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TERRITORIAL DEVELOPMENT. A NEW APPROACH TO DEVELOPMENT PROCESSES FOR THE ECONOMIES OF THE DEVELOPING COUNTRIES[1]

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Abstract
This article seeks to show how the elements of a (flexible and adaptable) model of *territorial development*, whose roots are anchored in the analysis of coordination among pre-capitalist actors, can take on a more concrete form in developing economies. Our hypothesis is that the application of this model functions as a resurgence of pre-capitalist production relations, revalidated by local practices and renewed by territorial dynamics. Is such a return to pre-capitalist ways possible and realistic despite the obstacles and, if so, under what conditions? These are the questions this paper seeks to address, by the way of a specifically economic analysis focused on the dynamics of productive systems. On the first part, we review the fundamental principles of a model of territorial development based on a local system of actors, which assumes that the *territory* is "constructed" and is founded, according to our approach, on the principle of *specification*. On the second part, we assess the feasibility of this model in developing economies, remembering that we are starting from practices that are already old; practices involving risks and that assume certain conditions of implementation.
Keywords: Territorial development. Territorial resource. Territorial economy. Localised agri-food systems. Developing countries.

Introduction

In response to recent changes in the international economy, territorial development is emerging as a possible solution for not only the industrialised economies, but also the economies of the developing countries. In the context of globalization, liberal solutions rooted solely in the macroeconomic sphere do not, on their own, appear to provide innovative responses to the development needs. Stiglitz (2006) has clearly demonstrated in this regard the obstinacy of the major international organisations (IMF and World Bank) in refusing to recognise the relevance of the local scale as an effective level for implementing development

[1] Este artigo foi apresentado oralmente no VI Congresso Internacional Sistemas Agroalimentares Localizados - os SIAL face às oportunidades e aos desafios do novo contexto global em maio de 2013, na cidade de Florianópolis, SC, Brasil.
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processes.[3] Discourse on solely the macroeconomic dimension of development continues to dominate discussion among university researchers and the main sponsoring organisations alike. Recent moves by French-speaking African state towards administrative and political decentralisation are, however, evidence of a new interest in addressing questions on the local scale.

On the early years of the crisis of the 1970s, measures were taken in response to the rural exodus and, more generally, to the damage resulting from the relocation of economic activities following the acceleration of globalization. In France, these initiatives were able to take the form of a “pays” movement that acknowledges the existence and dynamic of spaces created by local stakeholders. In the same period, Italian economists rediscovered territorialized forms of production: the industrial districts[4] that depend on cooperative relations between actors that concern not only the market but also reciprocity. The latter gives new impetus to the gift/counter-gift relationship identified by anthropologists following the work of Marcel Mauss, particularly in African rural societies, and whose role, even in industrial societies, is becoming better understood.

These new perspectives on territorialized development are based on a few hypotheses defended by the contemporary thinkers on development. Sen (1999) put forward the idea that development cannot result from behavioural mechanics and that Benthamian utilitarianism is simplistic. Economics is a moral science, meaning that ethics is an integral part of coordination between actors. For Sen, the cultural specificity of actors is a necessary constant and the search for fairness a must. Krugman (1995) paid tribute to the “developmentalist” economists such as F. Perroux and A. Hirschman, while stressing the need to rediscover the role of geography in development issues. In this he is furthering the work of A. Marshall and his notion of externalities, particularly local, which he defines as follows: “The idea that clustering of producers in a particular location yields advantages, and that these advantages in turn explain such clustering, is an old one […].” Twenty-five years ago, A. Hirschman had already formulated one of the fundamental principles of territorial development:

[3] They will note however in the report of the World Bank 2009, an enlargement of the analyse in concepts and in developments of the New Geographical Economy which favours the notions of “density, distance and division (i.e. territorial’ mosaics of various kinds)” (See Scott, 2009).

[4] See Courlet (2001) for a discussion on the phenomenon of districts and its consequences for development. For a global review of literature on the subject (See Becattini; Bellandi; Da Propris, 2009).

the revealing of hidden resources. In his book (HIRSCHMAN, 1986), he reiterated what he had already underlined in 1958: "development depends not so much on finding optimal combinations for given resources and factors of production as on calling forth and enlisting for development purposes, resources and abilities that are hidden, scattered or badly utilised”.

Starting from these bases, this article will seek to show how the elements of a (flexible and adaptable) model of territorial development, whose roots are anchored in the analysis of coordination among pre-capitalist actors, can take on a more concrete form in developing economies. Thus, on the one hand, the "gift/counter-gift" relationship existed before market exchange and clearly persists in developing countries while, on the other hand, the notion of specificity is based on a conception of production linked to the cultural characteristics and organisational modes of those doing the producing, which corresponds to a system of coordination that preceded the standard capitalist exchange of goods and services.

