

Socio-Economic Development: concepts and case-studies in urban and mountain areas



LIUC University
Comparative Economics
11th October 2018
16th October 2018

Andrea Petrella
andrea.petrella@unipd.it

The Concept of Development

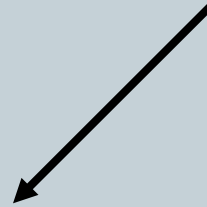


- conventional way to understand development since the 1950s has been to see it «as a synonym for economic growth» [Barbanti 2004].
- in other words, development has traditionally been measured in terms of economic indicators such as the gross domestic product (**GDP**) – a measure of the total value of economic goods and services created by a society over a specific time period

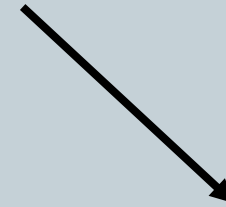
The Concept of Development



development as a **process** and as a **condition**



growth, change,
movement



identification of
what is developed
and what is not:

- historically
- cross-culturally

The Concept of Under-Development



«state of inadequate development»

«the condition of being insufficiently developed»

«economic situation in which there are persistent low levels of living in conjunction with absolute poverty, low income per capita, low rates»

«the state of an organism or of an organization (e.g. a country) that has not reached its maturity»

Oxford English Dictionary

From an economic approach to a socio-economic approach



however, this measure of development and underdevelopment has many problems,

it measures averages and tells us nothing about the distribution of wealth;

it equates economic development with human development; and only measures one key dimension of common sense ideas about what development is or should be.

From an economic approach to a socio-economic approach



the usefulness of economic indicators as measures of development has been criticised mainly because these indicators fail to take into account factors (such as levels of health care, income distribution, literacy...) that impact on a society's overall development

From an economic approach to a socio-economic approach



«development is not purely an economic phenomenon but rather a multi-dimensional process involving reorganization and reorientation of entire economic and social system»

Michael P. Todaro

From an economic approach to a socio-economic approach



«development is a process of improving the quality of all human lives with three equally important aspects. These are:

- 1. raising peoples' living levels, i.e. incomes and consumption, levels of food, medical services, education through relevant growth processes*
- 2. creating conditions leading to the growth of peoples' self-esteem through the establishment of social, political and economic systems and institutions which promote human dignity and respect*
- 3. increasing peoples' freedom to choose by enlarging the range of their choice variables, e.g. varieties of goods and services»*

Michael P. Todaro

From an economic approach to a socio-economic approach



although economic development is an important aspect to consider, it arguably doesn't tell the whole story.

in this respect we can note a number of possible social indicators of development

- Political factors
- Distributive justice
- Cultural elements

Possible indicators of development



Political factors

the basic idea here is that greater levels of social-economic development are associated with a broad range of political freedoms, rights, relationships, the “quality of democracy”.

Possible indicators of development



Distributive justice

development should not be seen just in terms of political freedoms and rights, but also in terms of how “basic human needs” are satisfied.

these might include areas like the provision of and access to public goods and services (such as health care, education...) as well as general measures of need relating to demographic variables (infant and child mortality rates, death rates, life expectancy)

Possible indicators of development



Cultural elements

levels of adult literacy and educational opportunities

access to basic services

quality of life indicators (Drewnowski 1970, Dellacasa 1979)

Possible indicators of development



Drewnowski 1970

- **food:** daily calorie per capita, daily protein per capita...
- **housing:** number of rooms, number of families living in a house...
- **health:** access to public healthcare, diffusion of health prevention practices...
- **education:** school enrolment, number of students finishing courses, teachers/students rate...
- **leisure:** free time form work
- **security:** human security, life-style security...
- **physical and social environment:** communication systems, travels, sport activities, cultural activities, clothing, environmental context...

Possible indicators of development



Dellacasa 1979

individual level of living

- **food:** daily calorie per capita, daily protein per capita, daily fat per capita...
- **housing:** number of rooms...
- **health:** life expectancy, child mortality
- **education:** school enrolment, number of graduate students
- **security:** murders, road accidents...

social level of living

- **environmental hygiene:** clean water, sewage system
- **communication systems:** telephones, post offices...
- **mobility:** number of trains, number of roads per cars
- **health:** number of doctors, beds in hospital...

Possible indicators of development



Human Development Index

«people are the real wealth of a nation»

«human development is the expansion of people's freedoms to live long, healthy and creative lives; to advance other goals they have reason to value; and to engage actively in shaping development equitably and sustainably on a shared planet. People are both the beneficiaries and the drivers of human development, as individuals and in groups»

<http://hdr.undp.org/en/humandev/>

- created in 1990 by **Mahbub ul Haq, Amartya Sen** and others

Alternative development



“Development is a process by which members of a society increase their personal and institutional capabilities to mobilize and manage resources to produce sustainable and justly distributed improvements in their quality of life consistent with their own aspirations”

(Korten, cited in: Nederveen Pieterse)

Alternative development



1. Participatory and people-centred;
2. Widespread consensus that development is more successful when there is participation from the community;
3. Development not only about GDP growth;
4. Human development most appropriate goal and measure of development;
5. Development from below.

