



Challenges for the New Rurality

In a changing world

Proceedings from the
7th International Conference on
Localized Agri-Food Systems

Editors
Paulina Rytönen & Ursula Hård

COMREC Studies in Environment and
Development 12

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7th International Conference on Localized Agri-Food Systems

8-10 May 2016, Södertörn University, Stockholm, Sweden

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COMREC Studies in Environment and Development 12

Södertörn Högskola
SE – 141 89 Huddinge, Sweden

www.sh.se/publications

Printed: Södertörn University, Huddinge, Sweden, 2016

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COMREC Studies in Environment and Development 12

ISSN 1652-2877

ISBN 978-91-980607-1-3

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Inclusive and Dynamic Economic Growth in Rural Areas:

Alternatives from Localized Agri-Food Systems and Short Chains

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Angélica Espinoza-Ortega³

Abstract – Six case studies of Rural Agro-Industries activation (AIR from "Agroindustrias Rurales") with Localized Agri-Food Systems – LAFS (SYAL for its acronym in french) are analyzed in four Latin American countries. The results showed that in all experiences the marketing needs to be strengthen in order to reach the dynamic economic growth. We conclude that territorial activation processes articulated to the Short Chains (SC) contribute to dynamic economic growth in rural areas. They contribute to the conformation territorial basket of goods and services, in depressed rural areas or in territories with excluded populations.

Keywords: rural agro-industries, territory, localized agri-food systems, short chains, dynamic economic growth.

INTRODUCTION

In Latin America, Family Farming (all family-based agricultural activities) accounts for over 80% of agricultural production (Garner and Campos, 2014). In rural areas over 75% of the population practice it and also they have the highest levels of marginalization (Salcedo & Guzman, 2014). This exclusion affects women, young, indigenous and afroamerican people (IICA, 2014).

SYAL studies on activation processes of specific resources have demonstrated achievements in endogenous development based on the recognition of the potential of rural areas (Boucher, 2011). Also, those studies have shown that lack of access to dynamic markets is one of the main barriers of territorial economic development (IICA, 2014).

In the last years we have been looking for alternatives to improve conditions for production and marketing in rural territories. One alternative is the SC, they can be a key element at the beginning of inclusive processes of rural development helping farmer's organizations in a fair and positive market participation.

The research question is which is the contribution of SC in Territorial Activation with SYAL Approach (AT-SYAL) to the inclusive dynamic economic growth in rural areas?

METHODS AND SOURCES

The methodology had three parts. 1. Case studies selection, six case studies AIR activation with SYAL approach were chosen in four Latin American countries (Mexico, Costa Rica, Ecuador and Peru). 2. Comparison criteria, three main criteria of SYAL analytical framework were selected to compare in case studies: geographical social proximity (physically) that favors a close relation between producers and consumers; signal proximity (distance), for example labels, fair trade among others. And the third one is collective actions as quality networks, trust relationships and cooperation 3. Critical analysis through a comparative table of case studies.

THEORETICAL FRAMEWORK AND ORGANISING CONCEPTS

SYAL concept was developed from the industrial economy with studies on the geographic concentrations of companies linked to a specific territory. Particularly Industrial Districts, Clusters and Local Productive Systems. The SYAL approach aims to analyze products and rural areas particularly in Latin America and Europe. The "SYAL" has been applied to define networks, organization forms, productive units agglomerations, geographic concentrations of AIR, rural production chains, among others (Boucher, 2011).

The SYAL has widely contributed to AIR concentrations development through a process called "activation of specific resources" (products, know - how, actors networks, institutions, etc.) mediated by collective actions. The SYAL approach summarizes the analysis capacity of geographical organizations of AIR concentrations. Hence they allow to solving problems related to efficient integration to development process. (Boucher, 2011). This articulation is based on a collective action (structural and functional) in the identification and valuation of specific territorial resources, strategic action lines, agreed between actors and the presence of common goals (Boucher and Reyes, 2013).

AT-SYAL methodology allows creating development alternatives of rural areas, it promotes stakeholders empowerment and mechanisms for coordination between them. Thus inclusive economic growth processes are generated. An important point in the activation processes is the stimulus to new access market ways. In AT-SYAL process the creation of a "Territorial basket of goods and services" is derived from Pecqueur (2001) basket of goods that allows a joint valuation of local products and services (touristic goods and services). The marketing of this basket is promoted by short chains based on direct sales of products and minimizing the intermediation between producers and consumers (CEPAL, 2014).

