

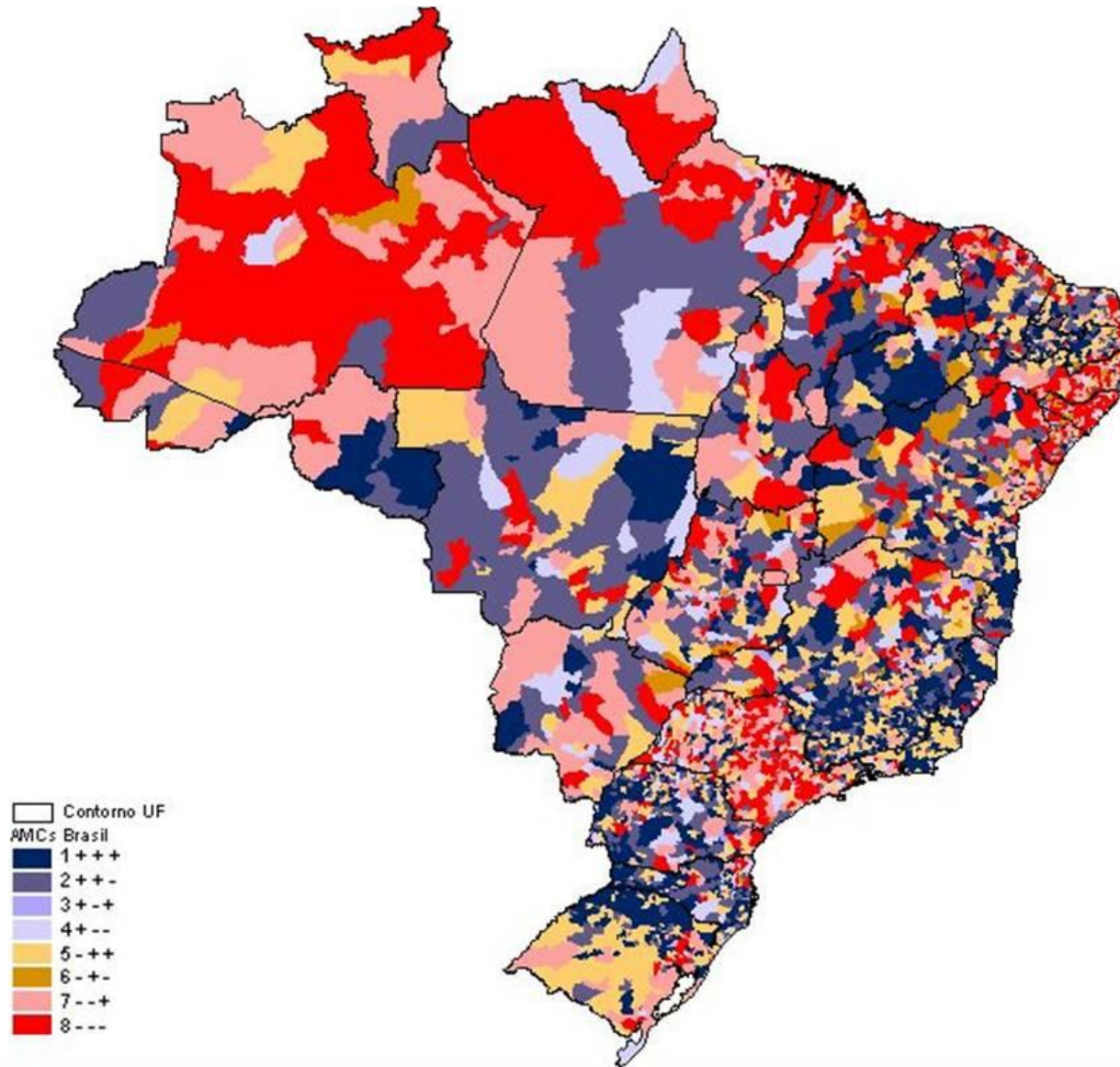
From Reality to Concept to Reality

Territorial Approaches in Rural Development

Julio A. Berdegué

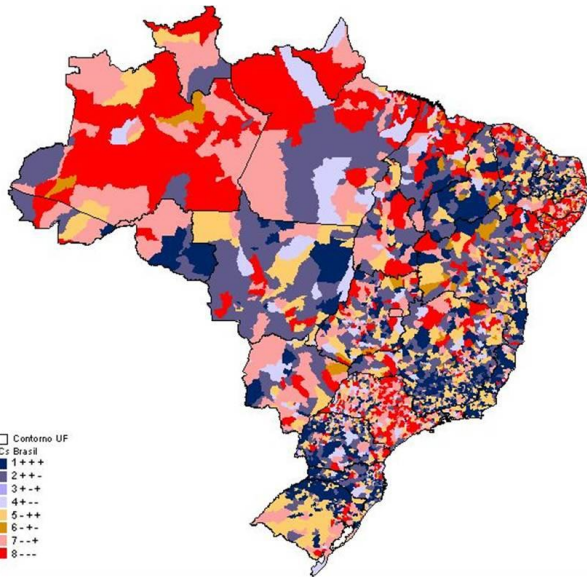
Bonn, Federal Ministry for Economic Cooperation and Development (BMZ)
28 April 2014

Spatially uneven development



Spatially uneven development

Territorial dynamics, 9064 municipalities, 9 countries



Outcome over one decade	Municipalities %
Growth but no improvement in poverty or inequality	6
Growth and reduced poverty and/or inequality	37
