

**Regional cooperation and local and regional development: a
comparative analysis of the Coffee Region (Colombia) and O'Higgins
(Chile)**

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Abstract

The aim of this thesis is to conceptualise and explain the evolution of regional cooperation at a sub-national scale, and its influence in local and regional development. It contributes to the studies on regional cooperation and local and regional development, by understanding regional cooperation as an adaptable process shaped by its context, and introducing the otherwise neglected experiences from the Global South-Latin American urban and rural regions to the debate. The study addresses the gaps created by the predominant focus upon post-industrial, Global North experiences, emphasising in cities rather than regions integrated by urban and rural areas in research on regional cooperation and local and regional development. Examining the case studies of the Coffee Region (Colombia) and O'Higgins (Chile), this thesis argues that regional cooperation can be conceptualised as a context dependant process of voluntary and concerted work amongst diverse regional actors. Regional cooperation plays a crucial role in reshaping local and regional development models at the local scale, while local actors involved in regional cooperation adapt to the regional context and institutional environment. Regional cooperation appears not just as an alternative to improve local and regional development, but also as a mechanism that interacts with wider local institutional processes. This research identifies the different kinds and forms of regional cooperation, and how these are created and adapted to each context. It explains the relationship between regional cooperation and local institutions, and the relationship between regional cooperation and local and regional development, emphasising the role that regional cooperation plays in shaping bottom-up approaches to development, while helping regions to adapt and contest top-down neoliberal economic policies.

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Acronyms

ARMA – Andes Range Municipalities' Association

CAR – *Corporación Autónoma Regional* / Autonomous Regional Corporation

CCLC – Coffee Cultural Landscape of Colombia

CORFO – *Corporación de Fomento de la Producción* / Corporation for Production Promotion

DANE – *Departamento Administrativo Nacional de Estadística* / National Department for Statistics

FCM – *Fondo Común Municipal* / Communal Shared Fund

FNC – *Federación Nacional de Cafeteros* / National Coffee Growers Federation

FNDR – *Fondo Nacional de Desarrollo Regional* / National Fund for Regional Development

GDP – Gross Domestic Product

IAF – Inter-American Foundation

IDB – Inter-American Development Bank

IMF – International Monetary Fund

INDAP – Instituto de Desarrollo Agropecuario / Institute for Agricultural Development

LOOT – *Ley Orgánica de Ordenamiento Territorial* / Organic Law of Territorial Ordinance

OCAD – Órganos Colegiados de Administración y Decisión / Collegiate Administrative and Decision Bodies

PACT – Private Action Collaborating Together

PBD - Permanent Board of Decisions

PROCHILE – *Dirección de Promoción de Exportaciones* / Export Promotion Division

SAPs – Structural Adjustment Programs

SGR – *Sistema General de Regalías* / Royalties General System

SGP - *Sistema General de Participaciones* / Transfers General System

SUEJE – *Sistema de Universidades del Eje Cafetero* / Coffee Region universities system

WB – World Bank

WCED - World Commission on Environment and Development

WTO – World Trade Organisation

Chapter 1. Introduction

Regional cooperation is the process of joint and collaborative work between varied actors whom pursue a common goal, and is expected to bring social and economic benefits at a regional – intra-national scale. It is a social phenomenon with a long tradition in academic and public policy fields, and has been approached from diverse disciplines. Its theoretical evolution goes from understanding why the human being as an egoist individual embarks in cooperative projects (Axelrod, 1984), a question that captured the attention of political science and economy specialists, framed in the prisoner’s dilemma, rational choice and public choice approaches (Axelrod, 1984; Feiock, 2004; Spicer, 2015); all the way to anticapitalistic and local projects (Gibson-Graham, 2008) that emerged as reactions against exclusion and segregation (Sarria, 2002), or partnerships capable to reshape the relationship between the states and the markets under neoliberal premises (Birch and Siemiatycki, 2016). Regional cooperation studies also have geographical variants. Scholars based on the United States are largely concerned with metropolitan areas in Federal States, public sector cooperative agreements, and partnerships with the private sector (Feiock, 2007; Clingermayer and Feiock, 2001). European scholarship is more concerned in forms of regional organisation, polycentrism or city-regions (Sýkora *et al*, 2009; Egermann, 2009), and the neoliberalization of public services through public-private partnerships (Siemiatycki, 2010). Latin American scholarship is more centred in metropolitan areas, inter-municipal cooperation, or forms of social and anti-capitalist organisations (Cravacoure, 2011; Rodríguez-Oreggia and Tuirán Gutiérrez, 2006; Quintero-Lopez, 2006).

1.1. The approach to regional cooperation

This thesis approaches regional cooperation from an economic geography perspective, emphasising the role of regions in shaping their own development models and economic processes, and the multi-scalar interactions that occur amongst different institutional arrangements and environments. However, insights from different disciplines and approaches are needed to complement the analysis. In terms of regional cooperation, economic geographers have focused most of their attention on Global North based or inspired processes of economic growth and local and regional development through agglomerative economies or clustering processes, with some few variants on public-private partnerships as strategies of adaptation and contestation of neoliberalism, still in the Global North. Therefore, this thesis looks to post-development theories to explain the coexistence of diverse versions of local and regional development that are being shaped through regional cooperation

processes, and to public administration and law scholarly developments to expand the definitions and forms of regional cooperation at an sub-national scale.

Social and economic changes experienced since the end of the Cold War (1990), placed regions at the sub and supra-national level, in the spot of social sciences, economic geography especially. Supra-national regionalisation and integration processes began to proliferate, and sub-national regions started to develop regional economies, identities, social movements, and collaboration strategies in which jurisdictional limits started to seem redundant (Koff and Maganda, 2011). These trends call for the acknowledgement of regions as active actors in their development model and economic performance. In addition, a discontent with top-down and neoliberal economic policies is growing and demanding alternative strategies to guarantee economic and sustainable growth and development. Those calls are represented at the local level through local and regional development projects, where regional cooperation is accounted. Regional cooperation, therefore, appears not just as an alternative to improve local and regional development, but also as a process that engages with local institutional processes and is shaped by the local context. However, regional cooperation studies that use a geographical approach and empirical evidence from the Global South are not common. Most of the related research explores post-industrial, Global North experiences, with an emphasis on cities rather than regions integrated by urban and rural areas, leaving a gap related to regions of the Global South in which urban and rural economies coexist and contradict. Therefore, the overall aim of this thesis is to explore and analyse the relationship between regional cooperation and local institutions, regional cooperation, and local and regional development, by using a comparative case study of two regions located in Colombia (Coffee Region) and Chile (O'Higgins).

Processes of regionalisation and processes of regional cooperation should not be taken as separate phenomenon, insofar as the latter is acknowledged as a consequence of the former. Regional cooperation is one process, amongst many others, that help to shape regional economies, identities and contestations to changing economic and social policies. Clustering, social organisations, or public and private partnerships, pass through processes of cooperation that take place at the regional scale. It is the same with more traditional forms of regional cooperation, such as metropolitan areas, or inter-municipal agreements. That is why it is crucial to study regional cooperation using a broader perspective, in which the phenomenon is understood as embedded in those regionalisation processes and in its own local, institutional and historical context. Regional cooperation is a process whose origin and evolution is strongly attached to the context where it is implemented, and capable to influence local and regional development. Therefore, to understand and explain the relationship

between regional cooperation and local and regional development, this research focuses on the regions' socio-economic context, the rationales and objectives of cooperation, the role of public and private actors from different levels, and the role of soft and hard institutions, in shaping regional cooperation evolution. Regional cooperation is not isolated from wider institutional processes and, as this research demonstrates by using case studies based on Latin America, it has great potential to benefit local and regional development.

1.2. Aims and research questions

The aim of this thesis is to conceptualise and explain the evolution of regional cooperation at a sub-national scale, and its influence in local and regional development. It contributes to regional cooperation research by introducing a multi-actor and multi-scalar approach to understanding the evolution of regional cooperation, focusing on the intersections and tensions between territorial and relational understandings of place and space, and the social constructions of local and regional development. It approaches the phenomenon as a context embedded process that can be explained by using the contributions of economic geography, and complemented with a multidisciplinary approach, intending a balance between Global North and Global South scholarly. To do so, an intensive research design that uses qualitative methods as primary strategy for data collection and analysis, and a comparative case study were selected as the methodological strategies to address the following research questions:

- How is regional cooperation defined and conceptualised?
- What kind of regional cooperation has been established, how and why it has evolved and what it is shaped by?
- In what ways institutional conditions and contexts have influenced regional cooperation?
- What are the implications of regional cooperation in local and regional development, how and why have these occurred?

These questions were answered along the thesis, and highlighted in chapter 8. The following sections summarises the thesis structure.

1.3. Outline of the thesis

Chapter 2, gathers the main theoretical approaches that explain regional cooperation and local and regional development. This last concept is the conceptual core of the research as it is the main driving force of regional cooperation. To explain regional cooperation and its implications on local and regional development, it is first needed to explain how regional cooperation is conceptualised

and why it is established, its interactions with the local context, and how it relates with a wider conceptualisation of local and regional development from a bottom-up perspective. This chapter highlights encounter points between different disciplinary approaches and literature based on Global North and South experiences, investigating regional cooperation regardless of its geographical location.

Chapter 3, addresses the methodological needs and approaches used for the research. The case studies, the Coffee Region (Colombia) and O'Higgins (Chile), were selected using the most similar approach, focused on socio-economic and institutional conditions as the main similarities, and diverse kinds of cooperation processes as the main differential aspect (Gerring, 2007; George and Bennett, 2005; Seawright and Gerring, 2008). Researching regional cooperation with a comparative case study made possible to uncover its contextual conditions, the real-world context where the phenomena occur, and its particularities, extracting broader insights to contribute to theory development. The comparison illustrated the evolution and practicalities of regional cooperation as a process in more general terms, rather than providing explanations for one particular type of cooperative agreement. This allows an understanding of the multi-scalar relationships that derive and with which it interacts, and the implications it has in wider processes of local and regional development.

Chapter 4, summarises the historical, economic and political that influenced regional cooperation, in two levels: States and regions. Indeed, literature and empirical data showed that at least two levels of analysis are necessary to understand regional cooperation: First, the national level, particularly the political organisation of the states, decentralisation policies and legislation directly related to forms of regional cooperation. Second, the regional level, particularly the economic and social circumstances that became the contextual drivers for regional cooperation. However, this binary approach was not sufficient to fully disclose regional cooperation and analyse its implications on local and regional development.

Chapter 5, argues that regional cooperation is better understood if taken as a process. This introduces local, regional, national, and international context to the analysis, and the role that different type of actors and leaders played in creating and innovating forms to cooperate. Regional cooperation is better understood if conceptualised as a general process of collaborative work with implications in a region indistinct of jurisdictional borders, participating actors or adopted forms. This because regional cooperation will be established and designed according to the available resources and needs or problems to be addressed, rather than fulfilling a list of legal requirements.

Chapter 6, argues that regional cooperation also interacts with different institutions at varied levels. Regional cooperation is shaped by the institutional context where decentralisation policies, local agency and cultural and behavioural codes are determinant for its existence and endurance. Regional cooperation interaction with this multilevel context and institutions is normally reflected in the form the process takes, and is performed through diverse governance systems. In addition, regional cooperation can also participate and influence regional institutional processes such as regional governance and path dependency.