Our hypothesis is that the application of “territorial development” is relevant to developing economies. The model functions as a resurgence of pre-capitalist production relations revalidated by local practices and renewed by territorial dynamics. Is such a return to pre-capitalist ways possible and realistic despite the obstacles and, if so, under what conditions? These are the questions this paper seeks to address. They are parallel in those raised by Amilhat and Koop (2011), but our entrance is more specifically economic because it focuses on productive system.

On the first part, we will review the fundamental principles of a model of territorial development based on a local system of actors, which assumes that the territory is “constructed” and is founded, according to our approach, on the principle of specification. On the second part, we will endeavour to assess the feasibility of the model in developing economies, remembering that we are starting from practices that are already old, practices involving risks and that assume certain conditions of implementation.

1 Territorial development: principles and definitions

The territorial development model is based on the creation of a productive entity that is essentially anchored in a geographic space. Here we will first identify how a territory comes into being around a local system of stakeholders, before examining the dynamics of product specification.

1.1 Emergence of territorial development: the local system of actors[5]

In "local development" (PECQUEUR, 1989), we observed that the challenge of local development consisted in

> demonstrating the existence of a system that gives value to the efficiency of relations, not exclusively market-based, between a group of people to develop the wealth of resources available to them […]. This return to the notion of “territory”, a concrete manifestation of which is local development, shows that we are starting a new, long cycle of industrialisation […]. Seen as a part of a process of adaptation to the outlook for the world economy, initiatives at the local and the global scale are two facets of the same adjustment procedure (translation).

While, fifteen years ago, one spoke about local development, today it seems preferable to speak of territorial development, since it does not simply mean development on a small scale. What we mean by local is not localist (specific to a particular locality), we shall therefore use the term territorial.[6]

On a first analysis, territorial development may be defined as any process mobilising actors which leads to the creation of a strategy of adaptation to outside constraints, based on collective identification with a culture or a territory. The definition thus includes three assertions, each of which calls for careful explanation. In short, territorial development cannot be decreed and remains a construction in the hands of local actors or stakeholders, even if appropriate public policies may be used to stimulate it over time. As a strategy for adapting to the effects of globalization, it enables actors in the different territories to reorganise the local economy in response to increasing competition at the world scale. Finally, the territorialisation mechanism is based on the principle of asset identification, that is the search for a resource specific to the territory which can differentiate that territory from its neighbour instead

[5] Most of the analysis of the actors and their methods of coordination still remain to be done. For more details, the reader is referred to an article on the subject by Gumuchian et al (2003). The question has been recalled by Keating (1995).

[6] Elden (2010) discusses in a recent article the notion of “territoire” in the literature in English language and says that according to Raffestin (1980): “The problem of territoriality is one of the most neglected in geography […] the history of this notion remains to be done”. Then for Elden, the “territoire” has something to do with “land” or “terrain” but which is more than them. It can be related to institutional power of struggle (see Sassen, 2006).

of being in competition with it in the production of standard goods and services. The territorial system of actors may thus take on very diverse forms (industrial districts, clusters, or any other form of productive organisation). Its basic characteristic is the setting up, as part of a long development programme, of a construction process by local actors. The territorial development process is therefore not simply a way of optimising assets that are already known to exist, but a way of revealing previously unknown resources and it is in this respect that it constitutes an innovation.

1.2 Constructed territory and given territory

Although we have already defined the "territorial" type of dynamic as an original development process, we come up against a difficulty concerning the status of the territory that serves as the support for this process. In reality, the discourse on territory often covers two different definitions:

- Given territory: This is the constituted portion of space (most often an infra-national division) that is the object of observation. In this case, we postulate the pre-existence of the territory and we analyse what takes place there. In some ways, this is the a priori territory, for which we do not seek to analyse the origins or conditions of construction, but which constitutes a support. Generally, it is an institutional territory: region, canton, circle, province, etc.; and

- Constructed territory: In this perspective, the territory is the result of a process of construction by the actors. The territory is not postulated, but is observed a posteriori. This means that constructed territory does not exist everywhere and that it is possible to find spaces that are dominated by exogenous laws of location and that are not territories.

In the discourse on territory, the conceptions of the notion are often confused and one must not be excluded in favour of the other. It is therefore important to understand that territory is both the container and the outcome of the process of preparing the content.

1.3 The specification process

In competition between territories, the provision of services to companies is crucial. In the simplest case, a site will attract business by offering services based on the most abundant assets: availability of cheap, unskilled labour, natural resources, etc. Often the location of these resources or their rarity will govern the type of development used for the site, as evidenced by those zones whose development has remained dependent on the availability of coal or steel or on the proximity to the sea or the presence of fertile land. However, a site's offer may be based on assets that are not given *a priori* but result from either a long process of accumulation of know-how or the production of collective goods financed by the local authority and appropriated only by the users. This type of characteristic is exhibited, for example, by a site offering specialised and skilled labour, which companies locating on the site will be able to benefit from (BAZIN-BENOÎT, 1996). There is a strategic approach that corresponds to each of these different types of offer.