BACKGROUND

We selected six experiences of AIR activation with SYAL approach implemented in the last 15 years.

The Mexican Cotija cheese is developed in small cheese factories in Sierra Jalmich (Michoacán and Jalisco States). They have made a Regional Association with more than 90 producers, they have an "origin collective brand" because they can not get the "origin denomination Label".

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AIR Network in Lacandon Rainforest (Chiapas, Mexico) with 16 AIR projects of food processing (coffee, chocolate, mushrooms) and handicrafts, among others.

Rural Cheese factories of Turrialba is an experience located in Cartago Province, Costa Rica. They have established two producer associations, the first one is a "tourist cheese route" and the second one is a goods and services basket related to recreation, lodging and handicrafts.

The fourth case study is located in Sur Alto Territory in Puntarenas Province, Costa Rica. Here, there are 120 producers associations of coffee, beans, vegetables, honey and livestock, all of them supported by the Territorial Action Group.

Rural cheese factories of Salinas de Guaranda, Bolivar Province, Ecuador. From a pilot rural cheese factory experience they have consolidated an efficient trade system and the promotion of different agro-industrial activities with 70 rural cheese factories.

Cheese Agroindustry from Cajamarca, Peru. They have achieved the activation of a dairy territory from a Dairy Producers Association and the Coordinator of the rural cheese industry. It is an emblematic project that articulates products, actors, territory and baskets of goods and services.

RESULTS

The case studies analysis allow us to identify marketing as a limiting factor in the economic growth that needs to be strengthened.

Table 1. Comparison between six case studies SYAL and Short Chains, Proximities between SIAL and SC

Case Studies	Social geographical (physically)	Social signals (distance)
<i>Mexican Cotija cheese</i>	Direct sale Annual fair Cotija cheese exhibition	Migrant sale
<i>AIR Network in Lacandon rainforest, Mexico</i>	Annual fair Organic Tianguis (Temporary local markets) Touristic centers	Christmas fair AIR network Territorial brand
<i>Rural Cheese factories of Turrialba Costa Rica</i>	Annual fair Cheese tourist route Handicrafts	Sales in supermarkets
<i>Sur Alto, Costa Rica experience</i>	Promotion of productive activities Handicrafts Rural accommodation	On-line shop Tourist map
<i>Rural cheese factories of Salinas de Guaranda, Ecuador</i>	Point of sale Rural hotel Rural convention center "El SALINERITO" Collective brand	Sales in supermarkets Handicrafts sales
<i>Cheese Agroindustry from Cajamarca, Peru</i>	Airport point sale "EL PORONGUITO" collective brand Guided tours of agroindustry plants Fair chesse	Shops on the coast Cajamarca corner

On the other hand, we found that AT-SYAL methodology promotes social innovation, cooperation and strengthening of local initiatives. In the activation process of these rural areas territorial baskets of goods and services are conformed.

The results showed (see Table No.1) that collective brand and territorial seals have been the first step in marketing process (social proximity signals). We

evidenced a close relationship between productive activities and rural tourism in terms of guided tours, gastronomic routes and rural accommodation (geographical social proximity)

In addition, all experiences analyzed trade their products outside the territory through supermarkets or internet, among others.

Also, in some case studies we found that handicrafts and tourist products are an important complement of territorial baskets of goods and services.

In all experiences market access is a break point of territorial activation processes.

The AT-SYAL approach has contributed in specific innovative and inclusive market niches, always looking for a closer relationship between producers and consumers through short chains.

CONCLUSIONS

Territorial activation processes articulated to short chains contribute to inclusive and dynamics economic growth in rural areas.

The configuration of territorial baskets are a key element of territorial processes activation and their valuation is achieved through short chains.

The short chains are an inclusion factor, they linking local markets, entrepreneurship, building trust and producer – consumer proximity.

The short chains are the first alternative to access to inclusive and dynamic markets that also favor AIR concentrations.

The next step in our research is the promotion of marketing projects in the Lacandon Rainforest (Chiapas, Mexico). We are encouraging some projects of short chains and territorial baskets of goods and services.

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