However, the question of regional cooperation does not end in explaining its interaction with the local context and institutions. If it aimed to improve local and regional development, it is needed to explain what kind of implications regional cooperation brings to local and regional development. Chapter 7, approaches the question by understanding regional cooperation as a tool to build a holistic and bottom-up local and regional development. This chapter argues that regional cooperation plays a positive role in introducing locally valued themes to the local conceptualisation of development, while representing forms of local contestations to neoliberal policies, or aiding regions to adapt neoliberalism in accordance to the context, needs and assets. Regional cooperation processes are helping to shape a local and regional development agenda, and are local manifestations of neoliberalism; local contestations that aim to insert the region and its inhabitants, particularly rural inhabitants, in a globalised economy logic, while defending local culture, nature and assets.

1.4. Regional cooperation in the Coffee Region and O'Higgins

Regional cooperation will not occur if there is not a common problem that demands intervention, or a common goal that cannot be achieved through individual efforts. Evidence shows that these kind of problems have not been scarce in Latin America. The region has been subject of failed attempts to reduce poverty and development policies based on a homogeneous and Rostowian model of modernisation, industrialisation and urbanisation (Escobar, 1995), and later of imported economic policies based on free markets, privatisation and state downsizing, or neoliberal policies (Simon, 2008). The older development policies and the more recent neoliberal shift, have proven unable to fulfil the promise of poverty reduction and development, but has deepened inequality amongst and within the countries (Harvey, 2006).

Economic neoliberalism has been implemented as a straightforward transformation to free markets and state downsizing around the globe. However, the huge diversity of cultural, economic, political,

postcolonial, and environmental contexts, has led to the emergence of multiple manifestations, adaptations and resistance (Brenner & Theodore, 2002). The case is particularly striking in the Latin American region. After decades of neoliberal reforms, the struggles, social mobilisation and tales of adaptation and resistance have not ceased but increased. When looking at the national level, there are noticeable examples of resistance. Venezuela and *la Revolución Chavista*, Ecuador and *El Buen Vivir*; or local mobilisations that reached national importance and international attention, such as the anti-mining movements in Peru, or the water wars in Bolivia, to name some. However, these are not the only examples of contestation. Many other cases have remained at the local level, anonymous perhaps, not just to the academia but also to the public policy and the national level. These overlooked cases help to demonstrate that development is locally constructed, and that neoliberalism has a variety of manifestations and representations at the local scale. Here it is argued that the local construction of development, and the local contestations of neoliberalism, are performed through processes of regional cooperation, amongst other series of processes and strategies that are out of the scope of this research.

This research is based on the case studies of the Coffee Region and O'Higgins. Traditionally, the Coffee Region has been mainly dedicated to agricultural production, coffee in particular. The dependency on coffee production and trade has resulted in a cyclic economy since the second half of the Twentieth century. During the first half, due to the good prices and protective measures to coffee production and commercialisation (the International Coffee Agreement), the region experienced an economic boom. Public investment that the government was unable to provide was covered by the National Coffee Growers Federation, making the Coffee Region one of the most prosperous regions in Colombia (PNUD, 2004). However, in July 1989, the agreement was terminated. From that point, coffee production and trade were determined by the free market. The region started a phase of decline in its economic and social indicators (ibid), and the investment made by the National Coffee Growers Federation was significantly reduced. The decline became evident, and worsened, during the last decade. This situation encouraged the creation of regional cooperation processes. Two out of three that are analysed here, are materialised through unique regional labels: First, the region was included in the UNESCO world heritage list, under the category of cultural landscape. Second, it has the first and so far, only *Citta-slow town* in Latin America (Pijao). The third case of regional cooperation, that follows a more traditional scheme of inter-municipal agreement has served to provide public services to the population of five municipalities.

O'Higgins, on the other hand, is also a traditionally agricultural region strongly impacted by precarious social and labour conditions of rural population. This precariousness prompted an agrarian reform that was formalised in 1967 (Villalobos, 2006). However, when the military coup took place in 1973, economic and social policies drastically changed, and neoliberalism was implemented (Villalobos, 2006). Chile is a pioneer in establishing neoliberal policies (Ostry et. al, 2016; Rehner *et al*, 2016), and the region has not been distant to this process. The Chilean post-dictatorship economic model remains highly dependent on exports and access to international markets. As a result, smaller producers –*campesinos*¹-, were left in a situation of unsustainable competition, highly strict requirements of production and commercialisation and a constant need for innovation (FAO, 2012). It is in this context of inequality and struggle that regional cooperation processes began, but unlike the Coffee Region, processes have been organised following traditional forms from the solidarity economy and business models, helping to shape local development models through direct intervention in economic activities and social programs.

As this research demonstrates, regional cooperation is established in each region in accordance to the local institutional capacity and available resources. While Colombia and Chile are centralised countries, and the Coffee Region and O'Higgins` local governments have little room of manoeuvre in terms of local and regional development strategies, innovative forms to cooperate emerge to overcome uneven development and socio-economic crisis. Regional cooperation also helps to shape local and regional development definitions while contextualising and contesting neoliberal policies to make them fit with the local definitions of development. These processes can take the form of innovative social and economic organisations and local governance, where local communities and regions reshape their development goals and top-down policies, whether aiming to correct their distributive failures, or resist them in order to protect local economy and assets. Exploring these local expressions and contestations becomes crucial to understand how the local level reacts and solves conflicts related to top-down economic policies that create external pressure, and the potential of these strategies to overcome future conflicts.

¹ Due to the cultural connotation that comes attached to the word *campesino* in Latin America, its English equivalent (farmers or peasants) is not accurate as it denotes rural population with a very different socio-economic background.

Chapter 2. Geographical approach to regional cooperation: Theoretical contributions, debates and implications in local and regional development research

2.1. Introduction

Regional cooperation is often defined as a strategy used by local political actors, typically municipal governments, to enhance local capacities, to accomplish public tasks, or to address common problems (Hulst *et al.*, 2009). It is not a novel concept, but while urbanisation rises and regions and cities claim a more active role in their economic development (Crescenzi and Rodríguez-Pose, 2011), cooperation strategies gain more supporters. Evidence on this is given by the increasing popularity of public-private partnerships, inter-municipal agreements within or beyond national borders, and the changing local-administrative landscape towards city-regions, metropolitan areas and polycentric regions both in the Global North (Sýkora *et al.*, 2009; Egermann, 2009) and South (ADB and IDB, 2014).

Regional cooperation is a phenomenon covered by a diversity of disciplines and geographies. Public administration, economic geography, post-development theories and urban and planning studies offer a variety of definitions, and emphasise on diverse aspects of the phenomenon, accordingly to their epistemological foundations and empirical evidence. Therefore, conceptualisations that include local governments and, by definition, exclude private actors, or conceptualisations that prioritise institutionalised arrangements, are all found in the extensive literature. Themes of economies of scale, transaction costs, effectiveness and efficiency, uneven development and challenges to capitalist economies, or institutional accommodations of the states and the market operating within neoliberal premises, are recurrent themes in regional cooperation literature. This multiplicity suggests that regional cooperation is essentially a social and geographical process of multi-scalar dimension, profoundly linked to local and regional development. Therefore, regional cooperation with a geographical perspective must acknowledge the local context as a vital part of the conceptualisation.

Within all the themes over which different sets of literature emphasise on, common ground can be found around the concept of local and regional development. Indeed, local and regional development allow the dialogue between different disciplines that study regional cooperation, and introducing decolonial perspectives on economic geography. Thus, this chapter highlights encounter points between literature based on Global North and South experiences, suggesting a framework to

analyse regional cooperation regardless of its geographical location, and outlining the main bodies of literature that inform the research questions. Section 2.2 reflects on the need to include Global South experiences in economic geography research, taking those experiences as foundations to create new knowledge, rather than laboratories of Global North-based theory application. As mentioned, local and regional development is the concept that allows multidisciplinary and multi-geographical dialogue, thus the second part of this section explains the geographical understanding of the concept of development as precursor of its local and regional school of thought. Section 2.3 starts by explaining regions as social constructs embedded in territorial and jurisdictional borders, emphasising the contradictions and encounter points between relational and territorial approaches. The section continues by explaining regional cooperation conceptualisations, characteristics and types, explaining the relationship with local and regional development, and emphasising on the gaps that each conceptualisation leaves when studying regional cooperation in Latin American regions. Section 2.4 outlines local and regional development definitions and evolution, emphasising on traditional, alternative and emerging themes that challenge mainstream definitions. Section 2.5 summarises the theoretical contributions that contribute to the analysis and provide the frame with which regional cooperation can be investigated in Latin American regions with a predominant rurality. The chapter finalises with concluding remarks in section 2.6.

2.2. Development geographies and economic geography research from the Global South

As stated by Pollard *et al* (2008:138), ‘it is no longer controversial to assert that the mainstream of economic-geographical theorising (...) emerges from the experiences of Anglo-American regions’. Most of the debates have been focused on ontological, epistemological or methodological separations, rather than actually geographical (Murphy, 2008). However, economic geography research has started to explore diverse economic spaces and heterodox theoretical approaches, such as just growth (see Brenner and Pastor, 2012) and diverse economies (see Gibson-Graham 2006, 2008, 2011). In addition, there is a growing acknowledgement of intersections with fields traditionally left to Global South scholarly, as development studies. Indeed, some intersections have been identified and explored. The fields of local and regional development and development studies are promising areas of intersections between Global North and Global South research (see Murphy, 2008, Pike *et al*, 2014; Girón, 2015) especially in the debates on uneven development (see pages 13 – 14 below). Alongside, intersections have been identified in the field of urban development studies (Robinson, 2015), and the preliminary exploration of the areas of degrowth and post-development (Escobar, 2015).

Themes such as socio-spatial inequality, uneven economic growth and wealth accumulation, territorial competition, innovation, industrial location and agglomeration, and global value chains are seen as common issues regardless of their geographical location. The fields of local and regional development and development studies have studied these phenomena with little dialogue, creating gaps and parallel knowledge. However, the area of most significant advances in breaking the Global North and Global South divide is urban development studies. Huchzermeyer analysis on top-down interventions for urban segregation account for a series of postcolonial critiques to mainstream urban theory (Huchzermeyer, 2014, see also see Parnell and Oldfield, 2014). Accordingly, colonial practices on urban interventions emerge from the use of the generic label ‘slum (...) [as the] antithesis of the modern city’, for what are actually varied spaces of urban settlements in Global South cities (Huchzermeyer, 2014:86). Post-capitalist and post-neoliberal critiques have also emerged in the field. Subaltern urbanism, or segregated urban settlements, which are normally accounted as marginal to capitalist economies, are analysed as ‘a terrain of habitation, livelihood, self-organisation and politics’ (Roy, 2011:223) that contain diverse economies. It is argued that Global South cities can contribute to reframe urban theory away from the neoliberal perspective within which Global North cities are usually studied, to include multilevel, multi-actor, and multi-institutional approaches (Parnell and Robinson, 2012). There are, however, calls to find a common language for a general urban theory. Robinson (2015) calls for renewed analytical and methodological approaches to urban theory, comparing various and diverse urban contexts within shared and interconnected processes, being aware of contextual differences yet acknowledging that variation across cases allows conceptual innovation and invention. Scott and Storper’s (2015:3-4) contributions claim for a shared vocabulary that builds from the concepts of agglomeration and clusters, to ‘contribute to the investigation of cities by providing us with pointers that facilitate the crucial task of demarcating the inner logic of urbanisation from other social processes’. Their claim, nevertheless, prioritises economic interaction, making it too deterministic and instrumental (Mould, 2015), and leaves rural areas as urban land nexus only, making it inapplicable for a great part of Global South regions. This is, precisely, the main gap found within the urban development debates if applied to this research. As far as urban theory insists in creating boundaries, it will divide regions with a rather arbitrary criteria that varies from country to country (such as demographic, jurisdictional or political criteria) (Brenner and Schmid, 2013). This leaves the rural subject to artificial classifications and ignores the interconnectedness, relational, social, cultural and economic aspects present in regions in the Global South and elsewhere.