Resources are thus of a different nature depending on whether they are given or constructed. A typology of these resources will reveal the different strategic challenges facing service providers such as towns. The latter become producers of value and no longer simply producers of consumer spaces or outlets, where only companies would be creators of value. The typology that we have used here (for its first formulation, see Colletis; Pecqueur, 1993) distinguishes between assets and resources, and then qualifies these assets and resources according to whether they are generic or specific.

By assets, we mean factors "in activity", while resources are already factors to be exploited, organised or revealed. Resources, unlike assets, constitute a reserve, a latent or virtual potential that may be transformed into assets if the conditions of production or technology creation allow this.

Generic resources or assets are defined by the fact that their value or potential is independent of their participation in any process of production. Assets and resources are thus totally transferable, their value being an exchange value. The place this exchange takes place is the market. The price is the criterion for measuring the exchange value, which is determined by the interplay of quantified supply and demand. In other words, a generic factor is independent of the "spirit of the place" where it is produced.

On the other hand, although specific assets exist as such, their value is a function of their conditions of use. While a generic asset is totally transferable, a specific asset implies a fairly high, irrecoverable transfer cost. Specific resources only exist in a virtual state and in no case can be transferred. These resources are born of interactive processes and are thus created in their configuration. They are the expression of the cognitive process that is engaged when actors with different skills produce new knowledge by pooling these skills. When heterogeneous knowledge and know-how are combined, new knowledge is produced that in turn can contribute to new configurations. Technology creation is thus the result of a process characterised by the emergence of specific resources resulting from a cognitive process synonymous with interactive learning.

Generic assets do not allow a territory to differentiate itself in a lasting manner since, by definition; they exist elsewhere and can be transferred. Lasting differentiation, meaning that it is unlikely to be called into question by the mobility of factors, can only really be created from specific resources that cannot exist independently of the conditions in which they are created. The challenge of territorial development strategies is thus essentially to understand these conditions and to seek and identify what would constitute the identifiable potential of a territory. These conditions cannot be defined in an abstract manner. They depend on the context in which the heuristic process leading to the creation of specific resources takes place.

1.3.1 Generic resources and assets

The qualifier “generic” covers all the traditional factors of spatial definition (or factors of location for economic activities) distinguished by price (including transport costs) and that are the subject of optimisation calculations by agents.

The different situations regarding generic resources or assets will be illustrated with the help of four examples: labour, capital, raw materials and information. These four factors will be considered generic resources in the following cases:

- labour is unskilled and non-used;
- a stock of capital exists in the form of savings, but this is totally liquid or non-used (hoarded); and
- raw material deposits exist but are not worked; information is available in a

standard form but is not used (interpreted) in a particular context.[7]

In becoming assets, however, these resources do not cease to be generic. They do not change their nature but they become "realised" and thus acquire an economic value, a value that under certain conditions can be measured by a price. Thus labour remains unskilled but is employed. The unemployed unskilled work force is an asset and not simply a resource because, even if the labour is not really used, it is present and influences the labour market and thus may also affect salary levels. Capital ready to be invested is revealed and becomes active savings. These savings remain very liquid and can only therefore be allocated to short-term investments. The raw material is worked. Information, in its standard form, is indeed used before becoming, in some cases, a resource in a process of knowledge construction. Thus from a metaphoric point of view, an encyclopaedia is a resource (it is consulted) and a book is an asset (it is read).

Generic resources, like generic assets, are totally in the market. This means that to acquire them, there is a market price. They are totally transformable and immediately available as long as you pay the price. For these assets, there is no geographic constraint (except for raw materials, but these can be substituted). Finally, their acquisition does not require the existence and activation of forms of coordination that are partially outside the market, such as *networks*. In this case, the relationship between assets and resources is less complex than before. We will show that here there is a difference between the nature of an asset and that of a resource.

1.3.2 Specific resources and assets

The term specific refers to all factors, whether comparable or not, whose value or production is related to a particular use. *Specific assets* thus have an irreversibility cost that may also be called a "reassignment cost". This means that the asset loses a part of its productive value if it is redeployed in an alternative use. Going back to the examples used above, the raw material cannot have a specific character given that its market value is related neither to its future use nor to the immediate socio-economic context. On the other hand, labour will be a specific asset as soon as it

[7] This is the case of information contained in a databank, an encyclopaedia or a catalogue, even though this "information" is really knowledge in that it transmits representations.

becomes skilled. Training the workforce to acquire a particular skill is a cost that is partially paid for outside the company. Relocation would, in part, have a re-assignment cost for the company using this labour. In the same way, capital becomes a specific asset when it changes from one form of liquid savings to a form of capital invested in equipment. Finally, information also becomes a specific asset when it is prepared and organised ready for being put to a particular use. A concrete example would be the preparation of very technical software that concentrates information for use in a very precise production process related to specific uses.[8]