	Economic Growth	Socio-Economic Approach
Objectives	Accumulation	Capacitation, human development
Resources	Capital, technology, trade, foreign investment, external expertise	Human skills, local resources, social capital, local knowledge
Features	Growth-led	Equity-led
Agency	State-led; Market led	People, community, synergies, society, government, business
Epistemology	Science	Critique of science and indigenous knowledge
Modalities	Exogenous examples, demonstration effect, technology transfer, modernity VS. tradition	Endogenous development, modernization from within, modernization of tradition
Methods	Import, industrialization, export-led growth, innovation	Participation, micro credit, sustainability, democratization
Social policy	Trickle-down, safety net	Trickle-up, social capacitation through redistribution
Development co-operation	Aid, assistance	Partnership, mutual obligation

	Economic Growth	Socio-Economic Approach
Objectives	Accumulation	Capacitation, human development
Resources	Capital, technology, trade, foreign investment, external expertise	Human skills, local resources, social capital, local knowledge
Features	Growth-led	Equity-led
Agency	State-led; Market led	People, community, synergies, society, government, business
Epistemology	Science	Critique of science and indigenous knowledge
Modalities	Exogenous examples, demonstration effect, technology transfer, modernity VS. tradition	Endogenous development, modernization from within, modernization of tradition
Methods	Import, industrialization, export-led growth, innovation	Participation, micro credit, sustainability, democratization
Social policy	Trickle-down, safety net	Trickle-up, social capacitation through redistribution
Development co-operation	Aid, assistance	Partnership, mutual obligation
Indicators	GDP	Green GDP, HDI

Different contexts of territorial development



- Urban contexts and urban economic system
- Mountain area and mountain economic system

Urban demographic transformations

	2015 Urban / Rural	2030 Urban / Rural
AFRICA	40 / 60	48 / 52
ASIA	44 / 56	55 / 45
EUROPE	73 / 27	77 / 23
AMERICA S	80 / 20	83 / 17
AMERICA N	82 / 18	85 / 15
OCEANIA	71 / 29	71 / 29
TOTAL	51 / 49	60 / 40

United Nations – Habitat – Global Report on Human Settlements

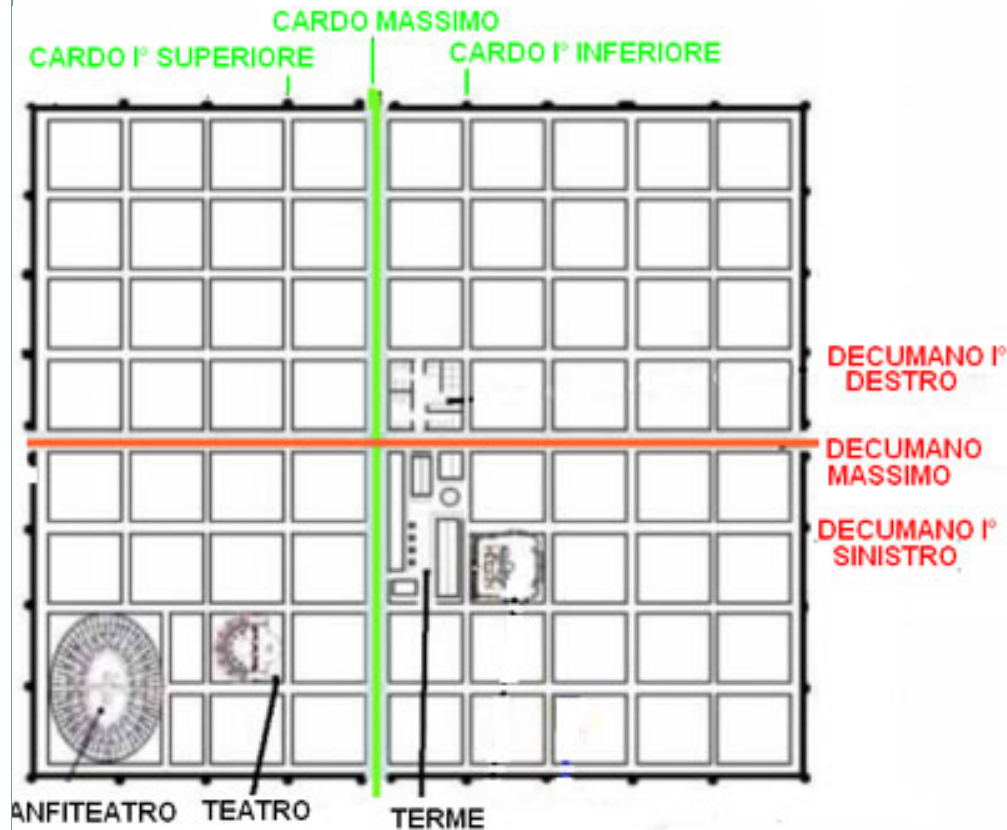
Urban contexts and urban economic system



From the **pre-industrial** city to the **contemporary** city/metropolis

A brief journey through the transformations of urban contexts and their economic systems

