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PRAIA, CABO VERDE - 17-20 OCTOBER 2017

The Latin American Center for Rural Development (Rimisp) Think Piece for the 4th World Forum on Local Economic Development, 17-20 October 2017 - Praia, Cabo Verde

From a paradigm of socio-economic cohesion to territorial cohesion:

The role of Local Economic and Territorial Development approaches in facilitating inclusion and cohesion as bases for competitive and sustainable territories

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The Sustainable Development Goals (SDGs) reserve an essential role to two transversal dimensions, which are fundamental to achieving inclusion and sustainability in development: **poverty** and **inequality**. Although these dimensions are represented by specific goals (SDG1 and SDG10), they both are included across all SDGs, in line with a multidimensional approach. In the last few decades, hundreds of millions of people have been lifted out of poverty. Nevertheless, inequality levels still remain a priority concern. According to recent data, 8 men concentrate the same wealth as 3.600 millions of people, and since 2015 the richest 1% owns more resources than the rest of the world (OXFAM, 2017): this highlights how a very small percentage of the global population is actually benefitting from economic growth. In the poorest countries, millions of people have managed to get out of poverty or extreme poverty; nevertheless, one person in nine is still suffering from hunger. Furthermore, it has been outlined that between 1988 and 2011 the poorest 10% of the population has experienced an increase of economic income for less than 3 dollars per year, whereas the richest 1% has seen an income improvement of 182 times as much (OXFAM, 2017).

This context raises two questions: *which are the main obstacles hindering the achievement of an equitable development and an even distribution of resources, from a sustainability perspective? What are the pending issues that haven't been solved yet?*

Classic development models have traditionally focused on economic growth, income and Gross Domestic Product (GDP) measurement as indicators to gauge the progress, well-being, and wealth of national economies, without considering the major differences among and within territories in the same country. During the last few years, the **multidimensionality** of the

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transformations needed for a more inclusive and sustainable society development has been gaining more and more importance.

On the one side, **social dimension** highlights gender, generational and ethnic inequalities within excluded groups such as women, young people, indigenous and afro-descendant communities, among others.

On the other side, the **territorial dimension** is essential in order to take into strong consideration the structural differences existing among and within different territories. By referring to a territory as “(...) a set of social relations that both generate and express an identity and a sense of purpose that is shared by both public and private agents (...)” (Schejtman & Berdegué, 2004: 30), more importance is given to the existing linkages between identities, territorial stakeholders, management and access to territorial and extra-territorial assets.

Therefore, the territory contributes to originate inequalities and its development depends on structural elements (geographic, institutional, social, cultural and so on) representing a key factor in nourishing the differential access to opportunities (Bebbington et al., 2016): *“Geography makes a difference, but even more important are social structures and institutions, and the social actors who build and reproduce them. These structures, institutions, and actors are different in different territories, and to a great extent, that is why major economic, social or cultural trends, as well as public policies, do not “take root” in the same way in different places”* (Berdegué, 2016 in Bebbington et al., 2016: 9).

Lastly, the **bio-cultural dimension**, gives rise to further elements which were once considered as “optional” in development processes, such as: tangible, intangible heritage and identity (in their different expressions) as vectors for strengthening territorial acknowledgement and sense of belonging; traditional practices, knowledge and local stakeholders' innovations combined with external influences; the design, development and monitoring of strategies and differentiated models which contribute to create a linkage between urban and rural spaces, individual actors and coalitions, private enterprises and public policies; the social construction of a territorial brand, in order to position the products and services of a territory on different markets, enhancing its competitiveness by creating a difference rather than focusing on homologation and standardization (Ranaboldo, 2017).

Within this framework, the concept of **social cohesion** – which complements the more individualistic concept of “inclusion” – has gradually gained priority by recognizing the need to belong to a group or community. A society is cohesive when it fosters inclusion and sense of belonging among their members, who share a development goal (Silva Lira et al., 2014). The concept of social cohesion – in its different declinations – has emerged in Europe within the development of its unity, which highlighted the divergences and differences existing among its countries. As the concept evolved, the territorial perspective has been included contributing to a more integrated, systemic and territorial vision. In this regard, **territorial cohesion** is intended as *“a country's condition where everyone has the same development opportunities as well as access to similar levels of well-being and exercise of rights, regardless of the birthplace, the place*



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they grow up and live in, with no territories in a permanent condition of marginalisation or with life-quality levels below the minimum socially acceptable threshold” (Cazzuffi et al., 2013:1). Nowadays, this concept is central to public policies agendas, attaching greater relevance to the articulation among economic efficiency, social cohesion, ecological balance and governance within a territorial system, establishing a principle of “territorial management” (Buitelaar et al., 2015; Silva Lira et al., 2014).

On these bases, the concept of **territorial cohesion complements the local economic development approach** from a territorial, integrated and systemic perspective, oriented towards multidimensional transformations which do not only consider economic, production and institutional elements, but also address deeper structural aspects such as marginalization and what is meant by quality of life.

Despite globalization, it is clear that there is no homogenization among territories. On the contrary, the proliferation of identities and their cultural, religious and national expressions – among others – as well as the increase in population movements (because of wars, internal and external migrations, displacements) exert pressure on territories, which are forced to continuously “deconstruct” and “reconstruct” their internal cohesion. The political vision of territorial cohesion is also very relevant, as it cannot be conceived as a mere technocratic instrument.

On the other side, territorial cohesion is a key element for the construction of new economic dynamics that are able to exploit the innovative potential of territories enriching a local economic development perspective. For instance, it is possible to observe how transnational large value chains with no link to the territory, are being flanked by economic flows and markets which base their competitiveness not only on proximity trade but also on quality, territorial origin, territorial know-how, art, local entrepreneurship, conservation practices, social ties, clean energy and so on. They represent an innovative set of factors which respond to a new territorial intelligence originated from creative, circular, social and solidarity-based economy.

The perspective of **territorial cohesion** is becoming more and more necessary, especially as territorial dynamics are being increasingly affected by different sources of conflict, such as: visions about the role played by protected areas and their buffer zones; limited access to natural resources due to the indiscriminate activity of extractive industries (mining, forestry, fishing); land use rivalry among colonists, migrants and indigenous people; fights over the massification of tourism in heritage sites, just to mention a few modalities which can trigger territorial conflicts (Ranaboldo, 2017).

Therefore, talking about multidimensional territorial cohesion as a dynamising factor implies establishing:

1. **New forms of dialogue**, involving citizens and organizations originally excluded, which would allow to overcome the logic of "prior consultation" or merely formal participation processes, in order to build innovative agreements and alliances, able to encourage the



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development of strategies aimed not only at "defending" the territory but also at establishing forms of territorial management led by empowered local stakeholders.

2. **A critical mass** of territorial stakeholders with decision-making skills and their own view regarding the levels of well-being to be pursued; entrepreneurs with an orientation towards a win-win combination of private interests and the public good; public servants and decision-makers committed to supporting territorial, multilevel and intersectoral public policies based on inclusiveness and sustainability. This calls for systemic capacity building processes in the formal education field, which operate harmoniously with various territorial learning methodologies.
3. **New strategies of territorial competitiveness** based on network and economic circuits maximisation, which reward uniqueness, creativity, natural resources conservation as well as social and solidarity networks. This is not to be intended under a logic of "alternative or marginalized economies", rather as a base for new economic patterns built on a territorial basis and able to generate wealth, pushing forward the boundaries of inclusion and equality.



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