Specific resources have a special character in relation to the other three categories of assets or resources. Firstly, these resources only appear at the moment when actors' strategies are combined to solve a new problem. More specifically, the very formulation of the problem at the same time as its solution is the subject of a heuristic process marked by trial and error and successive iterations. Secondly, these resources are not commensurable, meaning that they cannot be expressed in terms of price and are therefore absolutely not transferable. Thirdly, the fact that these resources are partially outside the market is not incompatible with, but complementary to, the market. These resources are the result of a long history, of an accumulation of memories, and of cognitive collective learning. Finally, these resources may be produced in a territory, which is then "revealed".

The production of such resources results from rules, customs and a culture that have developed in a space of geographical and institutional proximity from a distinct form of market exchange, that of reciprocity. Although, the exchange remains a "constraint" (social obligation), it may be deferred over time, with an expected date of return that may vary considerably. In addition, this return is not necessarily monetary, but may be in the form of trust, consideration, recognition or knowledge. Reciprocity as the breeding ground of specific resources thus most often forms a basis for informal relations that create an "industrial atmosphere" in the sense intended by A. Marshall in describing certain concentrations of small industrial units in England or Germany at the beginning of the 19th century. More systematically, the feeling of belonging to a place or a trade, "company culture" or "company ethos" are all part of specific resources (VEBLEN, 1899). The specific resource produced during

[8] Harvey (2001) illustrates the importance of a spatial rent of monopoly in the case of Scottish Breweries or Australian Wine. These products are typically, specific assets. These examples are transposable in Southern Economies contexts.

a process of territorial construction, taken globally, thus appears as the result of long collective learning processes that lead to the establishment of rules, which most often are tacit. The function of such rules is not only to sort, select and organise information in a hierarchical order, but also to orientate or guide behaviour, thereby providing actors in the territory with a space that helps them understand the world around them and that can be used for action.

1.3.3 Activation and specification: a process of metamorphosis

The passage from generic resource to specific asset corresponds to a strategy for development that may be broken down into two phases: the passage from resource to asset (generic) and from generic asset to specific asset. These phases must each be analysed as specific processes that lead to in-depth changes in the very nature of the objects concerned. It is in this sense that *metamorphosis* is referred to as a structural change with incomplete irreversibility so that it is not always possible to return from the asset to the resource and from the specific to the generic and find exactly the same initial state. In order to make the notion of resource clearer, we can refer to the work of Hirshman (1986) who maintains that

> economic development depends not so much on finding optimal combinations for given resources and factors of production as on calling forth and enlisting for development purposes, resources and abilities that are hidden, scattered or badly utilised.

In this sense, the resource is clearly distinct from the factor of production. This latter notion, a basic term in standard economics to refer to resources which enter as input in the production process, is in fact very restrictive and limited to the case of the generic asset in our formulation.

Two cases of “activation” may be envisaged: a potential and pre-existing (generic) resource, and a virtual (specific) resource. In the first case, the market is the place or means of resource activation. In the second case, the virtual resource may be activated following a specific process. Thus, from a perspective similar to ours, Lévy and Lussault (2003) observe

> a reality resulting from the physical or biological world can only be a resource if there is an identified production process in which it can be inserted and which, by definition, comes from society […]. Resources are

> therefore always *invented*, sometimes long after having been discovered such as oil as an energy source or the high mountains as a tourism resource (translation) [italics added].

Similarly, Kébir (2004) defines the notion of resource as a "metasystem that brings into relation an object (know-how, raw material, artefact, etc.) and a system of production producing a good or a service (translation)". It is a metasystem in the sense that it results from a combination of two systems that already existed: that of the object and that of the production system or rather, in our view, that of the rules by which it is produced. The object/resource that will serve as a support for the production of an asset cannot be reduced to its dimension as an *input* but is part of its own specific system: "before producing a plank, a tree is a tree. This is even the case when it is planted for this purpose (translation)" (KÉBIR, 2004). The same perspective can also be adopted when considering intangible resources that make up landscapes, heritage traditions, know-how, or even social capital. Thus the object will undergo its metamorphosis through the system of rules that transform it into activated resource. "The production system (system of rules, in our view) is the place of *identification* and implementation of resources. […] Here they become tangible, are transformed and used (translation)" (KÉBIR, 2004) [italics added]. In other words, the resource on becoming an asset is transformed by the system of production and changes its nature. At the virtual stage, anything can potentially make a resource, but not everything can mechanically become an asset since the conditions for metamorphosis are not in the object/resource but in the strategies of actors within the production process.