Roman cities



Centuriatio romana

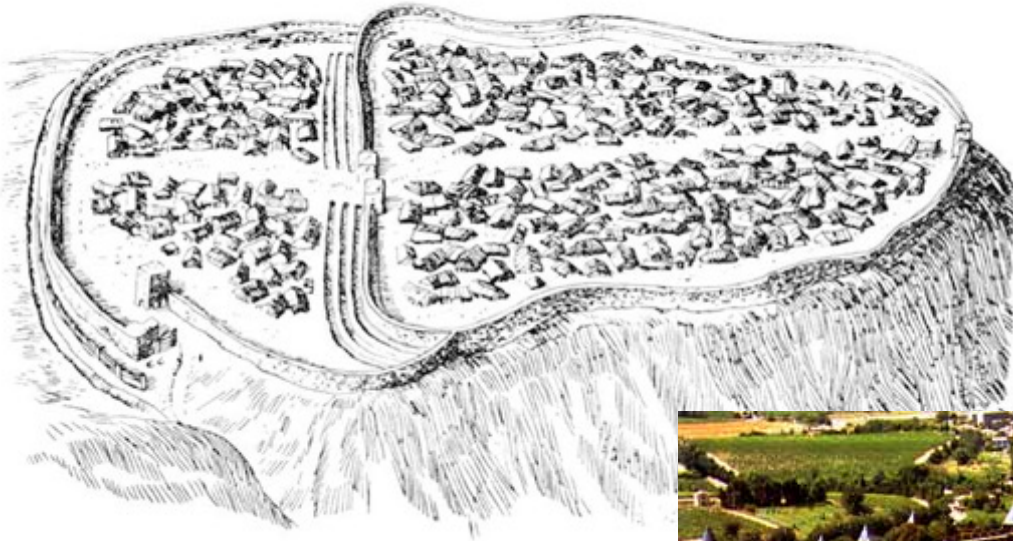
Decumanus maximus E-W

Cardo maximus N-S

Secundum coelum

Secundum naturam

Pre-industrial cities



Pokus o rekonstrukci keltského oppida na Star



Pre-industrial cities

Haufendorf (Germany)

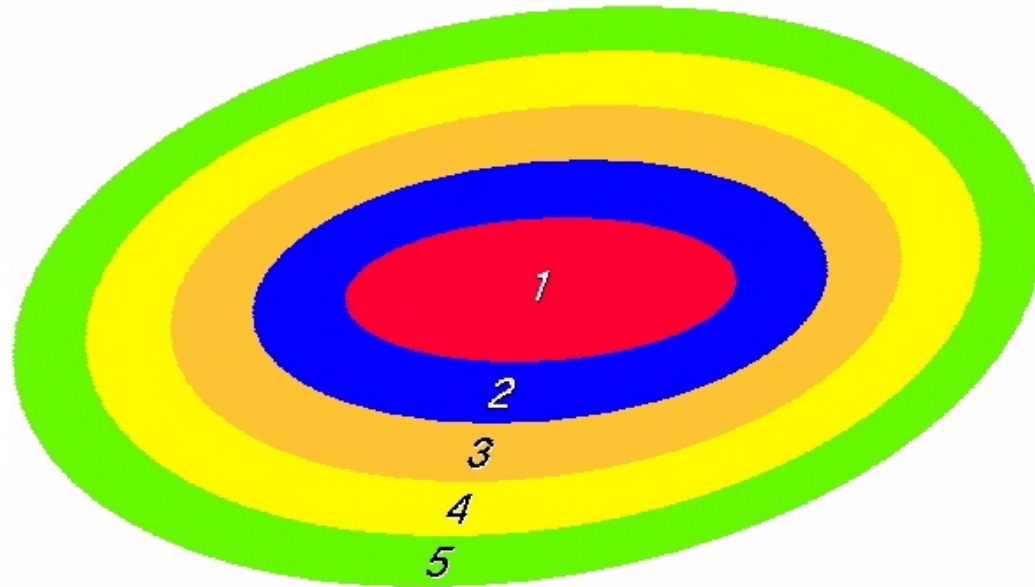


Pre-industrial cities

Strassendorf



Pre-industrial cities



- 1. City*
- 2. Intensive Agriculture*
- 3. Forest Resources*
- 4. Grain Farming*
- 5. Livestock Farming*

industrial cities



from industrial cities to sanitary cities



the industrial cities of the XVIII and XIX centuries were highly productive, but were not designed to separate the health and environmental hazards of that industrial production from the inhabitants of the city.

The transition of these cities to being sanitary cities involved a deliberate redesign of water, sewer, drainage, waste management and pollution control infrastructure to make them safer for residents.

The Fordist Metropolis



- Fordism (& Taylorism):
 - big enterprises with different manufacturing stages
 - mass and standardized production
 - division of labour
 - assembly line
- Growing demand of goods (enlargement of markets)

The Fordist Metropolis



- city enlargement (suburbanisation process),
- suburbs
- old & new working-class neighbourhoods (within and outside the city)
- commuting
- conurbation (suburbs melting into a unique conurbation)
- enlargement of villages and towns around the main industrial city

Contemporary urban economic system



- city: from production place to service centre
 - deindustrialisation
 - advanced services, financial, insurance, marketing services
 - real estate
 - creation of symbolic added value
- parallel labour market
- SMEs development, clustering and specialisation
- process of **internationalisation**
 - broadening of markets
 - transnational investments
 - multinational management headquarters

