conditions
- Governance structures
- Socio-economic structure
- Cultural Attributes

Driving forces of change
- Internal
- External

Constrains and resources of actors

Policy subsystem
- Policy brokers
- Coalition A
  - Policy beliefs
  - Resources
- Coalition B
  - Policy beliefs
  - Resources

Political capital

Political process
- Political decisions by governmental authorities

Implementation process
- Policy impacts
Shared beliefs governance and economic transactions

L1: Embeddedness: informal institutions, customs, traditions, norms, religion

L2: Institutional environment: formal rules of the game—esp. property (polity, judiciary, bureaucracy)

L3: Governance: play of the game—esp. contract (aligning governance structures with transactions)

L4: Resource allocation and employment (prices and quantities; incentive alignment)
Typology of dynamics

GROWTH

DECLINE

INCLUSION

EXCLUSION

WLL

LLL

LWW

WWW

DECLINE