The case is not different when looking at regional cooperation literature. Although it is a field covered by various disciplines (see section 2.3), there are not evident attempts to explain intersections between Global North and South knowledge, as there are in regard to the intersections with local and regional development. Regional cooperation and local and regional development are indeed deeply related as the former is normally used to improve regional economy, regional governance, or solve common problems of planning, public policy implementation, or fundraising (section 2.4). Therefore, to understand better how regional cooperation unfolds in Global South regions and influences local and regional development, an analysis of how the concept of development evolves in those geographical imaginations is needed.

The existing gaps between Global North and South based research (that are going to be explained along this chapter), have resulted in a variety of geographically insensitive definitions and approaches that disregard Global South and predominantly rural regions. The approaches to regional cooperation can appear as distant as the literature from the Global South and North. However, using a geographical approach, and recognising that regional cooperation is a process embedded in its local context, with potential influence in local and regional development, this research highlights encounter points between Global South and North literature and disciplinary approaches. To fulfil this objective, regional cooperation is understood as a geographical phenomenon, rather than a disciplinary fixed theme. Those encounter points are found by using local and regional development as the embracing concept for this thesis. Indeed, local and regional development allow the dialogue between different disciplines that study regional cooperation, and the geographical origin of the empirical evidence. However, before entering to the more specific theme of local and regional development, it is needed to account for development's conceptualisation. To understand north and south perspectives to local and regional development, the starting point is the notion of development itself. The geographies of development provide the context and rationales that drive regional cooperation, and explains the influence that the later has on development's local understandings.

Development as economic growth is an old notion that appeared in the late third of the eighteenth century with classical economics (Vásquez-barquero 2007). In the developmentalism period (post-second World War, McMichael, 2012), state-regulated markets and public spending were the main premises to assure economic growth and wealth (McMichael, 2012; Willis 2005). Development gained its own place in the public agenda, and was conceptualised as modernity in the terms of Western Europe and, in a more recent period, the United States (Willis, 2011). This approach is

known as ‘the top-down paradigm of development’ (Stöhr and Taylor 1981, cited in Potter *et al.*, 2008:87). Accordingly, the world was divided in three blocs: the capitalist and industrialised North-West countries –First World-, the communist and industrialised Eastern countries –Second World-, and the non-industrialised countries from the Global South –Third World- (Willis, 2011). For the so-called third world, development should have followed the paths already covered by first world countries. Development goals, this is, economic growth, poverty and unemployment reduction, were thought to be achieved by following a Rostowian path of industrialisation, investment, savings and productivity (Escobar, 1995), also known as the modernisation theory (MacKinnon and Cumbers, 2011; Potter *et al.*, 2008; Willis, 2005).

In contraposition, theories of structuralism and dependency emerged from the Global South, particularly Latin American and African scholars. It was argued that the world’s economic structure was the major obstacle for third world countries to develop. The dependency theory argues that underdevelopment is not a consequence of outdated institutions, but a consequence of the same process that produces economic growth, this is, capitalism. Economic development and underdevelopment are seen as opposite faces of the same coin (Frank, 1967:9, cited in Kapoor, 2008), and third world countries continued to depend on first world countries through financial aid and primary exports (Furtado, 1965; Diez, 2013). Consequently, development should be achieved by protecting the third world from the first world competition. While Global North countries were implementing policies to improve and increase their already consolidated industry, Global South countries applied policies to secure their own industries by asserting protectionist measures for the local production (mainly the manufacturing sector). The import substitution model was implemented to enhance national production by heavily taxing imported products. However, the small size of domestic markets, and the continued dependency on first world countries prevented these policies from having the expected results (González-Molina, 2012). Consequently, the gap between first and third world countries did not improve and uneven development continued.

As Harvey (2006) suggests, the reproduction of a geographical division of labour, unequal patterns of consumption and production, and capital accumulation –and dispossession-, are part of a capitalist mode of production and neoliberal policies that emphasise industrialisation but aggravates inequality. The rise of economic performance in some regions implies its decrease in others. Harvey argues that uneven geographical development ‘is the product of a differentiated diffusion process from the centre that leaves behind residuals from preceding eras or meets with pockets of resistance towards the progress and modernisation that capitalism promotes’ (2006:72). Accordingly, capitalist

production and neoliberal policies not only reproduce inequality, but also define what progress and backwardness is. A region is unsuccessful when is unable to ‘catch up’ with the mainstream dynamics, undermining populations, cultures, and territories` abilities to shape their own development model. Indeed, ‘uneven development is an inherent feature of the capitalist economy (...) [and] it occurs at different geographical scales’ (MacKinnon and Cumbers 2011:7). When looked from a local perspective, the disparities between regions are attributed to failed top-down development policies.

‘Polarized development, centralised and diffused by top-down policies, is the dominant paradigm that supports development and regional policies (...). However, the paradigm’s incapacity to explain how economic activities are distributed, and the emergence of autonomous development strategies in several regions (relatively peripheral), has attracted the attention of researchers and scholars to the development’s territorial dimension’ (Garofoli 1995:114, author’s translation)

According to the debates that link unevenness and inequality directly to capitalist economies (e.g. Harvey, 2006; Escobar, 1995), top-down development policies have resulted in an uneven distribution of development benefits: unequal income distribution and life conditions, local authorities with limited capacity to enhance development in their territories, and significant divergences amongst national indicators such as GDP, education and health access rates, or basic services provision. These effects are materialised in regions’ economic performance but, more prominently, at the social level. ‘Income inequality is associated with higher levels of disadvantage in other spheres, including health, education and crime’ (Wilkinson and Picket 2009, cited in Perrons, 2011:59).

In the post 1970’s period, called Globalism (McMichael, 2012), neoliberalism became the mainstream approach for economic and development policies. So far, development policies were characterised for its unequal distribution creating large gaps amongst countries and regions (MacKinnon and Cumbers 2011), but neoliberal policies were neither a solution. Certainly, ‘the promised outcome of poverty reduction from freer trade, open markets and ‘neoliberal’ strategies of globalisation has not materialized’ (Harvey, 2006:71). Latin American countries rapidly abandoned the expectations to overcome the crisis that followed the Lost Decade, as wealth concentration and uneven income distribution was aggravated (Sarria, 2002). This context incentivised alternative economies with a local and anticapitalistic discourse (Lisboa, 2000). Indeed, Latin American responses to failed economic policies framed under neoliberal principles have led to a multiplicity

of contestations and conflicts that coexist with mainstream economic models. Latin American economies have and continue to be based on what is known as the commodities consensus (Svampa, 2015) and progressive extractivism (Gudynas, 2010); implementing economic projects of a top-down nature, based on the national state sovereignty over natural resources (see Radcliffe, 2012, 2015).

Regional uneven development transcends the Global South and North division. Vázquez-barquero (2000), based on Castell's conception of the asymmetry of the global economy, highlights how the new globalised international order, allows cities and regions from the north or south to articulate themselves in the global economy, while some other cities and regions are left behind. Increased inequality, competition, migration flows, shifts in governance systems, or demands for autonomy and decentralisation, are phenomena occurring in regions from the Global North and South (Pike *et al.*, 2014). However, dissimilar historical trajectories and economic paths, imported homogenous development policies and failed attempts of 'modernisation', have resulted in a clear division when defining local and regional development. Whilst most of the mainstream approaches to development have been studied from the northern field of local and regional development, alternative approaches derive from the southern field of development studies and post-development. These fields have been evolving in parallel, limiting and creating gaps in the production of collective knowledge (Pike *et al.*, 2014:22), and producing a multiplicity of overlapping theories. However, through different paths, development studies, post-development theories, and local and regional development scholarly have reached similar conclusions (Pike *et al.*, 2014). Top-down and imported development policies, in most cases, have proven unable to improve living standards, which questions the conceptualisation of development itself. The attention, therefore, need to be drawn to the local scales, contexts and needs.

2.3. Foundations and definitions for regional cooperation

2.3.1. Defining regions

Before entering the debates about regional cooperation and local and regional development, it is needed to establish how regions are conceptualised in this research. A very common approach would be to take regions as those defined by the jurisdictional limits established by the national legislations, taking the territorial dimension as the only consideration. However, the regional composition of regional cooperation processes studied in this research does not only not fit with

those delimitations, but these also become one of their biggest limitations. In addition, to take regions as jurisdictional and top-down definitions would ignore the theoretical tradition of geographical scholarly.

A first approach in defining regions begins by defining its territorial dimension. Public policies, development strategies and administrative issues are commonly applied by using delimitations such as urban, regional or national. However, regions are also defined by its economic, political and social relationships, and these do not necessarily coincide with jurisdictional divisions. According to MacKinnon (2011), two contesting approaches are used to define regions. On the one hand, a political-economic approach defines region/space as the product of social, political and economic events and processes (Smith, 2004, cited in MacKinnon 2011:23), rather than pre-given places where human activity occurs. On the other hand, a post-structural approach defines region/space accordingly to the social representations deployed by actors and groups that seek recognition and advantages. Despite its divergence, both approaches prioritise social interaction when delimiting a region, and recognise the existence of multiple and interacting levels where social and economic activities occur, shaping horizontal instead of hierarchical relations (Bunnell and Coe, 2001).

Another scale has been gaining more relevance when defining regions, these debates are contained in the called relational approaches (Omahe, 1995; Amin, 2004, Martin and Sunley, 1997), these are, definitions which lose scalar delimitations and prioritise the networks between the regions and the global economy. The global scale, and the sometimes contesting relationship between globalisation and the national states, prompted debates regarding the relevance of national economic spaces, hence, the role of the national scale (Martin and Sunley, 1997). It is argued that as economic integration, transnational companies, hypermobility of money, capital and information take place at global scales, the nation states become redundant as they lose control over exchange rates, money supplies and currencies (Ohmae, 1995). Based on these arguments, during the 1990's and early 2000's, a region-centric approach claimed for a rebirth of regional economies –the resurgence of regions- (see Martin and Sunley, 1997), and the recognition of regions as active actors of their own economic processes. Accordingly, it was argued that in a globalised economy spatial configurations are unnecessary, at least not with a pure territorial and scalar approach. As social, economic, cultural and political relationships are occurring amongst a wider variety of actors without a particularly defined level of interaction, territorial boundaries are less important (Amin 2004:33). Regions, therefore, do not require a specific territorial delimitation, as they are defined by their relations and networks. Its economic development (valued in terms of production and innovation)

depends on the region's networks with the global economic structure rather than their spatiality (Colletis-Wahl and Pecqueur 2001).