No growth but reduced poverty and/or inequality	29
No improvement in any dimension	29

More complex rural economies

Nonfarm share of rural income (%)

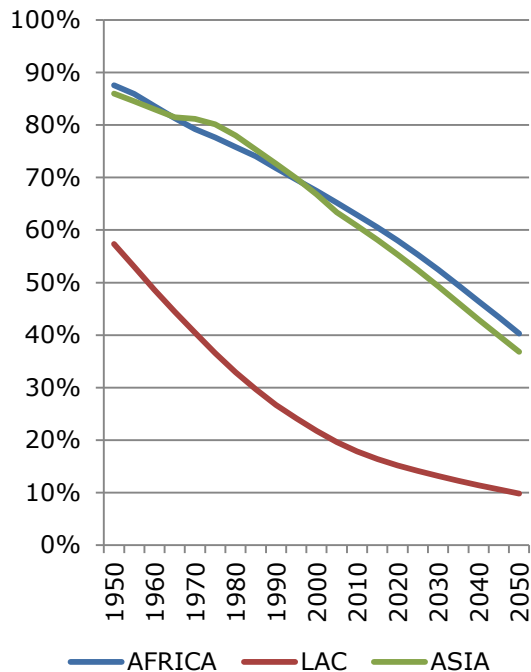
Region	Nonfarm share of rural income (%)
Africa	37
Asia	51
Latin America	47

Composition of rural nonfarm employment (%)

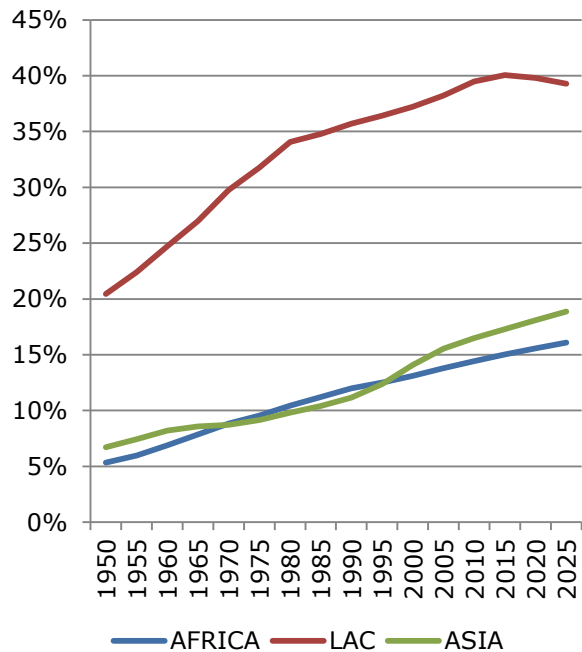
	Africa	Asia	LAC
Manufacturing	21	22	23
Commerce and transport	31	28	22
Personal, financial and community services	36	34	35
Construction, utilities, mining	12	15	20

