

Creating a territorial policy for the development of rural areas in Mexico

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Abstract: There is a persistent concern in Mexico on guiding the role that the countryside should play in the future of national development, considering its present difficulties in backwardness and stagnation. A vision of how to move this process is present in the new Law on Sustainable Rural Development (*Ley de Desarrollo Rural Sustentable*), which suggests an approach to development from the territory as a subject of action and new processes are recognized as rural routes to rebuild the fabric of rural life. However, there is still the need to express this law in an operational policy that actually includes realizable alternatives to reverse the depopulation of the countryside caused by marginalization and massive migration in the face of the need for peasant's survival. In this case, the proposal should lead to its greater possible scope the territorial approach to rural development and operational strategy. Therefore, what we are proposing in this paper is to raise some points that may be strategic in defining a rural policy for the country, from territorial approach and regional development, taking into account the dimensions of economic and social fragmentation which generate the abandonment of the countryside, but also as a new scale of opportunities that entails the presence of rural activities increasingly diverse and complex which could be translated into the new rural development policy that we endeavor for as a way to reduce social imbalances in the country.

Key words: rural policy, rural development, territory, region.

Resumen: Existe en México una preocupación permanente por reencauzar el papel que deberá jugar el campo en el futuro del desarrollo nacional, considerando sus dificultades actuales de atraso y estancamiento. Una visión de cómo impulsar este proceso está presente en la nueva Ley de Desarrollo Rural Sustentable, de la cual se desprende un enfoque del desarrollo a partir del territorio como sujeto de acción, y se reconocen los nuevos procesos rurales como ejes para reconstituir el tejido de la vida rural. Sin embargo, todavía falta expresar esta ley en una política operativa que incluya efectivamente la concreción de alternativas para revertir el despoblamiento del campo, provocada por la marginación y emigraciones masivas ante la necesidad de sobrevivencia campesina. En tal caso, la propuesta debería llevar hasta sus mayores alcances posibles el enfoque territorial del desarrollo rural como estrategia operativa. Por lo tanto, lo que nos proponemos en este trabajo es plantear algunos aspectos que pueden ser estratégicos en la definición de una política rural para el país, a partir del enfoque territorial y regional del desarrollo, teniendo en cuenta las dimensiones de fragmentación económica y social que gen era el abandono del campo; pero también como nueva escala de oportunidades que trae consigo la presencia de actividades rurales cada vez más diversas y complejas, las cuales puedan traducirse en la nueva política de desarrollo rural que tanto anhelamos como forma de abatir los desequilibrios sociales en el país.

Palabras clave: política rural, desarrollo rural, territorio, región.

Introduction

It is undeniable that the Mexican countryside has remained in a latent period of stagnation for about 40 years. This can be seen in the production of basic grains, dairy products and vegetables that decreases constantly and which has forced us to import food for an average higher than 10 thousand million dollars in the three last six-year periods. Moreover, the international increase in the prices of cereals in 2008 severely reflected our vulnerability in terms of internal food security, a result of overseeing the rural sector in all its components. The prevailing explanation to the situation states that the unequal exchange of prices with other sectors of the economy has clearly disfavored the rural space, so that this resulted in a hindrance to investments, decapitalization and, later on, a crisis of agricultural production that has had different effects at social scale and on the rural territorial structure. The clearest sign of these adverse effects is reflected in the constant loss of rural human capital, which in turn eliminates an essential support to the productive processes. There exists also a problem of sectorial functionality. This one does not allow resetting and defining new productive vocations in the rural space that enable, along with the rooting of the population, facing the current problem that global competency sets.

Both, the decapitalization of the human factor, and the identification of the productive vocations in the rural territory, derive from an extended lack of definition of policies for the countryside. These vocations could give a new direction to the active elements of the global processes and make activities work beyond the traditional countryside-city division; so that the population would remain in their land having a real alternative of income and improvement of their living conditions.

In the Mexican case, a recent concern on the role that the countryside shall play in the economic development, taking into account its secular conditions of backwardness, is the territorial approach of rural development. A vision on it is in the Law of Sustainable Rural Development from which the new rurality approach derives and it is considered as an alternative to reconstruct the conditions of the Mexican countryside and rural life. From the territorial approach, new rurality is understood as the reorganization of the system of life in the rural space, linking to this space all kinds of

productive activities, including those beyond the strictly agricultural sphere that guarantee the occupation and income to permanently improve human conditions (Echeverri and Rivero, 2002). In spite of this, this perspective is still to be expressed in a policy of rural development that effectively materialize these alternatives in order to avoid the rural depopulation resulting from the marginalization and migrations; and so there is a guarantee to achieve the highest levels of the territorial approach for the rural development when it is applied as an operational strategy.