Literature based on the Global North experience emphasises the changes that globalisation brings to the interventionist post-war Keynesian welfare model, particularly in four aspects (Martin and Sunley, 1997; Lobao *et al.*, 2009). First, it is argued that states have no longer control over exchange rates, money supplies and currencies, investment, employment and location of firms, being replaced by 'stateless financial institutions and global markets' (Martin and Sunley, 1997). Second, regional competition is transforming economic spaces in 'glocalized' stateless spaces (Martin and Sunley, 1997:282). Third, regional disparities prompted the claim for greater regional autonomy, demanding increased decentralisation and power transfer to sub-national governments (Lobao *et al.*, 2009). Finally, the consolidation of economic and political integrations (regarding the case of the European Union in particular), obliges the states to transform into a multi-agent and multi-scalar governance system (Lobao *et al.*, 2009), rather than hierarchical schemes with states at the top.

These hyper-globalised claims are criticised for its exaggerated claims (*ibid*), yet it is recognised that regions are indeed exposed to increased competition and uncertainty. The resurgence of regions approach, based on the contributions of institutional economics, economic sociology and evolutionary political economy, explain the dynamism of high profile agglomeration at a regional scale, and the role of innovation, technology and institutions in regional economic development (MacLeod, 2001) as forms to regain power over regional economies. Accordingly, regions are economic units, the 'fundamental basis of economic and social life', and active actors connected with the global economic system (Storper, 1997:3). It is also argued that globalisation 'has been accompanied by the assertion and reassertion of agglomerative tendencies in many different areas of the world' (Scott and Storper 2007), and has fostered clustering and urbanisation.

Although the resurgence of regions approach could provide a theoretical background to explain regional cooperation based on agglomeration and clustering, it is based on a post-Fordist era, predominantly focused on old-industrial regions, technological or industrial districts of the Global North, overlooking alternative economies or local and regional development's holistic practices. 'It licenses a functionalist and reductionist view of regionalism in which all variants, regardless of their social composition and political purpose, are perceived to be aiding and abetting neoliberalism either wittingly or unwittingly' (Morgan, 2004:873). This implies that development policies focused on innovation, creativity and learning, are short to explain regions with non-conventional

approaches to local and regional development. In addition, a region-centric approach is hardly applicable in Global South countries because first, it assumes that government agencies have enough capacity to coordinate, mediate, and construct a common interest with private firms (Schmitz, 2007). Second, it disregards the already existing pressure and competition to create industrial districts, which makes harder for Global South countries to create high profile agglomerations.

Neither approach –relational nor territorial- is exclusive from each other. Regions need to be seen from a ‘perspective shaped by theoretical, methodological and political context’ (Hudson 2007 cited in Pike 2007:144), highlighting the scalar dimension to analyse the relations with different scales, the relational dimension to analyse the connection with the global production system, and the territorial approach to analyse the influence of the local context in defining the economic and social activities. ‘There is no doubt that networks matter, but do so geography, boundaries and scales as expressions of social practice, discourse and power (...) (Paassi 2004:541-542) Therefore, the call is for retaining territorially oriented readings of political economy and, when or where appropriate, their conjoining with non-territorial or topological approaches’ (Jones and McLeod 2011:268)

Accordingly, regions could be more accurately delimited by acknowledging the set of shared social, economic and cultural relationships that occur in a given space, trying to conciliate territorial, socio-economic and relational approaches. It is likely that those shared processes and features are disrupted by the sovereignty of the governments ruling on each side of the frontier (CoE, 1995, cited in Perkmann, 2003:156). This argument has been applied for cross-border regions, (regions located between two or more national states), but that disruption could also apply for sub-national regions. Indeed, territorial subdivisions defined by national governments cannot be ignored. These circumscribe the relations between the regions with other territories, the national state, and international institutions (Jessop 2011), and serve to design and implement public policies (Hudson 2007), define regulatory jurisdictions, and facilitate governing, shaping the institutional structure where economic and social activities take place. Therefore, the territorial subdivisions within countries are the starting point to approach the regions’ object of study. Once these are defined, the networks between regions, scales, actors, and institutions can be analysed and the rigidity of jurisdictional borders can be criticised and challenged.

2.3.2. Regional cooperation conceptualisations

The debate around regional cooperation is more focused on the forms it should take, rather than in its efficiency, which is generally recognised (Lin J.-J. and Liu Y.-H., 2012). Indeed, regional cooperation has a multiplicity of definitions according to the scholarship that approaches the phenomena. However, two main aspects are common amongst that multiplicity. First, the recognisance of regional cooperation's capacity to reflect local development needs, adapt to the local context, and coordinate with policies, institutions, and actors from different levels. Second, whether regional cooperation is designed to increase production, economic growth, provide public services or protect a cultural heritage, it is recognised that it has a positive impact on local and regional development. Therefore, to find a balance amongst the diverse theoretical variants, regional cooperation is better understood if taken as a process of local and regional development whose form depends on the local institutional context and needs.

The most common forms of regional cooperation are agreements between municipalities (better found as inter-local or inter-municipal cooperation), public-private partnerships or economic development alliances. These conceptualisations are studied by the fields of public administration, legal studies, urban planning and economic geography, and are frequently associated with economic growth, regional competitiveness, or efficiently meeting local governments' responsibilities (Spicer, 2015; Cravacoure, 2011; Rodríguez-Oreggia and Tuirán Gutiérrez, 2006; Quintero-Lopez, 2006; Feiock, 2004). Examples of regional cooperation of these kinds can be found virtually everywhere; however, most of the available knowledge comes from Global North scholarship. On the other hand, there are cases of cooperative and solidarity economies, often gathered as bottom-up development strategies that reject dominant economic models (Whyte, 1995, Gibson-Graham, 2006, Gibson-Graham, 2011). These cases of regional cooperation are a reaction against exclusion and inequality, and are established by actors who pursuit alternative development models or diverse economies. These conceptualisations come mainly from development studies, economy and post-development approaches, based on Global South empirical evidence, yet are examples of regional cooperation that can be also found virtually everywhere. More recently, economic geography's theoretical development on neoliberalism has approached regional cooperation (in the form of partnerships) as local strategies of adaptation and contestation to neoliberal economic policies (Leitner et. al., 2007, Larner, 2000, Larner and Craig, 2005). To find a balance between those theoretical approaches, taking local and regional development as their driving concept, is crucial to

overcome the ideological and epistemological distance that exists amongst the main bodies of regional cooperation literature.

Uneven development has left some regions and municipalities with scarce financial resources, limited autonomy and low capacity to deliver public services and produce public policies (Citroni *et al.*, 2013:209). In addition, while trying to deliver their statutory responsibilities, regions and municipalities need to adapt to the global economy, territorial competition, economic growth and sustainability challenges (Lin J.-J. and Liu Y.-H., 2012). In this context, regional cooperation is a beneficial strategy of local and regional development and an effective regional planning policy (Haughwout, 1999; Blume and Blume, 2007, cited in Lin J.-J. and Liu Y.-H., 2012:192). It allows neighbouring regions and municipalities to share resources, infrastructures and public facilities' (Lin J.-J. and Liu Y.-H., 2012:192), to create economies of scale, and to equilibrate fiscal strength, political power and resources amongst local authorities (Hophmayer-Tokich, 2008). If regional cooperation is indeed an effective strategy of local and regional development, local and regional development becomes the main theoretical approach that allows a dialogue between different disciplines and approaches.

Regional cooperation in institutional economic geography

Economic geography does not address regional cooperation directly, at least not exactly in the terms of this research. It focuses on agglomerative economies, regional innovation systems, and local economic processes and its multi-scalar interactions. However, its contributions are crucial to understand processes of local and regional development in general, as it provides the basis to understand how local institutions shape and permit economic and development processes at a local scale.

The 'institutional turn' in economic geography started in 1980s (MacLeod, 2001a). 'Institutionalism per se does not attempt to build an all-embracing theory' (Hodgson, 1998, cited in MacLeod 2001a:1146), but to explain, in the case of regional studies and economic geography, the influence that institutions exert over regions. Institutions matter for local and regional development - definition and strategies- as they enable or constrain individual behaviour (Hodgson, 2006), and create the conditions for investment, economic interaction and trade, cooperative work between public and private actors. They also reduce the risk of social and political conflict and instability, shape incentives, and balance coordination and competition amongst economic actors (Rodríguez-Pose, 2013).

Institutions are written and unwritten codes and norms that provide necessary stability and predictability to enable basic economic functions – production, distribution, [and] consumption’ (Gertler, 2010). These rules have diverse origins and hierarchies, ranging from laws all the way to mores and manners. Institutions are often classified as formal or hard, and informal or soft institutions. Formal or hard institutions are written rules contained in constitutions, laws, contracts, and regulations, and informal or soft institutions are non-written norms, manners, traditions and social conventions (Rodríguez-Pose, 2013). For local economic development, formal institutions include systems of governance and the relationship between the local and national governments, while informal institutions include unwritten rules that govern cooperative work between public and private sectors (Pike et. al, 2015). Different institutions converge creating institutional environments and arrangements. The institutional environment comprises formal and informal institutions that enable and shape socio-economic behaviour (Martin, 2000:80). It is referred to specific customs and procedures that influence interaction and economic exchange. Institutional arrangements, on the other hand, are organisational forms such as the market, firms or city councils (Pike *et al.*, 2011; Rodríguez-*pose*, 2013) ‘which arise as a consequence of, and whose constitution and operation, are governed by the institutional environment’ (Martin, 2000:80).

Institutional economic geography explains the role of formal/hard and informal/soft institutions in local and regional economic processes and, consequently, in local and regional development (Cumbers *et al.*, 2003). Most of the analysis has been focused on industrial districts, regional innovation systems and learning regions (Cumbers *et al.*, 2003; Gertler, 2010). This approach aims to explain local responses to the changes that resulted from economic globalisation, and the local and regional characteristics capable of encouraging or hindering economic growth. It is argued that ‘economic action is shaped by a set of rules that are actively produced and reproduced over time’ rather than shaped by only one set of rules –the market- (Polanyi 1944, cited in Gertler, 2010:1). In accordance, economic processes are determined by legal, political and social systems (Coase, 2000), embedded in the local context. Institutional economic geography explains how local and regional economic performance and trajectories are shaped by the local context, placing the regions as active actors in their economic process (Cumbers *et al.*, 2003).

Institutions function differently depending on the environment. To understand these variations, institutional economic geography has applied the concept of path dependency. Path dependency explains institutions’ influence and adaptability to the local context, by focusing on their self-enforcing nature and reproduction over time. Path dependency theorising, however, encompass a

wider strand of research beyond institutionalist analysis. One of the most influential strands of research on path dependency comes from Marxist approaches to economic geography, with Harvey and Massey influential contributions (Harvey, 1982; Massey, 1995). This strand of literature is more concerned with understanding patterns of uneven development (MacKinnon, 2008), aspect of particular relevance for this research. Spatial divisions of labour explain how different types of work concentrate in certain regions, while spatial configurations explain the possibilities of firms to access markets, suppliers, labour and raw material. The spatial configurations of regional economic activity tend to self-reproduce over time but a shift on production modes or major technological innovations can disrupt them (Massey, 1995; Harvey, 1982; see also Martin and Sunley, 2006). Path dependency is a place dependent process. It is commonly used to explain economic specialization and regional success (particularly related to industrial districts and knowledge regions) and, in turn, regional failure to adapt to changing economic environments (Strambach, 2010). Thus, regional unevenness is explained by local historical processes. Unsuccessful regions are those that have probably reached a ‘lock-in’ stage that rooted its institutions and hindered processes of change and adaptation (Martin and Sunley, 2010).