Source: Haggblade, Hazell, and Reardon, 2007

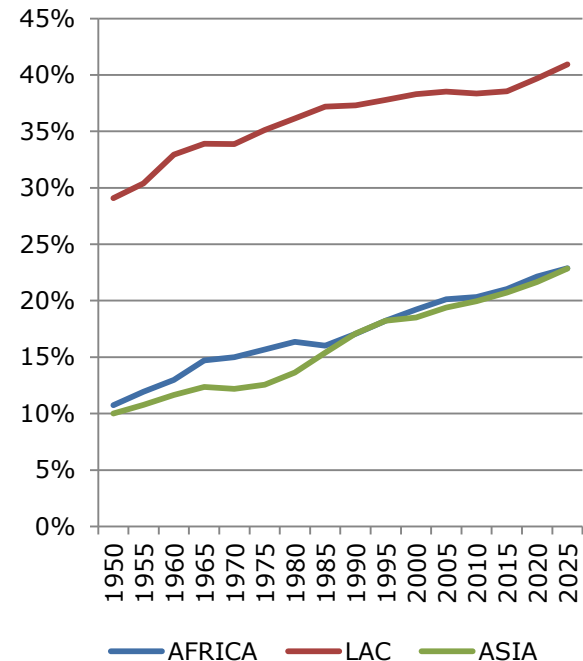
Urbanization of rural regions



Deep rural



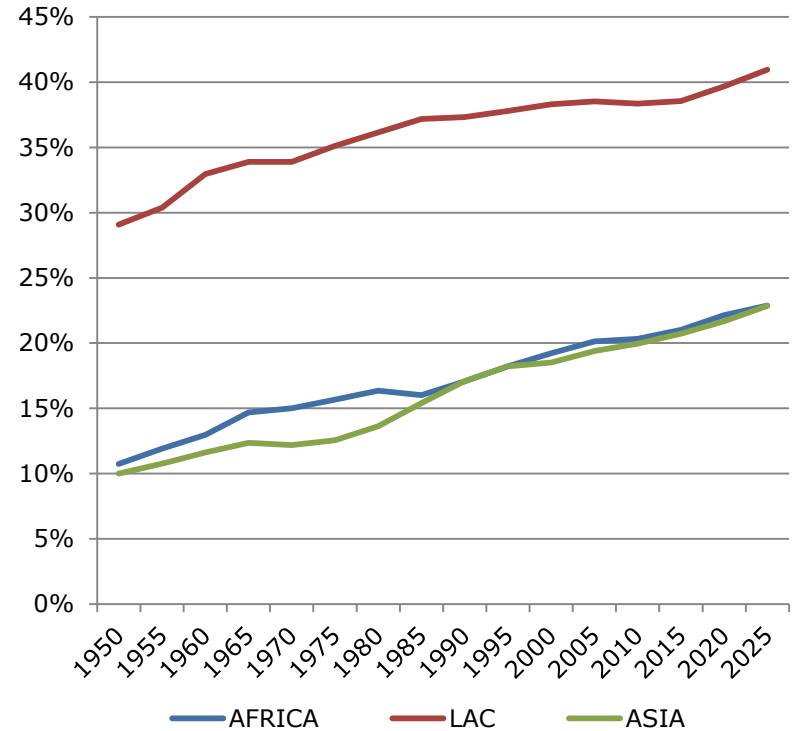
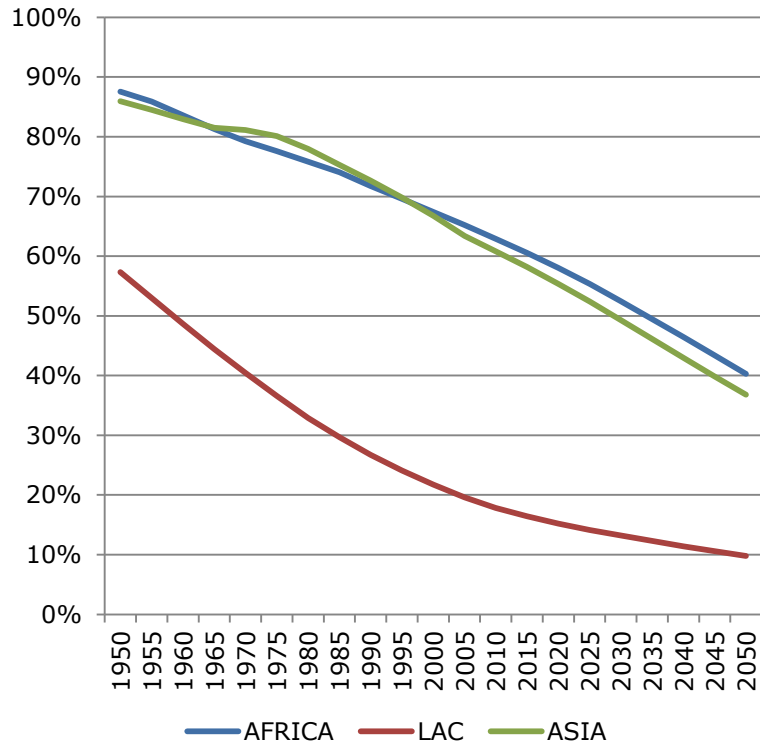
Large cities