Current trends



- Sprawl City
- Neighbourhood-led urban transformations

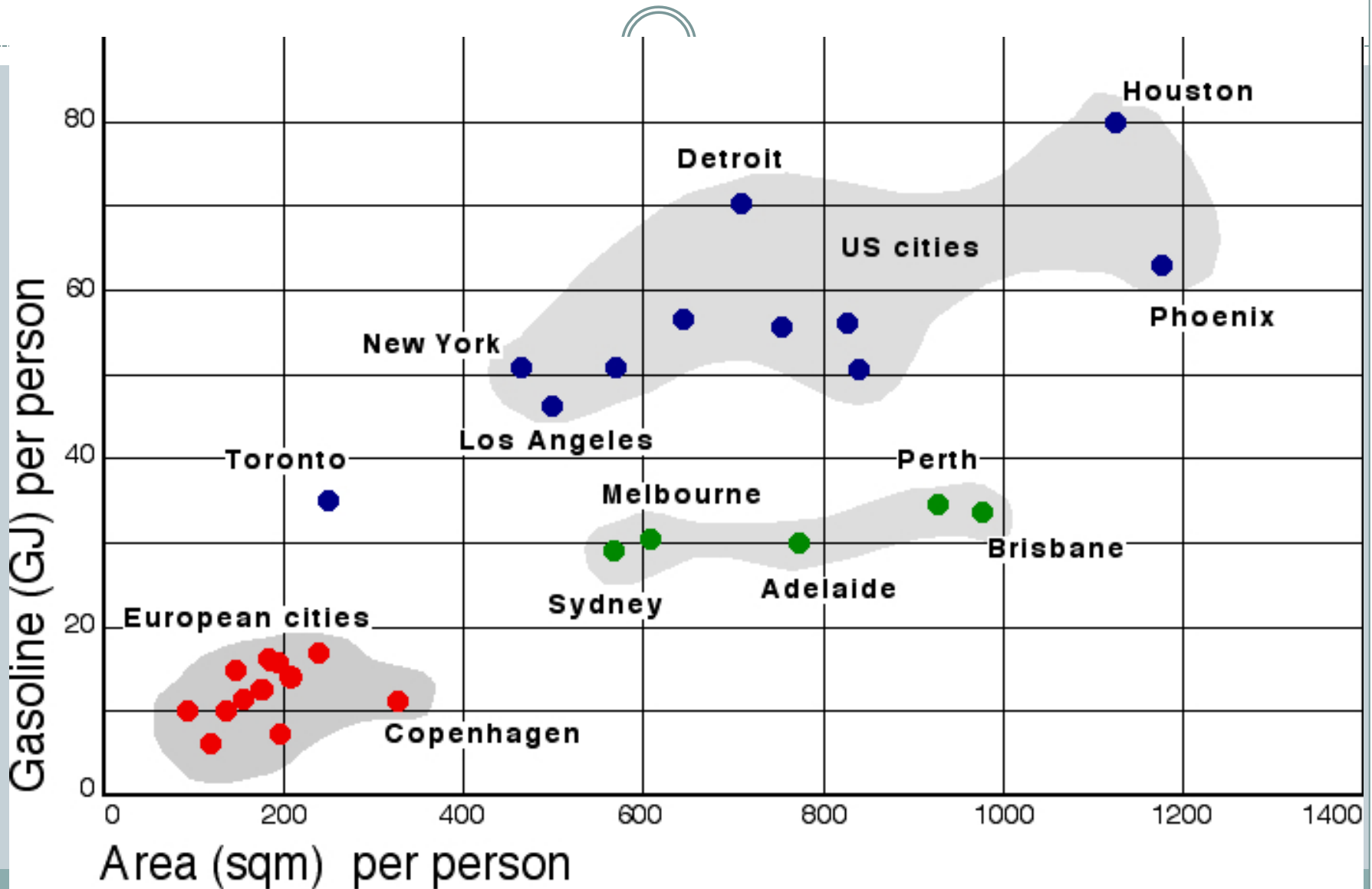
The Sprawl City



The Sprawl City



The Sprawl City

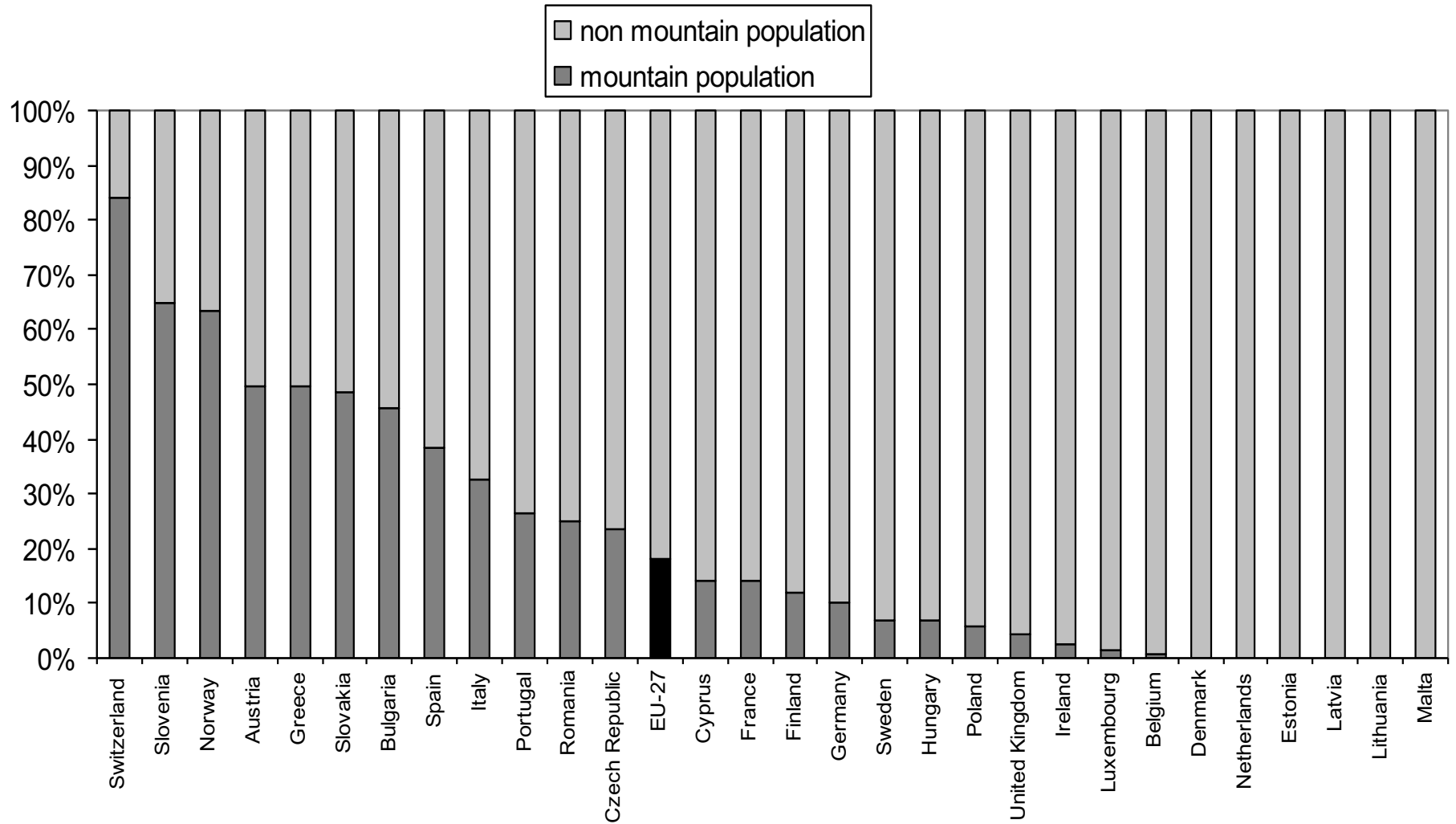


The New Neighbourhood-led urban transformation



- Neighbourhood transformations, restyling, former industrial areas
- New inhabitants, new needs, new services, local-based services
- Target: youngsters, young families, couples without sons, medium/high income, need of socialisation and gathering space