However, historical processes of economic development and change are not accounted within these approaches (Hodgson, 1993). This area, alongside lock-in and processes of knowledge and innovation have been the focus of evolutionary economic geographers (see MacKinnon, 2008; Martin and Sunley, 2006, 2010, Essletzbichler and Rigby 2010; Brekke, 2015; Boschma and Martin, 2010). Path dependent processes or systems are those ‘whose outcome evolves as a consequence of the processes or system’s own history’ (Martin and Sunley, 2006:399), and has three perspectives:

Table 2.1 Three views of path dependence

Perspective	Main arguments
As technological lock-in	Technological fields become locked onto a trajectory, even though alternative technologies are available
As dynamic increasing returns	Phenomena develops by processes of increasing returns, in which various externalities and learning mechanisms operate to produce positive feedback effects, reinforcing existing paths
As institutional hysteresis	The tendency of formal and informal institutions to be self-reproducing over time, in part through the very systems of socio-economic action they engender and serve to support and stabilize

Source: Martin and Sunley, 2006:400

Concerning the notion of lock-in, it is usually seen as ‘a metaphor (...) to capture well the observed tendency for the geographical structure of the economy to exhibit historical ‘quasi-fixity’ for urban and regional patterns of economic specialization and uneven development to be self-reinforcing and self-reproducing’ (Martin and Sunley, 2006:414). Lock-in situations are inflexible processes that prevent changes in regional economies (see MacKinnon, 2008, Brekke, 2015), and are explained in three dimensions. First, a functional lock-in or the inflexibility of modes of production and labour relations. Second, a cognitive lock-in or the failure to create knowledge and innovation. Third, a political lock-in or the inability of regional political actors to encourage innovation and learning (MacKinnon, 2008). To finalise this segment on path dependency, the concept of extractive institutions (Acemoglu et. al, 2002) needs to be accounted if applied to former European colonies in the Global South. Extractive institutions, developed for centuries after European colonialism, reproduce economic activities reliant on primary resources’ exploitation, discourage economic development, hinder innovation and economic diversification, and ‘concentrate power in the hands of a small elite and create a high risk of expropriation for the majority of the population’ (Acemoglu *et al.*, 2002: 1235). Extractive institutions endure due to political and economic elites reluctant to institutional change as it might signify loss of their power (Acemoglu and Robinson, 2006).

The role of the states in this institutional turn is of particular relevance for this research. From the institutional point of view, states are not institutions but the key organisation from where several formal institutions emerge. For local and regional development (regional cooperation in particular), states are crucial because from there, formal institutions that allow or constrain local and regional development processes are derived. States are, from the institutional point of view, an institution with distinctive characteristics, such as sovereignty and authority in a territory, whose role is shifting due to globalisation. Literature based on Global North experiences emphasises the changes that globalisation brings to the interventionist post-war Keynesian welfare model. It is argued that states have no longer control of exchange rates, money supplies and currencies, investment, employment and location of firms, and are being replaced by ‘stateless financial institutions and global markets’ (Martin and Sunley, 1997). Also, that economic spaces are becoming ‘glocalized’ (Martin and Sunley, 1997:282), that regional disparities have prompt claims for greater regional autonomy and decentralisation (Lobao *et al.*, 2009), and that economic and political integrations have forced governance transformation from hierarchical to multi-agent and multi-scalar (Lobao *et al.*, 2009). However, these new conditions are a call for reinventing the national state instead of dismissing it. ‘Even in the most liberal economies, states are actively involved in shaping economic

life. There is no absolute separation between the political (the domain of the state) and the economic (the domain of the market)' (Jessop, 2003:32).

On the other hand, literature from the Global South, especially based on Latin American experiences, focuses on the consolidation of democracy and the strengthening of institutions (see O'Donnell and Wolfson, 1993; Kaplan, 1996; North, 1998, Di Palma, 2014). The paths to consolidate democracy in Latin America have been complex. There is still heterogeneity in the state's presence and the rule of law through the territory. Costa Rica and Uruguay, for instance, are more homogeneous, whilst countries such as Colombia and Peru have been in the extreme of unevenness (O'Donnell and Wolfson, 1993). However, this does not imply that the challenges of globalisation and neoliberalism are not influencing Latin American countries. Indeed, the neoliberal policies applied during the 1990's have strongly prompted the region towards economic globalisation, leaving behind the Interventionist-Keynesian model. Certainly, the challenges faced by Latin American states are not different from the ones identified in the post-war Keynesian welfare model (or Post-Keynesian state) (Di Palma, 2014). What is different is that Latin American states are consolidating and reinventing simultaneously.

Therefore, this research approaches the role of the national states as 'the basic organizing unit of political life' (MacKinnon and Cumbers, 2011:90). States territorialize political power (Jessop, 2003), but there is a shift in its relationship with the local level (Hudson 2007), and a need to solve the 'immense challenges to its [the national state] erstwhile power and its institutional capabilities, legitimacy and territorial mapping.' (McLeod 2001:814), due to economic globalisation processes and the resurgence of regions as actors in charge of their own economic processes. There is no absolute separation between the political (the domain of the state) and the economic (the domain of the market)" (Jessop, 2003:32). States shape the "spatial structure of the economy and that spatial structure in turn influences the state's economic policy actions and their outcomes" (Martin and Sunley 1997:278). Accordingly, economic geography has integrated the state as regulator of economic processes and, more recently, recognising and addressing "new forms of intervention and regulation in response to the challenges of globalisation and fragmentation" (Cumbers *et al.*, 2003:333). It is therefore clear that the states keep playing a crucial role in local and regional development and regional cooperation by extension, but it is needed to integrate national and local scales. Crescenzi and Rodríguez-Pose (2011:4) suggest a theoretical framework where top-down and bottom-up policies flow towards an intermediate-meso level where 'local suited remedies' for local economy –innovation and growth- can be settled up. This integrated framework encourages

the interaction of innovative activities, socio-economic conditions, geographical factors, global-local linkages and local and regional policies, based on incentives and knowledge. Second, to recognise renovated forms of interaction between the local, the national and the international level. Traditional hierarchical interactions with the local levels are now being revised with the lens of multilevel governance systems, which explains the relationships between multiple actors at various levels (Stephenson, 2013:817). Multilevel governance is the arrangement that allows binding decision-making amongst otherwise independent actors from different territorial levels, without assigning fixed hierarchical powers or competences (Schmitter and Kim, 2005). This approach explains forms of government beyond the classical conception of the nation-state and its vertical relations with the local level (including private and public actors), and the participation of regional actors in policy-making, democracy and accountability processes (Stephenson, 2013).

The national states' changing role have also had echo on devolution demands (Keating, 1997, 1998, cited in MacLeod, 2001). Institutions of devolution play a key role in regional cooperation. The term devolution, mostly used in the European Union context, refers to the set of policies that 'decentrali[se] political power through the establishment of separate legislative and executive authorities' (Parry, 2005; Fairbrass, 2003; cited in Lloyd and Peel, 2006:836). Devolution gathers all the policies regarding self-governing, administrative, fiscal, and territorial powers. A devolved government is quasi-autonomous to exert the powers and control that were transferred (Pike *et al*, 2016). Decentralisation, on the other hand, term more commonly used amongst Global South countries (Martinez-Vasquez, 2003), refers to the transfer of political decision-making power from the national to the local government (Stevens, 1995), and has different forms. Depending on the kind of political decisions, decentralisation can be political, fiscal or administrative. Political decentralisation refers to sub-national levels undertaking political and governance functions. Fiscal decentralisation refers to the autonomy local governments have over tax and public finances expenditure. Administrative decentralisation refers to administrative functions that are undertaken by the sub-national level (Pike *et al*, 2016).

Decentralisation can also take the form of deconcentration, this is, the dispersion of central government functions and responsibilities to sub-national offices or branches, or delegation, this is, the transfer of policy responsibility to local governments that remain accountable to the central government (Pike *et al*, 2016). There seems to be a certain agreement on the positive impact of decentralisation in regions. It is argued that decentralisation improves efficiency and responsiveness, especially for public services provision. In addition, that a decentralised

government can deal readily with social and political tensions and ensure local and cultural autonomy (Bardhan, P., 2002), while facilitating and enhancing accountability and communication between the citizens and their governments (Diaz-Serrano and Rodríguez-Pose, 2012). Disagreement comes, however, when assessing the impact of decentralisation in economic development. A positive link is frequently assumed, yet some scholars claim the opposite. It is argued that decentralisation can worsen political disparities and regional unevenness, negatively affecting regional economic growth (Rodríguez-pose and Gill, 2003; Armstrong and Taylor, 2000). However, the question about institutions and regional cooperation needs to focus on the type of institutions that enable or constrain it, and how these are shaped and adapted to the local context. Institutional economic geography provides the theoretical support to delve into regional cooperation multi-scalar relationships, and to understand how the local institutional context influences its creation and evolution.

Despite the great advances of institutional economic geography in explaining local and regional development processes, there is still much to say regarding regional cooperation conceptualisations and forms in particular, themes on which public administration scholarly has placed especial focus.

Regional cooperation in public administration research

Public administration research focus has been given to the identification and explanation of the forms and types of regional cooperation. Indeed, the most common forms of regional cooperation have been mostly studied by public administration and legal studies literature, in both the Global North and South (see Spicer, 2015; Cravacoure, 2011; Rodríguez-Oreggia and Tuirán Gutiérrez, 2006; Quintero-Lopez, 2006; Feiock, 2004). In its broader sense, cooperation is defined as ‘all [the] arrangements where local governments cooperate with each other, with other public authorities or with private institutions’ (Hulst *et al.*, 2009:265). These strategies are normally implemented by localities with spatial proximity and at least one common problem (Hophmayer-Tokich 2008), and their most common usage is the delivery of public services (i.e. school, social care, local utilities etc.) (Citroni *et al.*, 2013:210). The key characteristic of regional cooperation as defined above (and from now on referred as inter-municipal cooperation), is the local governments’ participation. In other words, cooperation from the private sector, or where local governments are not actively involved, do not classify within the definition. However, inter-municipal cooperation agreements can include other levels of government, specialized agencies or private partners (Hulst and Van Montfort 2007:212).

In its simplest forms, inter-municipal cooperation does not alter the administrative organisation. It is often implemented to execute specific functions rather than building a common set of local and regional development policies (Hulst and Van Montfort 2007, Hophmayer-Tokich, 2008). It requires of an institutional arrangement to be managed (Hulst and Van Montfort 2007, 2009), and it is formalised via voluntary and written agreements (Hophmayer-Tokich, 2008). Inter-municipal cooperation, however, depends strongly on decentralisation policies and local autonomy (Hulst *et al* 2009).