Small and medium cities

Source: UN World Urbanization Prospects

A new "rurban" space



Source: UN World Urbanization Prospects



Emergence of new relations

- ▶ With new supra-territorial socioeconomic, political, cultural, environmental trends
- ▶ New rural economy
- ▶ New spatial configurations
- ▶ New livelihood strategies
- ▶ New social actors
- ▶ New priorities and political and developmental visions
- ▶ New conflicts and synergies
- ▶ New opportunities



Why a territorial approach?

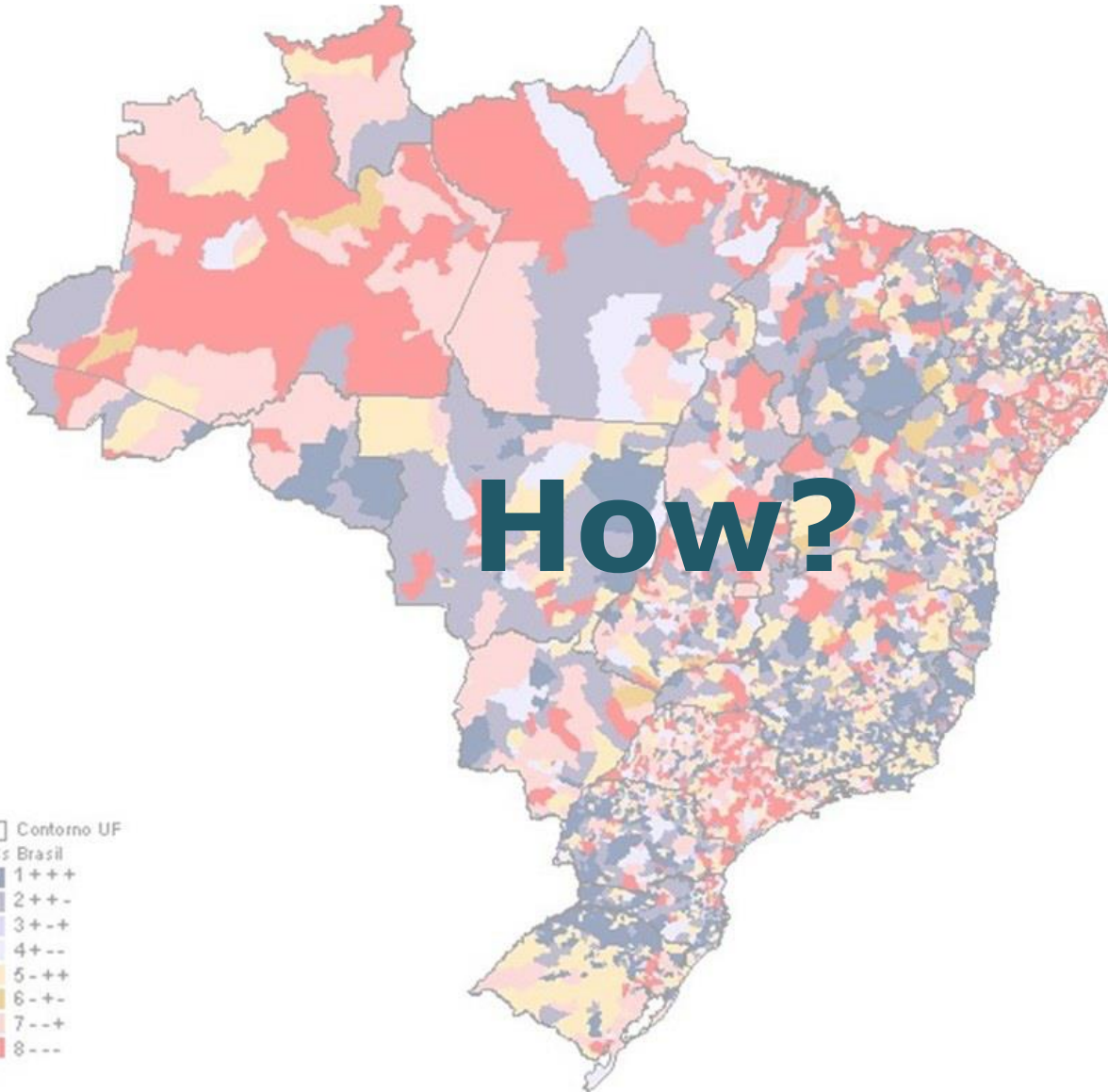
Because this new rurality cannot be understood, nor transformed, using sectoral lenses or policies