In this framework, the new policy of rural development in Mexico shall be based on the criteria and contexts in which an emerging rurality occurs. Under such approach, the countryside is something more than a space for agricultural production; it has to do now with the promotion of new kinds of rural life through the incorporation of economic activities that do not have a traditional nature. Some of them derive from the productive fragmentation of the global processes that can have a significant impact on the use that is made of the countryside, other activities are similar to those in the city, and some others are a product of the new nature that agroindustrial activities acquire to give a structure to productive areas. But the most important aspect in this is the meaning that they acquire for these new kinds of life. In another sense, along with the economic directions and the possibilities of productivity that were previously mentioned, the territorial approach of development considers the rural population as the most important asset of its functionality and recognizes traditional expressions, culture and local environment as indispensable elements of that which is now called new rurality.

Therefore, this text aims at showing some of the aspects that can be strategic in the definition of a rural policy with territorial and regional approach to the development of the country, taking into account the dimensions of fragmentation that the abandonment of the countryside creates; but also considering the new scale of opportunities that are a by-product of the presence of more diverse rural activities, as well as the significance that this has in the definition of the new policy of rural development which we have yearned as a way to defeat the social imbalances in the whole country.

A comprehensive development of rural life

The Mexican territory and its population face nowadays significant challenges and processes of change in both, urban and rural life. In view of those challenges, the question is focused on the local capabilities to positively absorb the changes promoted throughout time by internal factors, along with others that have significant international support. This is clear when we see how the rural territories nowadays incorporate a significant support from the non-agricultural economy, which requires 40% of the rural labor force and a half of the income of its population.

The impacts of this recent phase were caused by the processes of trade aperture, which have the elimination of taxes as characteristic. They were also caused by free trade agreements and the multilateral commitments acquired at the World Trade Organization which establish restricted limits to the State regarding decision making for agriculture and rural development. Not only did the market liberalization minimized the state intervention, which aimed to alter the conditions of equilibrium in favor of equity, but it also greatly marginalized the internal sector and territorial initiatives that had another origin; this in order to provide more attention to macro-economic balances (Trejos, 2004).

On the other hand, in the current situation, many of the instruments that were used in the past to direct rural development cannot be used anymore. This occurs not only because the economic liberalization delegitimizes the countries that follow a different development strategy or take part in integration processes that force them to harmonize policies, but also because international trade agreements have been established in order to prevent it. Traditional employment and the mechanisms of social and institutional response, which sheltered the imbalances in the productive structure of the countryside in the past, coexist now with processes, organizational and productive dynamics that are still to be defined in rural territories. This is due, among other factors, to the permanent duality between modernity and tradition, two aspects that despite being aimed at inclusion, have to follow the route of a slow path of social and territorial cohesion in the new rural societies. To make progress in an equitable access to employment opportunities, projects and kinds of life for the rural population, taking into

account their local assets, would provide inhabitants of the rural spaces advantages of participation derived from both the traditional agricultural activities and from those that are not, but which are already set up or whose presence shall be promoted in the rural space (CEDERSSA, 2007).

The path toward the constitution of new rural institutions

In order to create a new kind of rural life in Mexico that is sustained on a broad policy of development for the countryside requires, essentially, building a new institutional structure that includes strengthening the legal-institutional framework. Both, national governments and international organizations have emphasized strategies of change and political measures to contribute to the improvement of the socioeconomic and environmental situations of the rural space.

This new stance of institutionalism, where one identifies the social actors as main characters, takes place under the cognizance that it is not easy to integrate any given territory into the global economy. This makes it necessary to relate production to knowledge and promotion, as well as to define a clear responsibility for public and private institutions that act in favor of the collective and common land interests. This is especially important if the methodological proposals are profiled considering the productive and institutional transformation of the rural space with the objective of reducing rural poverty.

Institutional development, as pointed out by Schejtman and Berdegue (2003), has then the objective of promoting and facilitating the interaction and adjustment of the local actors and the significant external agents. It also aims at increasing the opportunities for the poor population to take part in the process and its profits.

For more than 50 years in the XX century, Mexican governments built institutions related to the agricultural production and the sustainment of rural life. These institutions greatly helped to maintain acceptable rhythms of production, to guarantee domestic supply and to create a surplus which could be exported. This also strengthened regional economies. However, a change in the development model has gradually dismantled the institutional structure that supported the producers and it is now necessary to face the new global challenges and international competitiveness.

