



Local development, convergence, social exclusion and economic theory¹

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Executive Summary

The present document examines the relationship between the productive structure of a given region or territory –characterised both by the production technology of the main goods and services, as well as the institutions that provide a structure to the predominant model of social organisation- with the impact that these have on growth, equality and environmental sustainability resulting from specialised production patterns.

The cases analysed in this document have been taken from the forestry industry, aquiculture as well as the fruit, grape and wine industry, all located in the southern macro-region of Chile covered by el Maule, Bio Bio and La Araucania. The analysis allows us to conclude that, in terms of the three dimensions previously mentioned (growth, equality and sustainability) the three cases studied correspond to situations of W-L-L (Win-Lose-Lose), W-W-L (Win-Win-Lose) and W-W-W (Win-Win-Win), meaning low, medium and high social benefits (in terms of the equality dimension), respectively.

It is important to note that the impact revealed by the analysis corresponds, on the one hand, to technological aspects of production (capital intensity, the greater or lesser ability to substitute capital for labour, etc.), and on the other hand to historical-institutional factors that make the model incline towards the exploitation of natural resources over the course of time in a given region or territory. It is the co-relation among economic, technological and historical-institutional factors that allow a specific territory or region to make (or not)

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positive progress towards development in the three previously-mentioned dimensions. The analysis, which has so far been only appreciative, now needs to be carried out in qualitative and -quantitative terms in order to continue the progress made towards understanding the issues at hand.