Concepts

- ▶ **Territory:** a space with a socially-constructed identity.
- ▶ **Territorial development:**
 - ▶ A process of productive and institutional transformation of a territory, that leads socially inclusive and sustainable economic growth
 - ▶ A place-based approach to expand the development opportunities and the potential of each territory, by strategically managing the relations (trade offs and synergies) between economic growth, social inclusion and environmental sustainability.





- ▶ It is of the essence of territorial development that each geography is different, that each society has its own history and a particular set of institutions, and relates in different ways with the “outside world”



▶ But what is essential in this framework for doing rural development in a “territorial way”?

1. The place matters

2. Focus on unlocking the best possible opportunities of the territory, whatever they may be

3. Focus on relations

▶ Between sectors

▶ Between rural and urban areas

4. Coalitions of actors representing the diversity of the territory, in the drivers’ seat



Compatible with other approaches


- ▶ Within this framework, all other toolkits are useful and are welcome... depending on the territory
 - ▶ Value chains
 - ▶ Agricultural development
 - ▶ Organic agriculture and other high value products
 - ▶ Sustainable tourism
 - ▶ Geographic indicators and cultural products and services
 - ▶ Market access
 - ▶ Producers' organizations
 - ▶ Watershed management
 - ▶ Landscape development
 - ▶ Integrated natural resource management
 - ▶ And the rest
- ▶ But see them as **tools** to be used, or not, depending on the territory



Place matters

- ▶ Functional territory: the places where people actually conduct much of their social life
 - ▶ Residence
 - ▶ Work
 - ▶ Buy and sell
 - ▶ Study
 - ▶ Organize
 - ▶ Interact with authorities
 - ▶ As it happens, the vast majority of them will have been born there

- ▶ Avoid normative territories to the extent possible!



Don't let the problem capture your imagination (and your wallet)

- ▶ Rural development is too constraint-oriented and constraint-driven! More attention to **potentials**
- ▶ Rural development is too capacity-oriented and capacity-driven! More balanced attention to **incentives**



Sets of relations = action domains

- ▶ In rural Latin America, development opportunities are related to six interacting “bundles of factors”
 1. Rural – urban arrangements
 2. Linkages with markets
 3. Economic structure
 4. Governance of natural resources
 5. Governance of public and private investments
 6. Social coalitions
- ▶ In one or several of them you are likely to find the best options and opportunities for a given territory
- ▶ Get a sense of them in the territory and anticipate how they relate to your objectives



Focus on the best options of the real economy

- ▶ Rural ≠ agricultural
- ▶ All legal economic activities are fair game, don't prejudge
- ▶ Invest in those activities that have the best potential to improve the livelihood of many (most)
- ▶ Look at persons (gender, age, ethnicity), not just households
- ▶ Make sure you deal with all relevant linkages, and not only with those in which the direct beneficiaries are directly involved (and don't forget the towns!)



Leverage towns and cities

- ▶ Most engines of development are outside the “deep rural”
- ▶ Rural cities provide social, cultural, political and economic services -- invest in them!
- ▶ Urban - rural connectivity
 - ▶ We still have a majority of municipalities very isolated from even small towns
 - ▶ Fortunately small minorities of people live there, but they will remain as poverty traps if we don't link them



Three universal guaranteed headaches

1. Strengthening social capacity in the territories to think (plan), decide, and act across one-dimensional boundaries
 2. Governments accepting that people should be in the drivers' seat
 3. Policy coordination across sectors, levels of government, and the public-private divide
- ▶ No universal solution, but apparently **incentive-based approaches** work better



How can you help

1. Systematize what has been done in Latin America
2. Understand how changes in rural societies in should affect our practical and conceptual approaches
3. Put the idea to a serious test - Invest in a set of networked territorial development projects, across countries and regions
4. Build bridges and dialogue across countries and regions, particularly in the South

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