One recognizes that the territories that are able to face the changes and sustain a new development have a high institutional level. This is frequently demonstrated in cultural identities that improve their endogenous economic options, and strengthen the living conditions of the population.¹ Despite this, in Mexico, we do not necessarily find attributions and technical, administrative or political capacities from the local and state governments or decisions coordinated by the federal government to promote networks and mechanisms of communication between these levels of government; which would allow covering more spaces in an effort to promote development in the long term. Clearly, there are some efforts to revitalize the rural sectors and to consider them as active agents of growth and economic development, but there is still a lot to do and learn.

On the other hand, despite efforts made in recent years, it has not been possible to establish a new political institutionalism that makes it possible to guarantee the sustainability of the processes that accumulate successful experiences with territorial approach for rural development. Echeverría (2003) mentions how in the last decades both, centralized policies of rural development that did not take into account the macroeconomic context that in many cases was not in favor of the investment in the rural space, and the emphasis in the economic growth ignoring the poverty and inequality that prevail in many areas of the region, did not provide the results that were expected. The consumption of these efforts, and the resulting crisis of a public sector that is out of phase and excessively centralized, requires to

¹ Territories from countries such as Germany and Spain have managed to strengthen their institutions of rural development based on the initiatives of local agents. A more specific example of this is the Brazilian case, in which there was a need to change the system of incentives and the behavior of public and private territorial agents, in order to give a new dimension to the administration from a process of institutional construction that considers four strategic policy objectives: to strengthen the capacity of administration, participation, legitimacy and acknowledgement of the territorial organization so that they constitute a representative interlocutor to administrate territorial development, with the objective of allowing the democratization of decisions, social control and planning; having as objectives to promote the political and technical capacities among the local agents to improve their administration and planning capacity at the interior of the territory, so that agents are able to lead the administration of their territory (CEDERSSA, 2007).

restate the role of the State in a market context, but it shall be done this time establishing specific dimensions derived from the territorial diversification and the endogenous capacities, in a context of increasing trade relations of local and international nature (see table 1 in appendix).

Providing a new set of functions to the public agents has had, in general, the objective of creating incentives to achieve an efficient use of resources at macroeconomic level, along with the use of the capabilities of the rural space itself. Likewise, giving a new direction to the policies has aimed at overcoming the inefficiencies that are a characteristic of previous policies by means of decentralization, transfer of responsibilities to the beneficiaries, setting of rates for the services as technical assistance and market information and the creation of associations with the local community.

The new institutionalism advances linked to a process of incorporation of the set of social rural agents. It strengthens a national vision but this one is of broad advantages for the subnational and regional spaces, because it weighs up, through the approach to development based on the territories and the people, the interaction among rural territories, micro-regions, states and municipalities that allow countries to strengthen not only their production units, but also a planned system of territorial organization that favors the processes of productive chains, agglomerations, clusters and trade exchanges of regional nature, that would turn heterogeneity and diversity into factors of competitiveness, as a result of the association between public and private agents.

However, the scenery to create a new institutionalism goes beyond the formal public organizations. It covers the set of regulations of the game that rule the space of the public and the intersection between the different individual interests which are needed for collective interaction.

An essential part of institutionalism are the kinds of regulation of a society, the agreements, norms, capabilities, commitments, roles, formal, informal, private and public organizations. Their materialization is what we can call a social contract, which contributes as a referent for individual action. In this regard, institutionalism guarantees the rights recognized for the members of a society and provides parameters for the exercise and fulfillment of the collective duties and for the private action itself.²

The processes of institutional change that operate in the general political framework affect the structure of the rules of the game of rural sector institutions and adjust to forces that are accelerated and of historical and universal nature. Hence, it is necessary to have a clear image of these tendencies, given the fact that they are the source of new conditioning factors and options that feed the capacity of management and governance of the rural society (Echeverri, 2003).

One essential reason to redirect the policies that involve relations between growth, inequality and poverty is precisely the distribution of assets as a central axis in the definition of strategies of economic development in general and rural in particular. This shall be done taking into account the high indexes of rural poverty and the negative effects in terms of economy, society and environment that could result from these programs. In this regard, the challenge for the people who are responsible for defining public policies is in promoting processes of development of the rural economies in a broad sense, that manage to modernize the agro-alimentary sector and the non-agricultural as well, including the poor regions of little economic dynamic and scarce social mobility in these processes.

² “The institutions are created to facilitate the Exchange, to promote the technological change, to promote the creation of human capital, to facilitate the resolution of conflicts, to strengthen democratic political structures or a specific social order; or the opposite, to create monopolies, to set a limit to technological change, to set a limit to the development of human capital, to promote conflicts, to strengthen the permanence of social and political structures that promote inequality and conflicts. These rules can be formal (Constitutions, regulations, norms, codes, etc.) or they can also be informal (tradition, culture, etc)” (Bernal, 1998, quoted by Echeverri, 2003).