Thus, resources are used and are transformed, but they can also regress and once again become a potential, depending on whether they develop as assets or, from being assets, return to the status of resource. However, as we have suggested, the metamorphosis that changes a resource to an asset has a different meaning depending on whether it is a generic or specific resource. In the case of the generic resource, reproducible in any place, what makes the asset return or regress to being a resource depends simply on costs. The last coal pit has just been closed in Lorraine, but this does not mean that the coal has been extracted. The coal returns to the status of resource in the state it was before the opening of the mine and, if coal becomes competitive once again, this resource could once more become an asset (worked).

On this first part of the article, we have tried to define the dynamics of specificity as the basis for a new model of "territorial development". Can such a model, founded on the specificity of products and based on practices in developing countries, once again be considered relevant to the developing countries? The second part of this paper will attempt to address this question.

2 Territorialized economic development in the developing countries: is it feasible?

It can thus be assumed that the process of specification, consisting in qualifying and differentiating resources that stakeholders reveal in attempting to solve their problems of production, constitutes a concerted effort to restructure industrial economies and a formula for adapting to the new characteristics of a globalized world. This principle of territorial construction by local actors concerns not only producers but also consumers. Thus the conditions for the production of goods and services by the actors in the territory cannot be separated from the market outlet for these products. This does not mean that the market is limited to the local area, which would take us back to the old system of product differentiation (food-producing crops versus export crops), but that supply, when specific, is partly determined by demand. Thus it may be asked whether this principle of specification is essential to understanding territorial development. We shall examine the feasibility of the process in the societies of the developing countries in three stages. Firstly, we will show that the practices of territorial development are not new, but already existed in different forms. Next we will identify the limits and the risks inherent in these practices. Finally, we will examine the possibility of and need for public action, requiring a change in the way in which public authorities act.

2.1 Long-established practices

Examples of economic development based on specific products tied to a particular space have existed for a long time. Francophone literature on the subject reveals that researchers at the IREPD (Institut de Recherche Economique-

Production-Développement) in Grenoble, France demonstrated as early as 1994[9] that "new developments" existed, particularly in Asia, to explain the emergence of the "New Industrial Countries". According to Courlet (1994), such dynamics

> were first developed by the modernisation of agriculture; they are not based on material resources, but mainly on generalised education and grey matter [...] In this movement, the territory becomes "milieu", meaning that it is not only the geographical base of economic activities, but it takes on a socio-cultural dimension which plays a central role in the development process (translation).

This approach is clearly inspired by the first works in economic geography on the development "from above" (ARROUS; KI-ZERBO, 2006; STÖHR *et al*., 2001).

It is thus indeed the general characteristics of a still poorly defined post-Fordist economy that are appearing in not only the developed economies but also the emerging economies. The most obvious phenomenon that may be observed is the rather paradoxical spatial development that is seeing the local area regain its importance in a world that is becoming increasingly globalised. According to Courlet (1994): "the "global" is imposing itself while the "local" is jumping out at us [...] It is from this perspective that the notion of endogenous development must be understood (translation)". The new spatial dimension is re-launching the role of the proximity of actors in the construction of territory and its resources. Requier-Desjardins (1996) had already drawn attention to the importance of proximity in development processes on the basis of diverse concrete examples (trans-border exchanges in sub-Saharan Africa, particularly on the borders of Nigeria, and the *maquiladoras* on the Mexico-United States border).

Anglo-Saxon literature[10] has also developed this link between local space and development. Krugman (1995) put forward the notion of local external economies that were mentioned in the first part of this article. These externalities are manifest in the development of clusters. The idea of the cluster*,* a product of Italian industrial districts, was then defined more precisely by Porter (2000):

> A cluster is a geographically proximate group of interconnected companies and associated institutions in a particular field, linked by commonalities and

[9] See the conference organised by Courlet (1994).
[10] Stöhr (2003), one of the pioneers of development "from below" recently proposed a review and an update of work, particularly with regard to experiences in developing countries.

complementarities. The geographic scope of a cluster can range from a single city or state to a country or even a group of neighbouring countries.

The cluster is thus considered as a method of organisation relevant for industry in the developing countries, as revealed in the observations of Cormick (2003) following a study into the possibility of promoting industrial clusters in Africa.

The notion of cluster remains relatively unclear, however, as seen in its application at very different spatial scales. More specifically, the notion of SYAL (Système Agro-alimentaire Localisé), a localised food-processing system, enlarges that of the cluster by not restricting itself to a method of organisation that is concentrated geographically with a multiplicity of local actors. The SYAL is comparable, in the food-processing domain, to the proximity of industrial districts in their cultural dimension. Muchnik (2002)[11] defined the SYAL on the basis of three characteristics:

- the creation of external economies related to the density of firms located in a place, and the proximity between actors;

- the development of non-transferable knowledge. Skills, work relations, and the know-how of individuals and companies are founded on a common history that is transmitted in collective knowledge, practices, rules and representations; and

- the methods of regulation combine, in a more or less overlapping way, both the market mechanism and the elements of reciprocity and redistribution that are anchored in the social identity. Collective organisation constitutes a specific resource of the localised productive system, a source of stabilisation and reproduction (translation).