Mountain areas in Europe



Mountain areas in Europe

The “undervalued ecological backbone of Europe”
(European Environment Agency, 1999)

- 35% – 40% of total European surface
- 19% of total European population (EU + Norway and Switzerland) live in MA (94 mln)

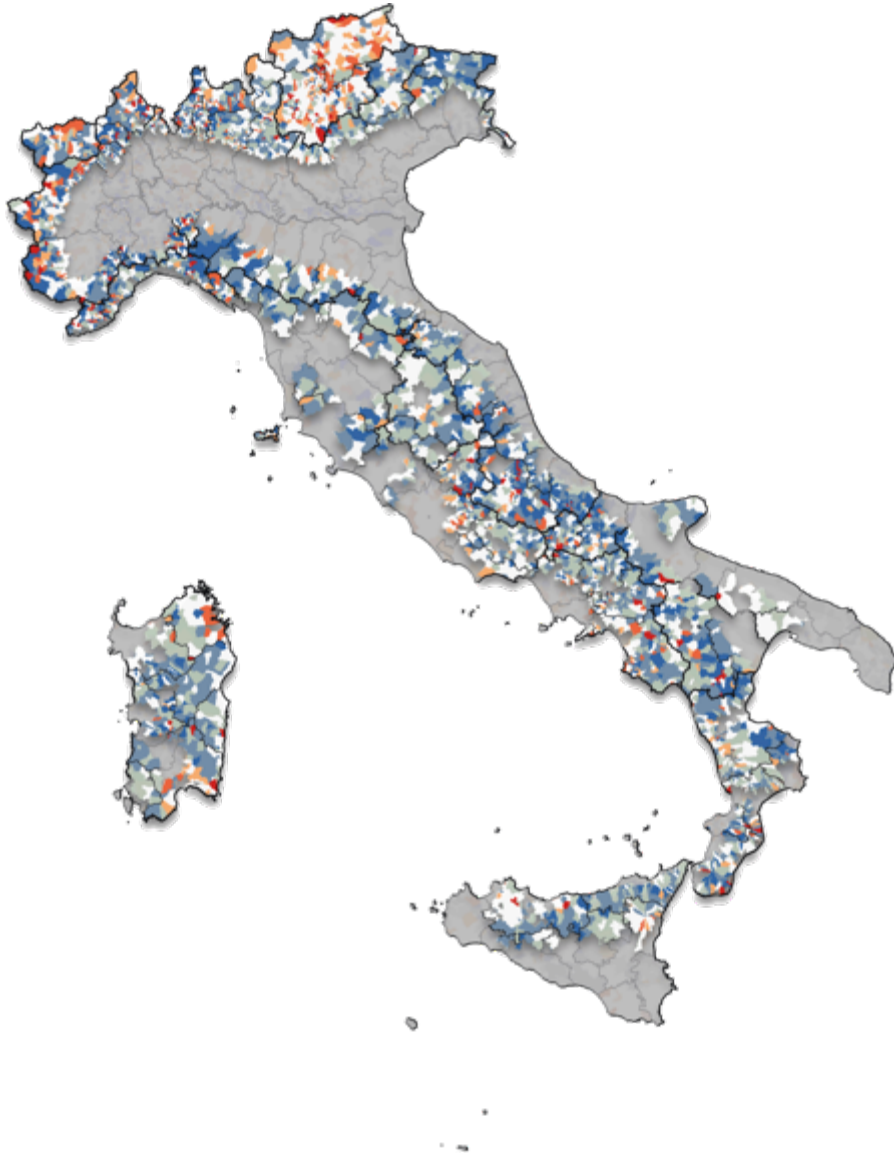
	Mountain population
Italy	18 267 183
Spain	15 681 826
France*	8 577 499
Germany	8 254 700
Switzerland	6 132 208
Romania	5 535 706
Greece	5 365 931
Austria	3 993 337
Bulgaria	3 637 787
Norway	2 854 051
Portugal	2 741 590