The great challenge is, then, the reconstruction of public institutions for agricultural and rural development, by integrating them into joint action in a regional institutional structure in order to take advantage of the existent opportunities at worldwide level which are exempt to the greatest extent, of the political-territorial manipulation of resources.

Critical elements for institutional modernization

As the globalization process accelerates, important changes in the exercise of public service and the policies of the countries are also created. In the same way, these transformations have influence on rural life, in the agricultural reproduction, in the territorial organization and in the ways business are done; this even affects the local agro-alimentary systems.

From this assumption, the challenge of adjusting the model for the countryside and rural territories requires an institutional modernization that integrates a new agreement to face the challenges that the dynamics of world trade impose in real conditions. This starts by the promotion of training and the restatement of local territorial vocations.

Agriculture, undoubtedly, represents the essential activity of the Mexican rural space. Although it is not anymore a “primary sector” of the economy for many, and it is instead an agricultural-agroindustrial “complex” or “system”, consisting in agro-alimentary chains, units of analysis that gather both, the set of agents that are part of the primary activity and the processes that contribute to the transformation of the products until they reach the final consumer (Trejos, 2004). The experience of the Mexican regions shows that their vitality is sustained on something more than their consideration as productive, economic or commercial means, incorporating in a broader dimension the implicit traditional, cultural and environmental aspects, all of them key factors for their survival and possible new structural dimensioning.

Also, non-agricultural rural activities shall not be disregarded as active elements of the rural world, given the fact they are linked to the agricultural systems and create broad and diverse options for rurality. In this framework, the new institutionalism and the territorial approach of development imply a redefinition of the rules of the game in the relation that exists between the rural space and the rest of the economy.

This requires the creation of incentives, mechanisms of transaction, a new role of the State and the profound redefinition of the role of the organizations, civil society, individuals and communities.³ Rural institutionalism shall be the product of the evolution of the natural institutions built in time by the rural population and they are framed by a great diversity and heterogeneity. These institutions, along with culture and social structure, constitute great potentials for the comprehensive development of the rural space and shall be seen with a broader vision than that of the single short-term economic efficiency.

In the new institutionalism, the development of rural spaces requires an articulated set of public policies and an adequate infrastructure to set up said policies. One of the traditional problems of rural development is the incapacity of the public sector to articulate a set of state interventions with an investment program that is directed to the rural sector and that responds to the changing needs of the rural environment in all its dimensions.

³ An example of this is Guatemala, a country that has assumed a process of institutional reordination that significantly affects the administration structure of rural development. Regarding the strategical importance rural world has in the life of the country, where the rural and indigenous predominance is clear, a special emphasis has been given to the organization of the administration of the policy that is directed to overcome rural poverty. In 2002, a set of norms were issued and it recognizes decentralization as the structuring principle of a policy that aims at the transfer of the central State in favor of the municipalities and of the territorial intermediate instances. One of the main characteristics of this process is the huge autonomy provided to the territorial entities, even in the case of the conception of the decentralization processes, the definition of the priorities, of processes and commitments to local and regional authorities. As accompaniment for the decentralization a norm was issued and it determined the creation of an ambitious System of Councils of Development with a territorial approach, simultaneously tackling the urban and rural development, determining five levels of planning and administration: national, regional, department, municipal and communitarian. The structure of the Councils establishes a structure directed to the integral, multi-sector and territorial administration of communities, civil society and of union, companies and a certain subordination condition of the public entities that acquire a responsibility as facilitators of development. The Guatemalan model places special interest in the political compromises at the interior of the rural space and incorporates it in the institutional structure (CEDERSSA, 2007).

To provide a new estimation to the land market, to make more efficient the trade institutions, to strengthen the strategies of credit support (recognizing the increasing role of the microcredit in the countryside, the savings banks and the local financial cooperatives), to recover educative programs and those of training, to consolidate processes of rural micro-entrepreneurship and solidarity cooperativism, are an essential part of the process from which it will be possible to derive the emerging institutional framework.

It also implies a decentralized territorial planning, as opposed to the centralized sector vision. This starts when one recognizes the transition to the current model of development, marked by simultaneous and profound microprocesses, such as the change in the capabilities and functions of the territory from that which is local to that regarded as global and centered in two complementary axis of institutional change: the decentralization and the international participation in the framework of the globalization. This carries out changes in the responsibilities of that which is public and private; it is tinged by the processes of redefinition of the national State and the participation of the unconditional public functions, to the extent that such tendencies rule the space of the institutional renovation, exceed the vision of the institutional engineering and incorporate the political vision with more emphasis and realism. Therefore, to see a comprehensive conception of the institutional economy as objective allows the approximation to a broad and diversified market of public policies, nowadays controlled by a vision of public offer, toward a proposal of real mechanisms that lead toward a strategy of demand (see table 2 in appendix).

