

# Rural Territorial Dynamics Program

A research-based policy advice and capacity-development program for rural economic growth, social inclusion and environmental sustainability in Latin America

In rural Latin America there are some territories that have evidently succeeded in creating economic growth, often taking advantage of the opportunities of globalization. There one can observe economic dynamism and technological and social innovation. In some of these territories there has also been important progress in terms of social inclusion. Sometimes such changes have been associated with a growing awareness of environmental issues and more effective private and public actions to conserve natural resources and the ecosystems.

Next to these successful cases of territorial development, one finds situations in which every indicator of development is changing in the wrong direction. The local economy is stagnant, people are leaving due to lack of opportunities, poverty is widespread, the old caciques rule unimpeded, forests disappear, water is contaminated, and soils are eroding.

In between these two 'extremes', one finds territories in which the dynamics of development show mixed outcomes. Perhaps there is an economic boom linked to an important investment in mining or in forestry, but the benefits do not reach the local communities and as a result social conflict emerges. Other regions witness a rapid expansion of profitable for-export fruit plantations with positive effects on employment and the local economy, at the expense of water contamination and rapid deforestation to make room for the new orchards. In other places one sees how household incomes grow, but driven mainly by remittances from migrants or conditional transfers from social programs, without much genuine growth of the local economy. Sometimes forests and fragile ecosystems are conserved, at the cost of driving the people out.

## Territorial Inequalities

These differences are a dimension of the economic and social inequalities that are deeply rooted features of Latin American societies. Recent analyses have concluded that inter-regional, within-country inequalities explain a substantial proportion of the overall problem. De Janvry and Sadoulet (2004 p. 2) argue that "what is specific to Latin America is that local inequalities tend to be as high as national inequalities... high local inequalities imply that local growth will have little value for poverty reduction ... To

be effective, any poverty reduction strategy at the local level must consequently address the issue of inequality, and identify the mechanisms through which local inequalities are being reproduced over the long term. Linking anti-poverty strategies to inequality reduction puts rural development initiatives in a new perspective, different from traditional approaches to rural development that have been concerned with the incomes of the poor."

The underlying hypothesis of the proposed program, is that the socioeconomic inequalities in rural Latin America are, in part, associated to territorial dynamics, above and beyond changes occurring at the level of individuals, households or social groups. This is not to say that territorial differences are more important or should receive more attention than differences at those other levels. Rather, the implication is that policies aimed at opening opportunities and reducing disparities among individuals, households and social groups, need to be complemented by territorial development efforts. A constraint to doing so is that territorial dynamics are poorly understood, and this affects our collective capacity to design policies and programs that are effective in reducing rural inequality and fostering pro-poor and environmentally sound economic growth.

## Starting point: the scarcity of success stories

The starting point for the Rural Territorial Dynamics Program is the observation that there are rural territories characterized by what could be called virtuous cycles of economic growth, social inclusion and environmental sustainability, at levels which can be judged to be significantly better than those of the rest of a larger region or a country. A preliminary analysis using household survey data, estimates that slightly less than a quarter of the total rural population of six Latin American countries, live in regions which have simultaneously experienced economic growth and social inclusion over the second half of the 1990's. However, these regions represent only 15% of all those comprising the rural areas of these six countries (Berdegué et al., 2007).

Hence, a second important observation that inspires this program, is that virtuous cycles of economic growth, social inclusion and environmental sustainability at the territorial level, are indeed rare phenomena. It is a sad reference point for this program that even