Here we are confronted with the issue of the creation of *specific resources* in the sense we defined earlier (COLLETIS; PECQUEUR, 1993). Thus, we may observe that territorial development principles have already been applied for a long time in the developing economies. Such practices, however, have become even more relevant with globalization, as this makes it indispensable for dominated

[11] Muchnik (2002) (introductory lecture at the conference organised by the CIRAD - équipe TERA), the inventor of the notion, is conducting a thematic study on the same subject: “Système agro-alimentaire localisé et construction des territories” (Localised food-processing system and the construction of territories), Montpellier. Mention should also be made of the conference: “Organisation spatiale et gestion des ressources et des territoires ruraux” [*Spatial organisation and management of resources and rural territories*], CIRAD, CNEARC, ENGREF, organised by the UMR SAGERT, Montpellier, 25-27 February 2003.

economies to increasingly differentiate their products so that all their activities are not subjected to the hazards of competition. The increased application of territorial development principles, however, is not without its difficulties, but these must not stifle attempts to find solutions.

2.2 Risks inherent in the growth of territorialized development practices

The informal economy represents the most obvious example of territorial development that involves actors in relations of proximity. The notion of the informal economy, which appeared at the beginning of the 1970s,[12] has been defined by the Bureau International du Travail (International Labour Office) as a system characterised by:

> The facility for entering the market, dependence on local resources for production, family ownership of firms, small scale production, labour-intensive technologies used (that may be "adapted"), know-how acquired outside the school system, and non-regulated competitive markets (ASIDON, 2000) [translation].

This development circuit was for a long time seen as distinct from the "modern sector" in that it bypassed the apparent stages of value formation and particularly price formation before reaching the ultimate stage of market exchange. The informal sector constitutes a basis for local development in that it takes up the characteristics mentioned above for the SYAL: creation of external economies, use of non-transferable knowledge and specific methods of community regulation.

For all that, the principle of the informal economy appears limited as far as development is concerned. For Vernières (2003):

> The very nature of the greater part of its (informal) activities does not really lend itself to a strong accumulation of capital, be it physical or human [...] Moreover, incentives for technical progress, linked to competition, are limited given that any competition is essentially exercised between informal firms and relatively little involves modern firms [translation].

More refined formulas, referred as "participative development", have for several years been used to mitigate these disadvantages and organise the creation of small development projects, in particular through NGOs. In the spirit of *Small is*

[12] See Asidon (2000) or Lévy and Lussault (2003).

beautiful, the aim of these projects is to find a solution to the inefficiency that has often been a problem with major projects supported by financial sponsors. Here again, numerous limitations may be identified. Vernières (2003) observes that often "the size of existing communities precludes any benefits from scale economies which might be possible technically. Similarly, customs relating to the distribution of wealth may be contrary to the objectives of accumulation (translation)". More elaborate than the informal solution, the SYAL formula today appears as the modern form of territorial organisation of production, particularly in the developing countries. This type of organisation is generating the main innovations[13] in the field of farming and food production activities. In particular, the SYAL, rather than opposing old traditions and know-how, makes it possible to link them with process innovations and production quality. The SYAL can therefore be said to provide at least a partial a solution to the limitations of the informal economy mentioned above. However, there are other limitations resulting from this process, which appear when the SYAL is growing. Producers outside the system observe what is happening and want to benefit from its success, but without the initial costs and trial periods.

The first limitation to growth of the SYAL is therefore the existence of entry barriers. The crucial point of the system lies in its capacity to distinguish between the system and what is outside it. If the system can easily be "invaded" by outsiders, the discrimination effect becomes weaker and the relative advantage of belonging to the system disappears for its members, resulting ultimately in elimination of the system itself. In addition, in most SYALs in developing countries, protective mechanisms found in industrialised countries, such as quality guarantee labels (AOC, IGP, etc.), do not exist. There is therefore a greater risk of invasion from the outside, resulting in less incentive to invest.

A second limit relates to the weakness of the potential market, the outlet for products from the SYAL. When producers differentiate their production, this is with a view to being able to increase the price through quality, particularly with organic products, but also through image or attributes that justify the creation of a quality

[13] For small farmers' groups in SYAL in Sahelian Africa: Fournier and Requier-Desjardins (2002), **Les relations horizontales au sein des systèmes agroalimentaires localisés: un état de la question. Etudes de cas au Bénin,** at the CIRAD 2002 conference, cited above, showed, with the case of the production of "gari" (cassava) and palm oil in Benin, that the SYALs are built around complex horizontal relations with the existence of "tontines" (local savings and funding systems found in traditional societies), work rotation associations and original forms of cooperation for marketing.

quasi-rent on the product (in the sense used by A. Marshall). To generate this quasi-rent, a solvent demand must be found, which is not always possible in proximity markets. Thus, in a SYAL model in the low-lying areas of the Ivory Coast (Bandama Valley), the expansion of rice fields was slowed by the low solvency level of local demand and competition from cheaper, but poorer quality, rice imported from Vietnam.