In the scope of the political management and the participative interaction of the rural agents it is established that the new institutionalism shall also start from a criteria of institutional reconstruction (Gordillo *et al.*, 2000). This new rurality presupposes the renovation of the social pact in the rural space and the establishment of ways to reorder the social relations, so that the natural conflicts among the community, professional associations, market

and State are compensated and limited. Likewise, there exists the idea of rescuing the historical contribution of the professional associations and the social networks with regard to governance and social cohesion in view of the negative balances in terms of clientelism and exclusion.⁴

Innovative financing mechanisms

One of the essential problems that the development of rural territories faces is the poor access to productive assets. Therein lies the importance of fighting against that shortage using, in an adequate way, formulae that promote territorial autonomy and deter the dependency on external sources. Clearly do high poverty levels imply structural solutions and the reduction of a gap in the public investment, and their solution is out of the hands of municipal administration. But one has to recognize that, in general, the saving capacity and the creation of income of the poor and medium sectors have been underestimated.

More stimuli, diversification and regulation of financial markets and the services of entrepreneurial and micro-entrepreneurial development can decisively contribute to strengthen the municipal finances understood as a whole and can complete, at the same time, a virtuous circle of formation of local social capital. When speaking of the formation of local social capital we refer here to the creation of bonds between associations and institutions, with the objective of obtaining broader economic links that result positive for its members and for the territorial development as a whole.

⁴ Gordillo understands that the reconstruction of the (rural) institutions shall start with a deliverative process, undertaken thanks to the convergence of social and governmental agents. In order to achieve this, it is necessary to set a group of mutual compromises including rights and obligations. This refers to a pact of guarantees in order to build a degree of trust that increases gradually, that allows negotiating and resolving differences and discrepancies, so that there are advances in the original agreements. The essential aspect is that when citizens perceive that the costs associated to the introduction of institutional reforms are distributed fairly (without exclusions nor clientele biases), they can be successful. Above all when the institutional reforms protect the less favoured groups and prove that solidarity is a basic component of their legitimacy. A typology that deals with the explanation of the interaction of the Mexican State with the new rural organizations is set in Gordillo *et al.* (2000).

Despite the fact that inequalities in health and education services represent obstacles to achieve the objective of making markets work without acting against the poor, the lack of access to land, to trade infrastructure and to the financial resources imply, in general, that the poor are the worst prepared to use the opportunities provided by the market.

Financial resources represent one of the main obstacles to restate a strategy of development that, in view of the clear decapitalization accumulated in the rural sector, requires new inoculations that shall start from innovating ways to face the failure that represents the relation with the formal credit institutions which took the diverse strata of producers to declare overdue portfolios.

Public sources for financing, in most of the countries of the region, have been scarce and in some cases nonexistent, leaving the task of financing to private banking, which, due to the high interest rates, has properly implied an “anti-financing” and a resulting decapitalization of the countryside.

The lack of financing accompanied by high costs in the productive input materials has contributed to the fact that most of the small-scale producers are not interested in acquiring new technologies or using technological packages that exist to improve their performance, with the resulting deterioration of their income and their competitive capacity in comparison to producers of other countries.

Therefore, it is necessary to create new financing mechanisms. Firstly, through a public-private alliance that integrates forms for the investment of capital, where the government and private sectors share responsibilities and risks. Secondly, by promoting other kinds of associations among rural producers and agents that take part in the trade phase, and which involve supermarkets mainly. In these commitments they would pact part of their purchasing by means of soft credit and the use of futures contracts. Thirdly, to use the international solidarity system through early purchases, where the overprice margin and the speculative perversions of future markets, for example that of the organic products, is moved forward as credit. Fourthly, by encouraging industrial and agroindustrial companies located in the rural space and which require raw materials to move their purchases forward as credits and also under the system of long term contracts at local and direct scale. Fifthly, by promoting a productive financial reutilization of the

revenues provided by the rural emigrants, directing them to associations of producers by means of contracts supported by public institutions and soft credits.

The links between agricultural and the non-agricultural economy

It is asserted that the reduction of poverty and the search for a higher equity in the rural zones are responsibilities that must be taken on by the public institutions directed at straightening the agricultural activity. However, it is also clear that agriculture is not the only, and frequently not even the most important, way to improve the level of the quality of life of the people who live in rural territories nowadays.