Literature provides different forms to classify jurisdictional cooperation according to the objectives, the level of government from where it originates, its formal organisation, and its establishment –or not- as a new administrative unit (see table 2.2). Using the rational choice framework second generation scholarly, known as the Institutional Collective Action framework (Feiock, 2004), it is argued that collective benefits and reduced transaction costs explain why jurisdictions decide to cooperate with each other. Therefore, cooperative agreements are only viable when the expected benefits exceed the costs of negotiating, coordinating, monitoring and enforcing the agreement (Feiock, 2004). Once transaction costs are assessed, five core variables influence the further establishment or not of cooperative agreements (Spicer, 2015): First, interaction and networks that create trust and reciprocity. Second, a group composition that allows coordination, management and distribution of benefits and commitments. The larger the group, the less likely to cooperate or to maintain the agreement. Third, geographic density. Cooperation occurs more easily amongst jurisdictions that are closer to each other. Fourth, power symmetry, as differential powers can lead to coercive rather than voluntary relationships of cooperation. Fifth, political leadership. It is the local governments’ role to initiate and formalise the agreements, as these normally are bottom-up, voluntary and negotiated initiatives.

Table 2.2 Most common classifications of inter-municipal cooperation

Criteria	Types
Objectives	Service delivery or policy coordination Single or multi-purpose
Actors involved	Horizontal (local governments only) Vertical (other levels of government or private actors)
Level of the initiative and local governments’ autonomy	Voluntary or bottom-up Induced or top-down
Formalisation	Contracts Standing organisations
New administrative units	Mergers Metropolitan areas Polycentric regions

Source: Author, based on Hulst and Van Montfort 2007; Blume and Blume, 2007; Egermann, 2009; and Scott, 2011; Citroni *et al.*, 2013

Public administration research has focus its institutional analysis in institutions that shape individual behaviour and collective action. Accordingly, rational choice, transaction costs and economies of scale are the main drivers of regional cooperation, as these can overcome norms that rule individual behaviour, such as conservatism, competition, and individual preferences against collective good (Gillette, 2005; Feiock, 2007; Clingermayer and Feiock, 2001). This institutional approach, however, can be complemented with Hulst *et al.* (2009) contributions. These scholars, based on the contributions of sociological and historical institutionalism, suggest an institutional environment for the analysis of inter-municipal cooperation (rather than regional cooperation), based on the assumption of rational interaction between actors and institutions. Accordingly, actors participating in inter-municipal cooperation schemes shape their behaviour towards an established set of goals (assuming, in turn, that inter-municipal cooperation is a goal oriented scheme), but also following a set of individual interests and preferences. This institutional environment includes, first, the formal structure of the state, its administrative organisations and the distribution of responsibilities amongst the different levels of government. Second, the administrative culture, including values, norms, informal rules and traditions relating to the state, its political organisation and its public administration. Third, legislation and incentive structures that specifically relate to inter-municipal cooperation. (Hulst *et al.*, 2009:266).

Public administration research provides a comprehensive framework to analyse the different forms of regional cooperation. However, from the classifications mentioned above (table 1), the one referred to the level of the initiative and local autonomy requires further mention. To recognise the national government has an active role, beyond providing regulations and formal institutions, opens the debate by including regions within centralised national governments and low local autonomy, aspect that is normally disregarded by existing literature (which is not rare as far as most of it comes from United States or Germany scholars). What seems to be missing within the debate around the forms of regional cooperation discussed is the debate on local and regional development models. So far, regional cooperation appears as an effective strategy for a unidirectional development model: economic growth and regional competitiveness for global markets. However, if the local context is indeed that relevant for regional cooperation, bottom-up development models and its local understandings and adaptations are as well. By using the contributions of post-development and variegated neoliberalism, the regional cooperation debate can be enriched. In addition, to discuss

and explain the different types of regional cooperation allows first, identifying the different forms of cooperative agreements that can take place and, second, highlighting the gaps left by an approach to regional cooperation that disregards alternative or emerging forms.

Regional cooperation and the reconfiguration of territorial governance

Debates on the transformation of the territorial scales and governance are dominated by North American and European research. Conceptualisations on territorial governance re-scaling and reconfiguration are mostly supported on the expansion of metropolitan areas and the fragmentation of municipalities in the United States (see Feiock, 2007, 2007a, Oakerson, 2007, Steinacker, 2007) and the emergence of cross-border cooperation strategies and regions in Europe (see Perkmann 2003, Perkmann 2003a; Perkmann, 2007; Nelles and Durand, 2012.) It is also an area of interactions between public administration and economic geography (particularly the debates on the resurgence of regions) (see Feiock, 2007a). Despite of the limitation that this thesis finds if trying to apply cross-border cooperation and metropolitan governance approaches, as the focus here are sub-national cooperation strategies different from metropolitan areas, the contributions of this body of literature remain relevant concerning the role of supra-national organisations and local governments, and the role of regional cooperation in regional governance.

Cross-border cooperation has a long tradition that dates back to 1950's, but of significant influence on the European geography for the last 30 years, partly due to the role of the European Union (see Scott, 1999; Perkmann 2003, Perkmann 2003a; Perkmann, 2007). Indeed, European Union's input has proven crucial for cross-border cooperation to emerge and multiply. Although most of the initial initiatives of cross-border cooperation in Europe are bottom-up driven (Anderson and O'Dowd, 1999; Anderson 1997 cited in Perkmann, 2003:166), financial support, incentives and supra-national public policy that provided a regulatory framework for otherwise 'loose and poorly equipped communities', facilitated the creation and expansion of institutionalised forms of cooperation (Perkmann, 2003:167). Indeed, emergent forms of cross-border cooperation began as agreements mostly reliant on good will, and evolved to more sophisticated politico-administrative entities once the regulatory framework was put in place.

On the other hand, studies on metropolitan governance based on metropolitan areas in the United States, have acknowledged the possibility of metropolitan governance to occur amongst fragmented and small municipalities that are not organised under a metropolitan government (Oakerson, 2007). It is important, therefore, to highlight the difference between a metropolitan government and metropolitan governance. A metropolitan government exists in a metropolitan area that is formally

institutionalised, granting it with intermediate governmental units that supplements local governments and are able to limit local government's autonomy, yet remain administratively independent (Ibid). Metropolitan governance refers to the arrangement that allows citizens' participation, decision-making based on negotiation and consensus, and accountability. Metropolitan governance, therefore, can emerge from inter-municipal cooperation amongst fragmented municipalities (see Feiock 2007a). The debates on metropolitan governance have been also applied to cross-border regions. Cross-border governance becomes a cross-border region's tailored method that allows coordination and political action to, ultimately, structure effective regional cooperation (Nelles and Durand, 2012).

Alongside the debates on metropolitan governance and cross-border regions, there are a number of research investigating political re-scaling processes and territorial reconfigurations (see Brenner 1997, 2000, 2003; Johnson, 2009). It is argued that a shift in spatial development policies are a response to neoliberal economic agendas. Consequently, metropolitan and polycentric metropolitan areas emerge to gain competitiveness in global markets (Brenner, 2003; Egermann, 2009). These debates are framed in the resurgence of regions debates discussed above, and then further exploration is not pertinent to avoid repetition. To finalise this section, however, it is needed to clarify that political re-scaling can result from the creation of new territorial spaces and actors. Political re-scaling processes create and empower new territorial and political actors, therefore a high level of formal institutionalisation, independent political capacity and agency, and sustainability are necessary conditions (ibid). Whether political re-scaling occurs or not depends on each case, however, this strand of research argues that regional cooperation does have an impact on regional governance systems. The acknowledgement of metropolitan governance, cross-border cooperation and cross-border regions' impact on regional governance systems have extended the understanding of territorial governance beyond jurisdictional borders, echoing the debates on multilevel governance systems explored above. 'What we are witnessing is a recomposition or qualitative reorganisation of the state' where new institutional spaces are created, and where regions, cities and states became interdependent and superimposed forms of territorial organisation, rather than competing territories (MacLeod, 2001:815).

Regional cooperation in post-development theories

From a post-development perspective (whose main theoretical developments will be explained below), regional cooperation is related to non-capitalistic forms of social association that creates economies focused on social benefits rather than capital accumulation (Gibson-Graham, 2011).

Contexts of exclusion, uneven economic growth, and unemployment, aggravated by failed development, capitalist and later neoliberal policies, became a propitious ground for alternative economies to raise from the local level (Sarria, 2002). These alternatives to dominant economic models, where the notion of development is not necessarily rejected but challenged, recognise the validity of diverse paths to be followed in the search for a humanistic, rather than economic, development (Gibson-Graham, 2011).

Post-development strategies emerge as a response to failed development policies (as addressed in section 2.2), and encompass a wide variety of local initiatives such as communitarian projects, indigenous movements and social protests to claim natural resources (Chatterton and Gordon, 2004; Perreault, 2006; Escobar, 2010), but in terms of regional cooperation, workers –or producers- cooperatives are the most common form. Cooperatives are defined as organisations where ownership rights and governance control are shared amongst stakeholders instead of investors (Michie et. al., 2017), and are often recognised as alternatives to mainstream economic models that develop in a context of inequality and economic exclusion (Defourny, 1993, cited in Sarria, 2002).

Workers or producers' cooperatives are normally acknowledged as weak organisations unable to survive within globalised and free markets economy, because of their supposed weakness in three main aspects (Whyte, 1995). First, they do not have sufficient resources in terms of human capital, finances and technical expertise to compete in a globalised economy. Second, they favour immediate income instead of savings, research and development. Third, they are prone to become a regular pro-profit firm once the initial members retire or sell their membership. Additionally, it is argued that cooperatives are prone to common threats: their continuity depends much on the agreement and engagement of its members, and they normally have to operate within weak legal frameworks, adverse economic policies, and poor governance and capabilities (Borzaga & Galera, 2012). However, studies on well-known cooperative experiences such as Mondragón (see Whyte, 1995, Gibson-Graham, 2011, Gibson-Graham, 2006), have shown that cooperative organisations are able to change and adapt to new economic and political conditions. Indeed, to study cooperatives as wider processes of regional cooperation should not be separated from economic and political changes taking place at the national and international scale, as these 'are not divorced from the phenomenon of globalisation of markets and competition' (Errasti et.al, 2003:554).

Cooperatives are not normally accounted in literature regarding regional cooperation (from its most traditional definitions, inter-local, inter-municipal cooperation or public-private partnerships), but mostly in the studies on solidarity economy, collective action, and post-development. However, its

inclusion here becomes pertinent as long as those are, indeed, forms of cooperation occurring at the local level and able to impact local and regional development. The well-known and positive experiences of Quebec (Canada), Mondragón (Basque Country, Spain), and perhaps less renowned Estado do Rio Grande do Sul (Brazil), show that non-capitalistic forms of economy, based on cooperative work that involves private actors, local authorities and local universities, coexist with traditional economic dynamics improving wellbeing and producing social benefits (Gibson-Graham, 2011; Whyte, 1995). In other words, processes of regional cooperation inspired in a post-development background do not necessarily reject capitalist economies, but recognise the need to re-socialise economic relations, privileging the choice of ethical growth over economic determination (Gibson-Graham, 2006), yet recognising economic difference within a same region.

Regional cooperation within a neoliberal framework

The neoliberalization of Latin America ‘grew out of particular localized contexts, which then reverberated, reinforced, and interacted with political economic shifts in the Global North’ (Martin, 2007:53). As a result, neoliberalism is not a ubiquitous and hegemonic force, but the mainstream economic model that coexists with alternative sets of economic and social spaces that confront and contest it. Social movements framed with human rights, environmental protection, recognisance and respect for cultural and racial diversity, together with political shifts at national scales such as Venezuela and Ecuador’s experiences, have gained most of the academic attention. Alongside, solidarity economies have been gaining prominence in Latin American scholarship, where they are framed as responses to marginalisation and dispossession of groups that have been historically relegated (Sarria, 2002; Esteves, 2012), situation that was aggravated by neoliberal policies. Solidarity economy is a concept coined in Latin America to gather socio-economic, grass-root, and anticapitalistic organisations such as worker and consumer cooperatives (Esteves, 2012, Lisboa, 2016). There is, however, space to research regional cooperation in a more generic setting, as a response to marginalisation and segregation, and as a form to contest neoliberal principles.