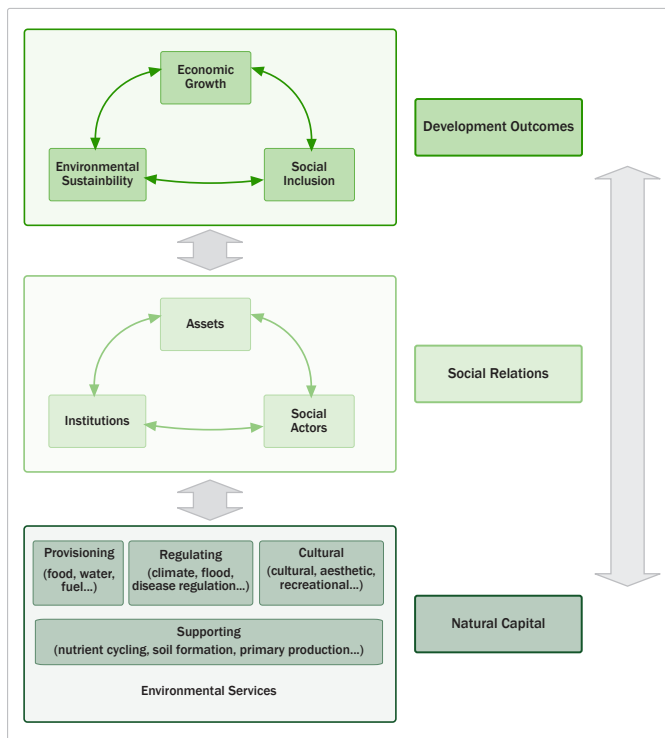
today, in the majority of the rural territories of Latin America, the dynamics of development are ones of economic growth with little if any social inclusion (22% of the population; *ibid.*), or, even worse, of economic stagnation and deepening deprivation and social exclusion (54% of the population; *ibid.*).

## Questions and Approach

The policy questions addressed by this program are:

1. What explains "successful" territorial development, i.e. development dynamics characterized by a localized virtuous cycle of economic growth, social inclusion and environmental sustainability?
2. What kind of purposeful public action –including but not restricted to public policies – can be effective in stimulating or promoting such "successful" rural territorial development?

Figure 1. Framework of the program



The program approaches these questions by focusing on the interactions between development outcomes, social processes, and natural capital (figure 1). Of particular interest are the processes through which social actors and their coalitions construct or use localized institutional frameworks to govern the access to and the use of assets, including natural resources.

## References

- Berdegúe J. A., A. Schejtman, M. Chiriboga, F. Modrego, R. Charnay and J. Ortega. 2007. Towards National and Global Agendas: Latin America and the Caribbean. Input paper for the World Development Report 2008 'Agriculture for Development'. Rimisp-Latin American Center for Rural Development
- de Janvry, A. and E. Sadoulet. 2004. Toward a territorial approach to rural development: International experiences and implications for Mexico's Microregions Strategy. Manuscript.

## The Program Design

Over five years (2007-12) the program expects to achieve the following outcomes:

1. Diverse change agents dialogue and collaborate in a broad regional and globally-linked network
2. The network collectively advances a theoretically-consistent and empirically-tested vision and strategy on how to achieve rural economic growth with poverty reduction, greater equality and environmental sustainability; and
3. The network engages effectively in relevant national, regional and international debates and policy processes on rural development in Latin America.

The program is envisioned as a functional network, light in structure and dense in activities. The network is regional in scope, and it is linked to leading research, policy and development practice centers in other areas of the world. At the heart of the network are around 20 rural territories in ten countries, with activities supported in full or in part by the program. The network is open to the participation of many others working in the field of rural development; in this sense, the program catalyzes linkages, collaboration and communication processes that reach beyond the direct participants in the program.

The program will organize its activities under five interacting components:

1. Applied research
2. Capacity development
3. International networking and dialogue
4. Postgraduate training
5. Communication (a cross cutting component)

The program has been designed and will be coordinated by Rimisp in collaboration with four core partners: the Danish Institute for International Studies (DIIS), Grupo de Análisis para el Desarrollo (GRADE, Peru), Natural Resources Institute of the University of Greenwich (NRI, UK), and the Departamento de Economía, Universidade de São Paulo (USP, Brazil). The first phase of the program has been designed to last five years (2007-2012).

Canada's International Development Research Center (IDRC) has very generously supported the program with a grant of USD 10 million.

## Further information

Dr. Julio A. Berdegúe, Coordinator  
 Casilla 228-22, Santiago, Chile  
 Tel. +(56-2) 236 45 57  
 Fax +(56-2) 236 45 58  
 dtr@rimisp.org  
 www.rimisp.org/dtr