The set of interactions that take place between the agricultural and the other economic activities in the rural space are more and more significant, but not only does the economic interaction have significance. As important or more are the cultural and social relations and the fact that all the actors share a territory whose common patrimony are the natural resources. Other factors as education, health, infrastructure and transportation, by mentioning some, significantly influence in the well-being of the populations. Other activities such as tourism, trade, environmental services or rural industries can create an income that is higher than those obtained from primary production.

This occurs more when we recognize that the Mexican rural space comprises territories consisting mainly of disperse areas of the countryside, some of which have urban settlements and whose bond is the natural and productive resources that display a great diversity at present. This provides a broad spectrum of interdependent activities, economic and non-economic dimensions, as well as relations of functional integration with the urban. Agriculture is the linking axis, but the transformation of the economic processes has incorporated activities that exceed the agricultural production, although they can have a clear relation with the rural space. The technological advances on their own in terms of agricultural production reduce employment expectations for the rural population; something which in turn puts pressure to a certain extent on diversification. The rural space is, in any case, an environment that reproduces different economic and social problems that force us to set proposals in the context of the current processes and beyond the state agricultural solutions.

However, the interactions that occur between the rural and urban territories are more and more frequent and intense in their economic, social and environmental dynamic. Returning migrations, advances in transportation and communications, the increasing proliferation of diffusion instruments, the expansion of urban markets of the nuclei which have traditionally concentrated population and services, and in general the very spatial-functional dynamic, where cities play regional roles of hegemony, contribute in a decisive way to the gradual creation and construction of diversified economic structures in very specific economies at scarcely dynamic territorial levels, but they are organized as a functional instrument that is significant in the structural connection in space, interacting with the urban centers of higher hierarchy.

These referents are systematically tackled under the so called territorial approach to rural development, which induces the restructuration of the thinking and traditional conception of the rural, and increasingly locates rural areas in contexts with multi-sectorial characteristics and heterogeneous social formations that even comprise the peripheries of large cities.

Hence, rural development holds different dimensions that complement one another at territorial level. Such dimensions include the increase of agricultural competitiveness and the sustainable management of renewable natural resources, social rural development, institutional modernization and regional and municipal development, the strengthening of infrastructure and economic subregional and regional integration.

If we consider the agricultural sector in this context, one shall acknowledge, then, with more emphasis, the reevaluation of the traditional idea of rurality and link it to non-agricultural sectors, but this time it must not be from the unequal exchanges which are a historic characteristic of the patterns of organization of the spaces that are divided by territorial hierarchies; it shall be done taking advantage of the new conditions that macroeconomic and social policies provide in order to give a new value to this sector in terms of its productive and managerial capabilities, and in order to integrate territorial systems of productive, social, cultural and entrepreneurial interactions that give a dimension to the depressed territories with scarce growth in a new economic status at the interior of the regions.

Thus, the bonds between the agricultural and non-agricultural rural economy gain an integration sense, firstly, at the interior of the rural territories and, later on, at the level of regional and national integration that will allow it to provide a higher dynamic to rural areas. These bonds promote, undoubtedly, viewing the rural spaces as agents that compete in very disadvantageous situations, and the aspiration is that they gradually leave their traditional role as spaces where raw materials are obtained to increase their value in industrial hubs, that they overcome their condition of spaces which provide cheap labor force to the growing cities. That is, to make the economic dynamic arise again in rural territories so that it counteracts the processes of value transfer in terms of extraction of natural resources, migration and unequal exchanges in the prices of primary and industrial products.

Recommendations for the institutionalization of a territorial policy that promotes the rural development of the country

The public policies which have an influence on a polity of rural development and their institutional reinforcing are required, as well as the organization and promotion of the territories that are less dynamic nowadays, in collaboration with the development of technical, administrative, social organizational and local productive capabilities.

Public policies, mainly those related to macroeconomy, shall be stated not only from the spatial distribution of added economic indicators, but also through the acknowledgement of the local capabilities and territorial differences that exist. This should be done in order for the internal economic dynamics to be promoted.

Macroeconomic policies shall, in this regard, promote strategies of economic development with territorial measures (policies of regional and/or local development), considering the local agents as emerging through a new institutionalism, with great capacity to promote and participate in the new context. Citizen participation is, from this approach, an essential element in this transformation process.

The best way to guarantee territorial interfunctionalities is through the construction and/or consolidation of diverse networks (social, productive, entrepreneurial, policies, etc.), that interact with the unconditional

mechanisms of communication and interfunctionality of the different strata of the government: local, regional, provincial and/or national, with the local agents of development, where spatial integration is considered with regard to a higher number of communities and territories interacting among them and supporting their economies from the economies at territorial scale.