Finally, a third limitation concerns the low institutional learning capacity. The network of actors created in the context of a SYAL is inserted in a system of socio-cultural relations based on tradition. In many cases, economic success contravenes long-established traditions and reveals conflicts over the sharing of wealth[14] related to geographic proximity and forms of social mobility. Such conflict is the ever-present reverse side of community dynamics. Capitalism has often enabled innovation through a break with the cultural and social framework of the community. The creation of new products and new processes without breaking with the traditional framework is not an easy task.

2.3 Conditions governing the feasibility of territorial development

It may therefore be asked whether long-established practices, even when revitalised by new formulas (SYALs), come up against limitations inherent in their success that condemn them to remain marginal.

We do not believe this to be the case and feel that it is important to take the new processes of resource creation into account while seeking to overcome the limitations mentioned above. This requires a more meaningful integration of relations outside the market in analyses of the processes of territorial and industrial construction. Resource creation and territorial construction take us back to the question of competition and the fact that this is no longer only among firms but also between sites located in defined spaces.

> Everything happens as if, in competing with one another, firms involve their areas in that same competition. Far from restricting themselves to passively offering the factors of production, the particular combination of which stems from a given endowment, areas tend to construct or reinforce competitive

[14] Torre (2000), after theoretical work on proximity (Gilly; Torre, 2000), developed the notion of conflict as an integral part of coordination among actors in proximity relations.

> advantages […] this analysis is based on the redefinition of the nature of the firm, which, from being the place with the optimum combination of generic factors of production, becomes a place for combining skills and learning new knowledge based on specific factors (COLLETIS; PECQUEUR, 1993) [translation].

Resources are not necessarily identified and developed, or "activated", by the market process alone in terms of transaction costs and implementation costs. On the contrary, the processes for activating resources, which generate a greater or lesser level of production specificity, assume a mobilisation of actors in cooperation processes, which highlight the role of relations outside the market and the associated aspects of coordination. Among these actors, the authorities have a decisive role. Redefinition of public policies thus demands a change of scale and a change of nature. Here it is difficult to suggest what the subject of more in-depth research might be, but we can at least identify the main issues.

Change of scale: State intervention is not always the most appropriate in that the action is not situated at the level of a national productive system. Nor would simple decentralisation be any more in line with the changes observed today. Although production management is becoming more diverse, taking into account secondary functions, a certain crystallisation has been observed in the form of spaces with *ad hoc* groups of actors known as territories. From a project perspective, public action must be capable of intervening at this territorial scale. However, state authority must play an active role if decentralisation is to work. This is the paradox facing many countries (particularly in Sahelian Africa) that have entered into a process of decentralisation with a weak State (in many of these countries, the total budget of the NGOs far exceeds the State budget). Parallel to the development of local authorities, a state mission must be set up that will provide at least three functions: redistribution, mediation and coordination. Redistribution is justified mainly on the grounds that territories are not equally endowed. Mediation will deal with international aspects, local government and the local stakeholders. Finally, coordination refers to both vertical coordination, relating to local government, and horizontal coordination, concerning relations between projects and between the stakeholders in the territory.

Change of nature: In this regard, the role of the public authorities therefore goes beyond reaching agreement with the different actors on monetary compensation for the production of value not sanctioned by the market or stimulating a function that is not encouraged by the market (job creation, etc.). Public authorities should allow a market convergence of secondary functions and products that are not strictly marketable in order to stimulate the production of a composite offer by the territories. Consequently, policies should also be aimed at managing the *redistribution* of any revenue resulting from this composite offer and at preventing any outside producers benefiting from the non-remunerated services of others. Public authorities (the State as well as local authorities) should thus regulate value flows created outside the market on the basis of new productive resources.

The increase in territorial processes has been concomitant with globalization, thus creating an open space of public action between the State and individual stakeholders. As Faure (2001) has observed

> without doubt, the local political system is going through a period of considerable territorial upheaval, upheaval that paradoxically has been strengthened by the globalization process, which is also based on the dynamics of “terroirs” (specialised local areas), networks of territories and urban modernity [translation].