In similar lines, more recent trends on neoliberalism analysis have drawn the attention to its diverse local manifestations (Brenner and Theodore, 2002; Peck and Tickell, 2002; Tickell and Peck, 2003; Castree, 2006). Past understandings of neoliberalism tend to be extremely general, lacking of territorial sensitivity and ignoring local complexities (Peck and Tickell, 2002). As a result, regions can be either successful or lagging, with any account of how local institutions incorporate and adapt neoliberalism to their realities. Neoliberalism, therefore, should be studied as a context-specific process of ‘geographical transformation’ (Birch and Siemiatycki, 2016:178). The challenge of

future research is, therefore, to investigate how neoliberalism has evolved over time while embedded in a particular context, and how it has been incorporated to local realities (Peck, 2010). Following this approach, studies on ‘actually existing neoliberalism’ (Brenner and Theodore, 2002) have placed its attention into understanding how top-down dynamics are deployed and reshaped in urban contexts, but there is still much to say regarding how localities confront the neoliberal agenda (Leitner et. al, 2007).

The approach to neoliberalism as a geographically sensitive term that is path dependent and locally transformed (Peck and Tickell, 2002), rather than a monolithic and singular process, has placed its focus on public-private partnerships as geographically specific mechanisms able to transform the relationship between the states and the markets (Birch and Siemiatycki, 2016). Public-private partnerships became institutional accommodations of the state and the market, based on agreements to provide public services or build infrastructure, under neoliberal privatisation premises (Siemiatycki, 2010). However, the context dependent nature of regional cooperation and its definitional multiplicity, as argued above, could either narrow the analysis of variegated neoliberalism to public-private partnerships only, as it has been studied so far, or extend the possibilities to apply this framework to other forms of regional cooperation. To give an answer it is needed to focus the analysis of regional cooperation on its rationales, objectives, and the contexts in which it occurs. The relationship between variegated neoliberalism and regional cooperation might not be found in all the cases, hence the importance of understanding its specificities.

There is little evidence of variegated neoliberalism used as a framework to understand regional cooperation in Global South countries, unless it is related to the analysis of public-private partnerships as strategies to deliver infrastructure or any other ‘development promise’. In these cases, strong arguments criticise public-private partnerships for the disproportionate costs these bring to communities (Girón, 2015), and the great power unbalance that could turn public-private partnerships into the Trojan horse of international development (Miraftab, 2004). On the contrary, research on collaborative alliances in the Global North are gaining more noticeability. These studies are often addressed within a governance framework (Lizhu et. al., 2014), placing the discussion on the role that cooperation plays in changing forms of governance and decentralising decision-making processes (Hooghe and Marks, 2003). However, these collaborative alliances can also be part of the

‘hybridisation process between markets and societies (...) part of the ‘roll-out’ of neoliberalism itself (Peck and Tickell, 2002) [or] the contested processes of experimentation through which various state agencies are trying to distance themselves from the more-

market approaches of ‘roll back’ neoliberalism and recreate conditions for social integration and the regulation of capitalism (Keil, 2002:586)’ (Larner and Craig, 2005).

Partnerships, regionalisation processes, and regional cooperation in general, are seen as, perhaps, unforeseen consequences of neoliberalism, and a synonymous of good governance, regional innovation, regional autonomy and privatisation; as neoliberalism itself (Leitner et. al., 2007). Regional cooperation does not exist because of neoliberalism, but its mutation towards a new economic model, used by regions to cope and adapt to a globalised economy and, in the case of pre-existing cooperation models, a strategy for survival, can be evidenced. Even cases of regional cooperation that are essentially anticapitalistic, such as cooperatives and solidarity economy organisations, have been left with no choice different than enter in the markets and competition logic (Errasti et. al., 2003).

2.4. Local and Regional Development

Local and regional development conceptualisation requires a historical and holistic approach, which explains its evolving nature and the different perspectives with which it has been built.

Understanding development as a bottom-up rather than a top-down and homogeneous process is a consequence of the discontent with top-down development policies, the resurgence of regions, and economic globalisation. Indeed, top-down policies have been questioned arguing that a local approach allows designing policies and strategies more suitable to the local context and needs, while ‘the traditional spatial development policies (predominately of the centre-down-and-outward type) in most cases have not been able to –at least within a socially or politically tolerable time-span- improve or even stabilize living levels in the less developed areas of the Third World [and First World should be added] countries’ (Stöhr and Taylor, 1981, cited in Boisier, 1991:19)

The resurgence of regions has also influenced local and regional development scholarship. Since the end of the Cold War (1990’s), regions at the supra and sub-national level have become a recurrent theme in the academic and public policy fields (Koff and Maganda, 2011). That resurgence has been mostly documented in the Global North, where an advanced industrialised society was already consolidated (MacLeod, 2001), and the step to follow was to improve regions’ effectiveness in face of economic globalisation (Rodríguez-pose and Palavicini, 2013). However, the pressure to adapt and respond to the global economic order, as well as rapid urbanisation, democratisation and devolution, are occurring phenomena in the Global South too, where demands for greater autonomy and acknowledgment of regions and municipalities are also in the public agenda (Scott and Garofoli, 2007). Within this context, local and regional development should emphasise the socio-

cultural, economic, historical and institutional conditions of each territory, regardless of their geographical location. The concept has a long theoretical tradition, ranging from classical economics to post-Developmentalism and anti-capitalist theories, evolving from neoclassical theories, Keynesian, and Marxist theories (see Pike *et al.*, 2006), to more holistic approaches where novel themes to the field, such as sustainability, are included. Recent theoretical advances also vary and take almost antagonistic perspectives. However, as this thesis will argue, different approaches to local and regional development can coexist and often compete within regions. The following lines outline the most influential theories:

Classical theories comprise Neoclassical, Keynesian and Marxist approaches. The Neoclassical theory defines local and regional development as the economic process of economic growth and regional convergence between sub-national territorial units, and it is measured in terms of output growth (Pike *et al.*, 2006). Based on economic rationality (individual rational behaviour), perfect mobility, perfect information and perfect competition, the neoclassical approach suggests that the markets function as adjustment mechanisms capable to reduce regional inequality in terms of capital, labour and growth, for the long term. Neoclassical theories are criticised for their unrealistic assumptions, as evidence suggests that the self-correcting mechanisms fail or have low influence in regional convergence in the long term (*ibid*). Notwithstanding their date and weak empirical evidence, these theories have influenced regional policy in relation to the free market and neoliberal approaches to the economy. Keynesian theories, on the other hand, argue that local and regional development or regional economic growth can be achieved by reducing regional disparities. Regional economic growth is reached by increasing external demand for regional production (export base theory), specializing the region and exploiting economies of scale (increasing returns and cumulative causation), or strengthening the core-periphery relationships (growth pole theory). Keynesian approaches are criticised for simplifying regional economics to the exports sector, and the lack of sufficient evidence to explain how output can be promoted by regional specialization. In contrast, Marxist approaches explain local and regional development as the process of regional economic growth that can be achieved through specialization and better paid jobs. These emerged as a radical approach to question capitalism and its negatives effects in ‘regional inequalities in economic, social, gender and ethnic terms’ (Pike *et al.*, 2006:84). Marxist theories suggest to focus on ‘geographically constituted organisation of the social relations between capital, labour and the state’ (Pike *et al.*, 2006:84), to explain how the relationship labour-capital, and the role of the states to mediate it, shapes the regional economic landscape.

More recently, local and regional development have been associated with innovation, knowledge, and change. Local and regional development is seen as the process of regional economic growth and increased competitiveness (Cochrane, 2011); determined by local and regional innovation and knowledge, on the one hand, and competitive advantage and clustering theories and strategies, on the other. These approaches place special attention to the links between economic action and socio-cultural practices at the local-regional level (Mackinnon and Cumbers, 2011), and suggest to encourage local production systems with bottom-up policies. It is suggested that local and regional development is ‘the enhancement of the locality or region’s ability to produce, absorb and utilize innovations and knowledge through learning processes’ (Feldman, 2000, cited in Pike *et al*, 2006:95), and is explained with the theory of competitive advantage and clusters, and the theories of regional innovation and knowledge.

The theory of competitive advantage and clusters based on the idea that development is reflected in the ‘competitive advantage of firms, clusters and national economies within international markets’ (Pike *et al.*, 2006:109-110), considers clusters as essential for competitiveness as they reduce externalities, facilitate access to specialized inputs and labour, and stimulate learning and business formation. The focus on agglomeration and clusters resulted in three different strands of research (MacKinnon *et al*, 2002). A first strand, known as a Californian school of economic geographers, argue that increased externalization of production encourages agglomeration as that spatial proximity reduces transaction costs (Scott, 1998; cited in MacKinnon *et al*, 2002:295). The second strand comes from the research on central and north-eastern Italy, argue that flexible specialization explain regional economic success and, beyond transaction costs, social and institutional conditions support agglomeration (Brusco, 1982; Piore and Sabel, 1984; cited in MacKinnon *et al*, 2002:295). The final strand of research argues that agglomeration will continue at regional and national scales alongside transport and communication technologies (Mackinnon *et al*, 2002). These approaches, however, disregard the role of either the national states or the market in agglomeration and cluster formation, and explain regional economic success in relation to industrialisation only, overlooking the existence of diverse regional economies.

The interest on agglomerative processes shifted the attention towards learning and innovation (Amin and Thrift, 1995; Amin, 2004), placing the focus on the influence of social and institutional conditions to growth (MacKinnon *et al*, 2002). Theories of regional innovation and knowledge define local and regional development as the ability to enhance regional production and use of innovation and knowledge through learning processes (Feldman, 2000, cited in Pike *et al*, 2006:95).

Innovation and, by definition, growth, emerges from dynamic collective learning processes, which are facilitated by local proximity (see Capello and Nijkamp, 2009). Going back to the discussion on the resurgence of regions and the role of globalisation in regional economies (explored in section 2.3), it is argued that globalisation has encouraged agglomeration structured around learning and knowledge creation (Storper, 1997). Therefore, successful regions in terms of economic growth and wealth creation are those able to promote and retain knowledge creation and innovation processes. Critics to the learning region literature, however, call the attention on the overlooked influence of path dependency on the regional ability to create and retain knowledge (Hudson, 1999), and the crucial role that national states continue to have concerning economic relationships within their territories and the global economy (see Jessop, 2002; 2003; 2011).

All of those theories recognise the need to use and enhance local capacities and assets to improve local and regional development, yet they remain economic and Global North-centred, while Global South local and regional experiences have been left for post-development theories to explore.