There are certain structural elements in the formation of public policies which shall change in a substantial way in order to tackle the poverty situation, the inexistent integration and the abandonment of the rural space. Some of them are the following:

- To formulate in a new way the emphasis of the development approaches and to avoid one which prioritizes growth without taking into account the territories that create said growth in order to construct other where the social well-being creates the local economic dynamic as a guarantee of future territorial redistributions. Social equity is seen as strength of territorial institutionalism.
- Policies that were applied for the growth of specific economic sectors, cities and territories, i.e., centralized policies, and even rural policies which are also centralized, shall be formulated considering the elements of the macroeconomic context that allow the sector and territorial integration in conditions of complementarity, along with the use of social and territorial policies that are differentiated.
- Such policies shall guarantee intersector complementarity, promoting comparative and systemic competence elements. The former shall be natural, sociocultural and productive in comparison to the other territories.
- In this regard, decentralization, transfer of responsibilities to local rural agents and the creation of associations with the local community are characteristics of the new approaches in the formulation of policies.

Macroeconomic policies shall be formulated on the basis of multi-sector visions with territorial nature, where differences and spatial advantages are recognized and they shall guarantee having a higher promotional coverage. In this regard, social policies could play an essential role in the promotion, not from the direct assistentialism, but mainly from the creation of positive externalities, both in services and in infrastructure that support

the production in currently depressed territories, seen as primary multipliers of development in these spheres.

It is necessary to recognize the importance and the challenge that public policies face nowadays in order to promote efforts directed to protect the nature, growth and development contexts of the rural zones. It is necessary to be aware that this development and sustained process implies the determination of the different factors which cause bad practices and that create polluting effects. Among the former one can mention intensive livestock rearing, intensive use of chemicals, salinization and erosion (water and wind) and the devastating effect of slash-and-burn agriculture and other agricultural activities that result in the loss of biodiversity and tropical forests.

The proposals of improvements and alternatives through the conservation of ecosystems, their biodiversity and essential natural processes, the conservation of natural landscapes of aesthetic and biologic quality to support recreational activities and economic alternatives, such as rural tourism and ecotourism, the production of high quality water resources for domestic and industrial consumption and other environmental services of increasing importance such as the improvement of carbon drains and the emission oxygen, protection against floods, purification of polluted water and air and territorial equilibrium, shall recognize this degradation is also taking place in a devastated socioeconomic context including, to a great extent, the rural areas. This last situation makes the process of finding solutions more complex.

Policies that promote rural development shall be created from a non-traditional approach, in which the extended concepts of new rurality have the characteristic of being multi-sector and having heterogeneous social formations. It is necessary that the rural space incorporates a great variety of economic activities (agricultural, forest, fishing, agro-industrial and agro-alimentary, mining, energy, agro-tourism and others) as well as education and healthcare activities, infrastructure, transportation and financial, among others. That is, not only shall they promote investments, but they shall also consolidate the integrating nature of the economic sectors of such economies in their agricultural and non-agricultural, primary and secondary sectors, as well as trade and the services that arise from the local market dynamic, with a relationship between them via interconnections. This

is why it is possible to promote renewable strategies of agro-alimentary competitiveness with regard to the sustainable management of natural renewable resources for social rural development taking into account the institutional modernization and the regional and municipal development, strengthening the infrastructure and the subregional and regional economic integration.

Policies of promotion and conservation of the cultural heritage are an essential part in the contribution to sustainable rural development, as far as they prioritize the care to historical and cultural assets of rural communities. To recognize and to define the traditional profile of rural areas, from the perspective of public policies, implies to incorporate comparative advantages and to promote the territorial capital of the rural spaces, which not only constitute bastions of their presence in the place, but they are also sources of income for their development.

It is necessary for the governments to recognize the economic challenges, especially those in terms of production in rural areas, so that they leave the poverty circle behind. They will carry on if the current relations of inter-territorial exchanges continue acting against the rural socioeconomy, and if the State continues tackling development with circumstantial actions, or short term approaches. This process requires more promotion of the State in terms of the statement and proposals of strategies of development with updated instruments, elements of modernity and a necessary fostered conversion of traditional rural development.

Conclusions

A condition that is necessary to reduce poverty in the rural space is to be found in the need to achieve better social cohesion in the territory.