The consequence of this growing coordination among actors at the territorial scale is a change in the principle of economic policy as an exogenous action aimed at modifying macro-economic flows with a view to correcting social and economic imbalances. This Keynesian-like conception is oriented towards optimizing job supply at the level of the country’s overall job market. In other words, we can echo the questions raised by Salais (1998): “How do you conceptualise a public action that does not coincide with a state policy? Do public actions exist that are not based on a principle of categorial generality (translation)?” The beginning of a response is provided by Commaille and Jobert (1998):

> Decision processes result less from the intervention of a central authority, or a heteronomous imposition, and more from a regulated autonomy. In institutional arrangements, the configuration of social actors appears to have more importance than the intervention of political power. The multiplicity of authorities, actors established in a growing relative autonomy, with new margins for intervention, can be likened to a real polycentricity of forms for regulating both social life and political power [translation].

We therefore need to move from public policies to public action. The latter involves local actors and not an outside coercive authority. It may concern private actors once they have coordinated among themselves to produce a collective service. Territorial public action may take on very diverse forms. These may be assimilated to the elements that political scientists group together in the notion of governance. In its local form of regulation, it may be defined as a model of coordination among actors who seek to integrate, on the one hand, local productive and institutional mechanisms (geographical proximity and organisational proximity) and, on the other, global relations. Territorial governance appears as “the expression of arbitration between different interests at the local scale” (CHIA; TORRE, 1999).

Conclusion

In this paper, we have attempted to show that territorial development constitutes a development model with very specific characteristics that are essentially based on the process of resource “specification” by a group of actors operating in a territory.

In our opinion, such a model seems to revive the pioneer notions developed as early as the 1960s with bottom up development and endogenous development. Thus, the contribution of the territorial model lies essentially in the use of the notion of proximity (geographic and institutional) to explain the coordination among actors.

This raises questions over public action in that it can no longer simply be reduced to state action. However, a constitutional state that is capable of acting (rather than a state that is absent and/or impotent) remains a necessary condition, although not sufficient in itself, for the expression of territorialized public action.

Finally, important restrictions and obstacles show that the model does not depend on a spontaneous process and that it requires appropriate public action. Although the effectiveness of territorial development has been demonstrated in the cases mentioned above, considerable discussion and debate remains over its links with globalization and its possible application in places dominated by generic production where there is no obvious possibility of a specification of resources.

DESENVOLVIMENTO TERRITORIAL. UMA NOVA ABORDAGEM DE PROCESSOS DE DESENVOLVIMENTO PARA AS ECONOMIAS DOS PAÍSES EM DESENVOLVIMENTO

Resumo
Este artigo procura mostrar de que maneira os elementos de um modelo (flexível e adaptável) de desenvolvimento territorial, cujas origens estão ancoradas na análise da coordenação de ações de atores pré-capitalistas, podem adquirir uma forma mais concreta nos países em desenvolvimento. Asseveramos que a aplicação desse modelo funciona como uma ressurgência de relações de produção pré-capitalistas, mas revalidadas por meio de práticas locais e renovadas por dinâmicas territoriais. O eixo da linha de argumentação, apoiada numa análise econômica, aponta no sentido das condições de possibilidade deste resgate de padrões pré-capitalistas atualmente. Na primeira parte, são examinados os princípios fundamentais do modelo, baseado em processos de "construção" do território pelos atores locais. E na segunda, analisam-se a viabilidade desse modelo no contexto atual dos países em desenvolvimento. Nesse sentido, pressupõe-se que estamos partindo de práticas antigas, envolvendo riscos e que exigem condições específicas para a sua implementação de forma consistente.
Palavras-chave: Desenvolvimento territorial. Recurso territorial. Economia territorial. Sistemas agroalimentares localizados. Países em desenvolvimento.

DESARROLLO TERRITORIAL. UN NUEVO ENFOQUE DE PROCESOS DE DESARROLLO PARA LAS ECONOMÍAS DE LOS PAÍSES EN DESARROLLO

Resumen
Este artículo busca mostrar de qué manera los elementos de un modelo (flexible y adaptable) de desarrollo territorial, cuyos orígenes están anclados en el análisis de la coordinación de acciones de actores pre-capitalistas, pueden adquirir una forma más concreta en los países en desarrollo. Se plantea que esta aplicación presupone un resurgimiento de las relaciones de producción pre-capitalistas, pero revalidadas por medio de prácticas novedosas a nivel local y renovadas a través de dinámicas territoriales. El eje de la línea de argumentación, apoyada en un análisis económico, apunta hacia las condiciones de posibilidad de este rescate actual de padrones pre-capitalistas. En la primera parte son examinados los principios fundamentales del modelo, basado en procesos de "construcción" del territorio por los actores locales. Y en la segunda parte se analiza la viabilidad de este modelo en el contexto actual de los países en desarrollo. En este sentido, se presupone que estamos partiendo de prácticas antiguas que incluyen riesgos y que exigen condiciones específicas para su implementación de forma consistente.
Palabras-clave: Desarrollo territorial. Recurso territorial. Economía territorial. Sistemas agroalimentarios localizados. Países en desarrollo.

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