Mountain areas in Italy

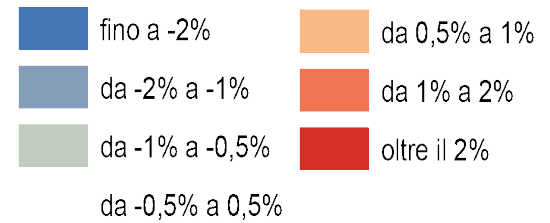
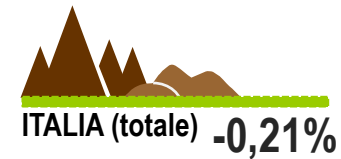
According to ISTAT – National Statistical Office

- 54% of total Italian surface
- 19% of total Italian population lives in MA
- 51% of total Italian municipalities is classified as mountain

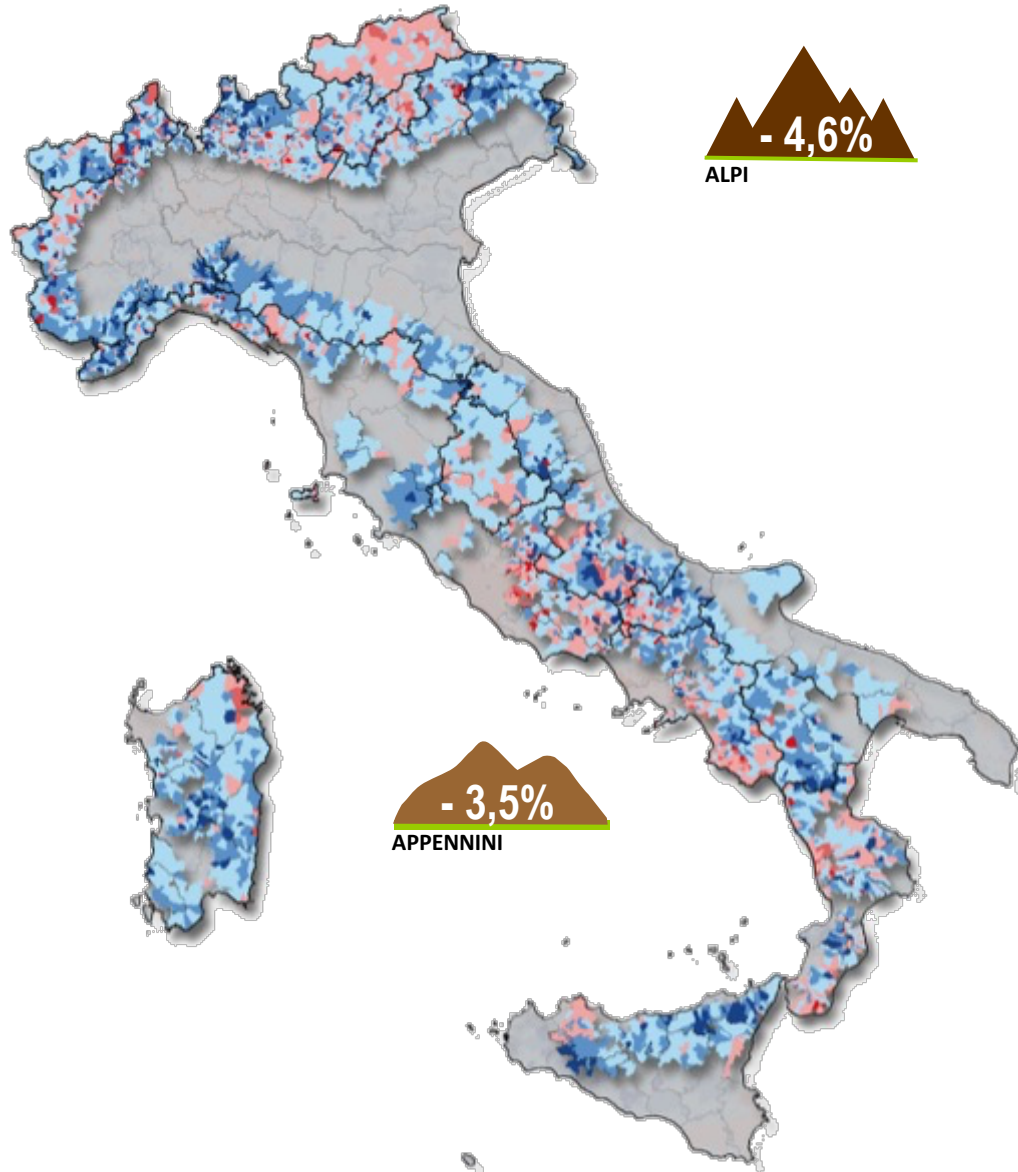
Mountain areas in Italy



Demographic changes
2014-2015



Mountain areas in Italy



- 4,6%
ALPI

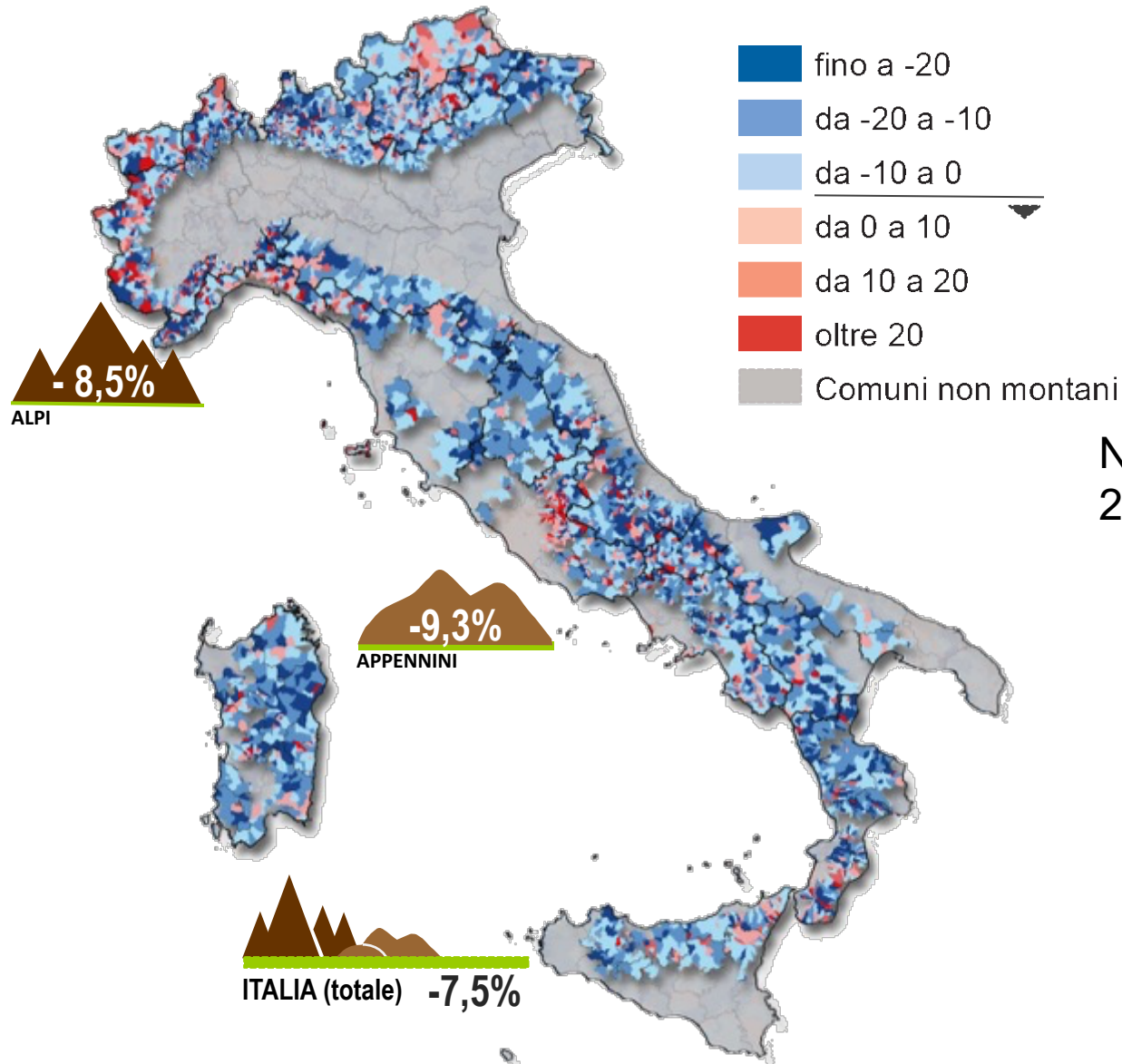
- 3,5%
APPENNINI



Number of enterprises
2007-2014

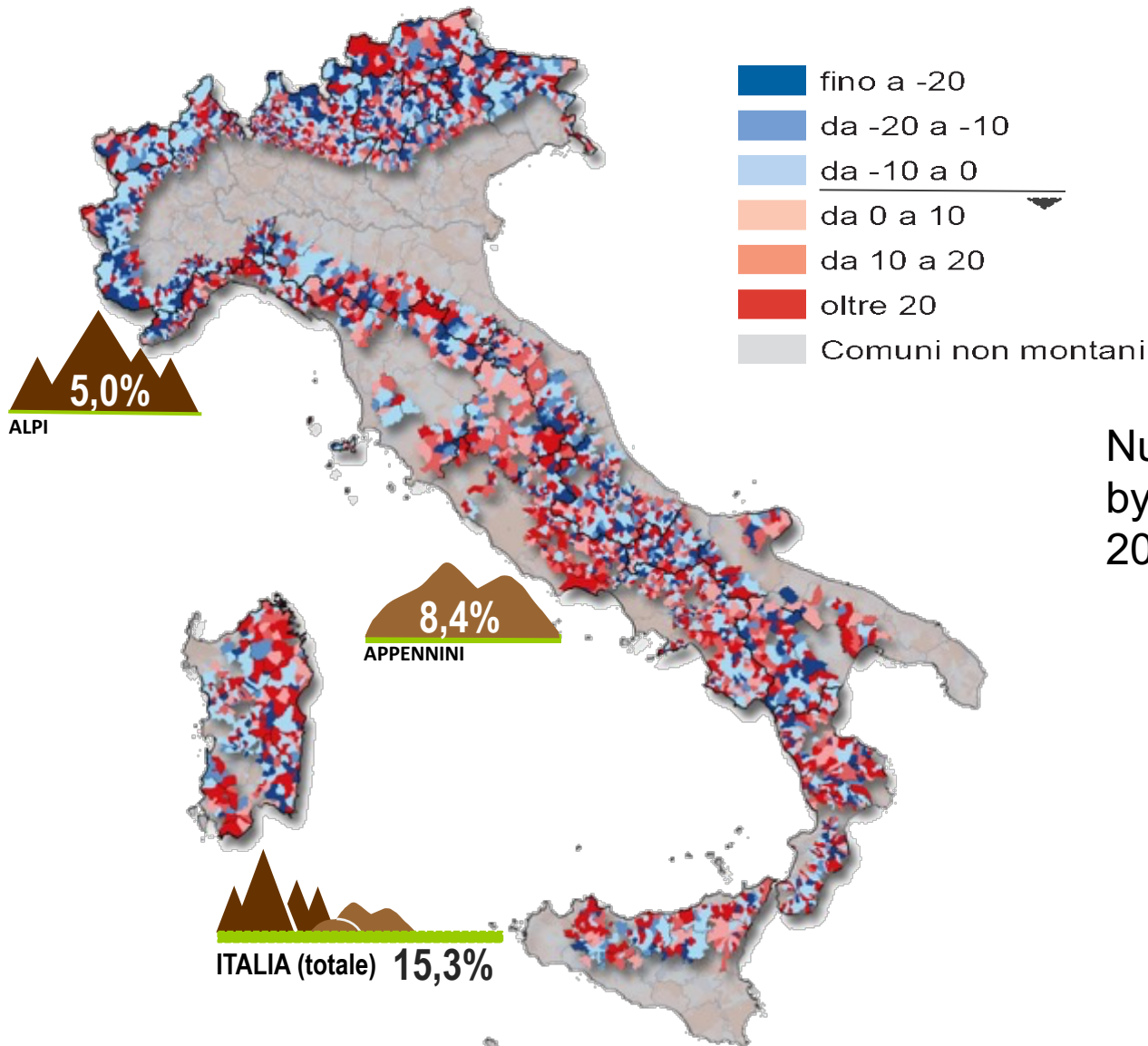
ITALIA (totale) -1,3%

Mountain areas in Italy



Number of craft businesses
2007-2014

Mountain areas in Italy



Number of enterprises run
by foreigners
2011-2014

Problems related to small / mountain municipalities



- Availability of services (school, bank & post office, hospitals, shops, library, leisure infrastructures...)
- Inequalities in health care, accession to services