Social conflicts and socio-territorial distances created by migration displacements and permanent marginalization constitute factors that make it difficult to propose actions that favor better living conditions in the rural space. In view of this, public management shall be focused on starting from a new co-responsibility for these processes and to display strategies of development related to local assets and the traditional economic activity the communities perform; to restore the integrating role of agriculture, agro-industry and agro-business inside the territorial systems, to give a

favorable dimension to the non-agricultural activities of the rural economy; to strengthen processes directed to consolidate productive and inter-territorial chains that are at the same time socially effective for the rural territory; to promote development programs with a multi-sector nature; and to strengthen the vision of community as essential axis of the rural integration. The whole diagnosis and actions established with the vision of a new rurality support the proposal for the design of a rural development policy in Mexico.

Appendix

Table 1

Mexico: New institutional framework for the rural development

The Law of Sustainable Rural Development was approved in 2002. It takes on several elements of territorial approach. In it, the rural territory is conceptualized as the scope constructed from the use and appropriation of natural resources, where productive, cultural, social and political processes are created. These processes were born from the effect of territorial localization and appropriation that is derived from the fact that the natural resources are localized factors of production. The territorial approach is taken on thus as a condition for the integrality of the policies of rural development.

This territorial approach is set in motion favoring the organization of the sustainable rural development of each federative entity and of the municipalities, promoting the formulation of programs at municipal, regional or area levels through the Districts of Rural Development (DDR) and promoting federalization and decentralization, as well as allowing the definition of regional priorities by means of the State, Regional, District and Municipal Councils. On the other hand, the government of Mexico through the Social Development Secretariat (Sedesol) has promoted a program aimed at promoting the integral and sustainable development of the micro-regions that have the highest indexes of marginalization of the country, this through a participative planning process for the application of projects that promote in a co-responsible way the economic, social and human development of their population. In order to achieve this, 250 micro-regions were established from the beginning and they increased almost to 270 by the end of the six-year period. They include 470 municipalities located in 17 states of the Republic. According to Sedesol, the micro-regional development promotes a better allocation of the resources directed to the social development, it contributes to a better life quality of the families, it creates links among the rural and urban areas, allowing a better economic capacity, and it intensifies the participation of the community in the social programs.

Sources: Official Journal of the Federation (2001) and Sedesol (2001).

Table 2
Changes in the institutional context

First, the reduction of the public sector. This contraction is expressed in several directions: decrease in the number of government institutions as a result of the privatization processes; less functions and responsibilities in the hands of official entities as a result of the deregularization; a decrease in the budget allocations due to tax reasons, and contraction or freezing of the public employment. In the case of the agriculture departments, the availability of resources to promote policies and to develop projects has gradually decreased in the last years. The combined effect of the low budgets and the reduction of staff are especially seen in three scopes: feeble research programs, a diminished presence in the rural zones (extension) and a lower analytic capacity due to the lack of qualified personnel.

Second, the administrative reforms with the purpose of increasing the efficiency of the public sector. These reforms have had different ways and heterogeneous results. In some countries they have even been counterproductive and have had consequences in the employment of the official sector. Generally, the administrative reforms have had as characteristics the restructuring and institutional regroupings, redefinition of functions, simplification of official procedures and, above all, the decentralization, that is, the transfer of competences and resources from the central government to the local and municipal governments, so that the decision-making is closer to the citizens.

Third, the emergence of new institutions that are located in the border between that which is public and private. These entities have been almost always an initiative of the politicians themselves in order to overcome the restrictions that the rigid public administration norms impose. The purpose of these hybrid organizations that are frequently nourished by the national budget and the external financing is to provide attention to the social demands and to provide resources and services to the private sector. The good characteristics of this institutional architecture have not been evaluated in a rigorous way, although positive and negative aspects can be mentioned in the relations that they maintain with the public entities. There are many organizations of this kind in the agricultural sector. They compete with the ministries for tax resources are confused with and take on the appearance of the NGO, creating a kind of dull map of the orientations, actions and representation.

Fourth, the expansion of unions. An interesting phenomenon that is observed in almost all Latin American countries is the union mobility in the agricultural sector. The proliferation of different kinds of groups, either as a result of the product they offer, due to their geographical location or because they are a link in the productive process. They are one of the most common and significant features of the agricultural institutional development. Chambers, associations, cooperatives, boards and committees are some of the legal forms that these collectives assume; they join actors of the rural world and share interests. Their performances are of different nature. They sometimes behave as pressure groups, and at others they do as companies that provide services to their members, in some others as centers of debate and analysis. The relations among the unions and the agriculture ministries have not been of a cooperative kind all the time.

However, it would seem as if in the last times many leadership organizations and organizations specialized by product have modulated their clientele attitude and take part with other agriculture ministries in trade negotiations and in the administration of agroindustrial chains.

Source: Trejos, Rafael *et al.* (2004).

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