- Mobility, commuting, emigration
- Hydrogeological upheaval, lack of agricultural activities, excessive reforestation
- Social isolation, elderly population, lack of social relationships
- Lack of entrepreneurial activity
- Tourism over concentrated in particular seasons or areas
- Fragmentation, administrative system (lack of know-how...)

Potentialities related to small / mountain municipalities



- Revitalization of local economies
- Small production systems
- Quality products linked with environmental quality
- Landscape and natural resources
- Green economy, renewable energies...
- Quality of life
- Sustainable tourism
- Eco-system / Environmental services

Potentialities related to small / mountain municipalities



- Revitalization of local economies
- Small production systems
- **Quality products linked with environmental quality**
- Landscape and natural resources
- **Green economy, renewable energies...**
- Quality of life
- Sustainable tourism
- **Eco-system / Environmental services**

Eco-system / Environmental services



- Environmental services can be defined as “environmental benefits provided by the forest ecosystem to the wider society. Such benefits may be local or widespread and can be classified according to the distance between the resource and the beneficiaries: those that are enjoyed by the local community (hydro-geological protection), those for which the number of beneficiaries is inversely proportional to the distance travelled (recreation and amenity) and those that affect the whole society (carbon storage)”

Notaro & Paletto, 2011

Eco-system / Environmental services



- "Willingness to pay" WTP
- Ex. 2,256 inhabitants Alpine village (Lombardy)
- Willingness to pay for land maintenance: 94€/year or 896€ in labour hours

Table 3: *Annual willingness to pay (WTP)*

Sample	Annual value
WTP in €	48,929
WTP in labour hours	1,412,419
WTP in € and labour hours	184,995
Total	1,646,344