From a post-developmentalism perspective, economic growth and development are based on either the analysis of the Global North experiences, or the replication of models in the Global South (Schmitz, 2007). Based on earlier and highly influential contributions from Arturo Escobar, Gustavo Esteva, Mahijd Rahnema, Serge Latouche, and Gilbert Rist; post-development theories question the development discourse and paradigms. It is argued that mainstream development obstructs people's capacity to model their own behaviour, reproduces social and cultural domination by the homogeneous application of westernised values (Escobar, 1995), it is incompatible with ecological concerns, and has widened the gap between rich and poor countries (Ziai, 2007). From this perspective, mainstream development is a social construction based on economic interests and perspectives of the richest countries (see Seers, 1979; Hirschman, 1981; Escobar, 1995), reason why it is crucial to incorporate local and global perspectives when conceptualising it. In Escobar words, 'this means investigating how external forces –capital and modernity, generally speaking- are processed, expressed and refashioned by local communities' (Escobar, 1995:98). Recent contributions from the post-development theorists are focused on what is called 'alternatives to development'. Grassroots movements, communitarian projects, indigenous movements and pro-environment demonstrations and actions (Lee, 1996; Chatterton and Gordon, 2004; Perreault, 2006; Escobar, 2010), challenge traditional understanding of economy (Ziai, 2007), and the dominant neoliberal paradigm in which prosperous regions as those 'able to respond

effectively to the opportunities generated by the workings of the global economy' (Cochrane, 1996:97).

A post-development approach to local and regional development should be focused on social and cultural issues, and the human being, rather than on competitiveness and successful incorporation into the global production system, recognising localities, regions and communities as the core of their own development model. It should allow imagining different development paths that respond to the local needs, context and assets (Gibson-Graham, 2011).

Although there is a clear distance between the different approaches and theories, some common aspects can be found when it comes to define local and regional development. It is a process that allows to enhance local capabilities, its conceptualisation will vary according with the time and the space (Pike et al., 2007), and it is a response to the effects of top-down policies and a 'spontaneous response to increased competition and globalisation' (Vásquez-Barquero, 2007:23).

So far, the main definitions and approaches to local and regional development have been stressed, emphasising the need to understand the concept as evolving and dynamic. However, 'mainstream concepts of regional development (...) remain far too economic' for a period where the debate about wellbeing and quality of life is becoming more relevant (Morgan, 2004:883). Thus, the following paragraphs will address the pertinence of including wellbeing and sustainability in local and regional development conceptualisation.

During the last 30 years, mainstream development has undergone several critiques and shifts. The importance of institutions in development is now widely recognised. Thanks to the influential contributions of authors like Seers and Sen, development discourse mutated from economic growth to a holistic approach that includes freedoms, reducing inequality and deprivation (Nafziger, 2006). As a consequence, economic growth and local and regional development are understood as separate but complementary concepts, allowing new themes to enter the debate. Of particular relevance for this research are the concepts of wellbeing and sustainability.

To introduce the notion of wellbeing is a growing necessity, due to standard economic measures' inability to capture regional inequalities and to disclose social features (Stiglitz, 2009, Stiglitz *et al.*, 2010). This is not a new debate, and ethical growth and the human being have been at the core of economic growth in post-development theories. However, its inclusion into the field of local and regional development in economic geography comes from the debates known as 'Beyond GDP' (Stiglitz, 2009, Stiglitz *et al.*, 2010, Kubiszewski *et al.* 2013). Beyond GDP emphasises the

relevance of introducing wellbeing into development's definition, and the need to broaden its measurement variables, which coincides with the call for building a multidisciplinary approach to local and regional development. Paradoxically, the major critique is how to establish a reliable measure if it is recognised that wellbeing's definition –also- depends on time and space (Atkinson *et al.*, 2012). Wellbeing includes economic and non-economic variables that play at different scales. Individual, local, regional and national levels 'jointly determine life satisfaction' (Aslam and Corrado, 2012:628). Although wellbeing can be considered as a subjective matter accountable at the individual level (mainly in terms of income), some studies show that analysis at regional scales help to determine which aspects are considered as beneficial for wellbeing, particularly when measuring non-economic variables. This because people who live in the same region share common socio-economic, political and cultural environment that adds to their life satisfaction (see Aslam and Corrado, 2012; Rampichini and D'Andrea, 1997). Therefore, even if wellbeing is a subjective and rather individual valuation, some generic non-economic variables are more easily identified if taken at a regional instead of the national scale.

On the other hand, there is the notion of sustainability. The official definition of sustainable development is 'development that meets the needs of the present without compromising the ability of future generations to meet their own needs' (WECD 1987), uses economic growth, human needs and natural resources as part of the concept. This definition, however, has been greatly criticised. To some, the idea of sustainable development is an oxymoron (see O'Riordan, 1985), while to others it is exchangeable with 'ecological sustainability, environmentally sound development', or sustained growth (Tolba, 1984; cited in Lélé, 1991:608). It is argued that the notion of sustainable development lacks clarity on what it actually means and how to achieve it, and that 'there is no clear agreement on what the term means' (Chatterton and Style 2001). That initial lack of conceptual clarity was followed by criticisms on the simplification with which mainstream sustainable development presented issues of poverty and environmental degradation (see Lélé, 1991), remaining too economic and uncritical of neoclassical economic perspectives. From a post-development and geographical perspective, sustainable development is criticised for being a top-down concept focused on the global ecosystems, rather than local cultures and realities (Escobar, 1995), and for overlooking the impossibility of most regions to implement a sustainable development agenda unilaterally (see Morgan, 2004).

Sustainable development has three dimensions: the economy, the society and the environment. Often, debates present sustainable development as aiming to balance those conflicting and separate

dimensions, neglecting underplays and ties that connect them (Giddings *et al.*, 2002). To assume the environment, economy and society as separated dimensions brings innumerable conceptual, empirical and ethical issues, reason why, as Giddings *et al.* (2002) suggest, sustainable development must be approached as a multi-layered and multi-faceted concept. Sustainable development is a contested concept. However, this lack of clarity does not make it necessarily superficial, but entails greater challenges when conceptualising and practicing local and regional development. It should not only include concerns on global warming and sustainable consumption, but to address issues of inequality and access to innovation and technological solutions at the regional scale, as those regions that have reached a lock-in situation might be the most vulnerable to climate change (Lorek and Spangeberg, 2012).

The debates on sustainable development and wellbeing, pose ethical questions on what kind and for whom the notion of local and regional development is conceptualised and practiced (Pike *et al.*, 2007). From the point of view of sustainability, that ethical challenge comes in the form of how to assure equity on the use of resources, when those are the ‘heritage of mankind and all people on earth hold the same right to get a similar share of these resources’ (Lorek and Spangeberg, 2012:3). From the point of view of wellbeing, those ethical challenges invite to rethink notions of social justice (see Fraser, 2009).

To bring sustainable development to the debate of local and regional development is pertinent insofar actual definitions neglect environmental issues. ‘The concept [of sustainability] is not primarily ecological in nature. Its strengths lie in its cross-sectional character integrating economics, ecology and social aspects’ (Thierstein and Walser, 1997:160), therefore, it can be useful to enlarge local and regional development definition.

A local and regional approach to development aims to provide an explanation rooted in the territories, providing solutions grounded in the context where they occur. Nonetheless, these approaches cannot offer consensus on how to solve development issues; instead, different perspectives are carried out going from industrialisation and employment policies (e.g. Barberia and Biderman, 2010), agglomeration and clustering (e.g. Scott and Garofoli, 2007), to the debate about devolution processes (e.g. Armstrong and Taylor, 2000), social participation and communitarian projects (e.g. Chatterton and Gordon, 2004). None of those perspectives are exclusive one from each other, and experience has shown that local and regional development cannot be achieved following a unique set of tools, that the definition of development is variable in time and space, and that each territory possesses different priorities, needs and characteristics that lead to different

processes and endings (Pike *et al* 2007). Indeed, conceptualising local and regional development requires of a multidisciplinary theoretical framework, which reconciles different approaches, and includes economic, social, cultural and environmental concerns (Pike *et al.* 2011). Local and regional development is an evolving and dynamic process that enhances local capabilities, where economic growth is ‘a mean for achieve wellbeing’ (Canzanelli 2001:21), and is concerned with social, environmental and cultural issues. How to define the components of a holistic definition of local and regional development will depend on the region’s priorities and decisions (Canzanelli, 2001; Pike *et al.*, 2006). Conceptualisations of local and regional development need to account local, national and global levels, to reconcile Global North and South perspectives, and focus on the regions ability and responses to face and adapt development policies according to their own context.

2.5. Insights for a geographical analysis of regional cooperation in Latin America

A geographical approach to analyse regional cooperation processes began by placing the regional context at the centre of the research, followed by the abstraction of patterns and relationships within and across all the scales in which regional cooperation interacts and the existing theoretical approaches that explain it. It was needed to combine a deductive analysis to inform the phenomena based on the existing knowledge, with inductive analysis to complement the study with empirical evidence to contribute to fill the gaps created by the predominant focus upon post-industrial, Global North experiences.

This research delved into regional cooperation features while analysing them within a changing time and space. Regions and its social, economic and political context are part of the process, rather than mere containers of cooperation strategies. However, as regional contexts are, indeed, changing according to time and space, it was needed to find a common theoretical approach to address the research, otherwise the results would have become empirical and unique, preventing further contributions to the wider literature that informs this research. Local and regional development, understood under the postulates of economic geography and post-developmentalism, is the core concept that governs this research. This framework was the starting point to study the rationales, objectives, actors and multi-scalar and institutional interactions, while allowed expanding the analysis of regional cooperation to wider institutional processes from where it was overlooked. To explore the concept of local and regional development, this thesis is based on the debates of geographies of development (as grouped in section 2.2), emphasising the differences between Global North and Global South approaches and experiences, followed by the evolution of development as a holistic concept that is geographically sensitive. In particular, the research was

positioned in the debates of the top-down paradigm of development (Stöhr and Taylor, 1981), the relationship between capitalist and neoliberal economies and uneven development (Harvey, 2006; Sarria, 2002), the need to acknowledge the existence of diverse development models (Escobar, 1995; 2010, Gibson-Graham, 2006; 2011), and the conceptualisation and evolution of local and regional development and its flexible and holistic nature (Pike et. al, 2006; 2011). Geographies of development helps to position the contextual drivers of regional cooperation, as well as its implications in locally conceptualising local and regional development.

From the existing literature, one can conclude that regional cooperation is an agreement mostly used by local governments amongst each other, or with private actors, to enhance its efficiency, promote economic development, or to overcome unsustainable regional competition. From here, the rationales to cooperate and the actors that participate can be identified, serving as a starting point to analyse regional cooperation's origin and composition. However, what is missing is to explain how economic and social backgrounds are determinant for regional cooperation, and how it interacts with key actors from scales other than the local; all of this in urban and rural contexts within centralised forms of government and uneven local development (see figure 2.1).

Existing literature on regional cooperation also provides solid explanations of the forms that regional cooperation takes, normally accounted in predefined (although not restrictive) lists. Drawing from the theoretical distinctions given by public administration research (Spicer, 2015; Feiock, 2004; 2007; Hulst et. al, 2007); and empirical approaches from cross-border cooperation and the reconfiguration of territorial governance (Feiock, 2007a; Perkmann, 2003; 2003a; 2007; Nelles and Durand, 2012), this research emphasised the need for a flexible definition where diverse geographical knowledge can be accounted, and the role of institutions in shaping those definitions. Those lists are normally replicated amongst national regulations, and it is not rare to find examples of them in European and North American regions. However, when contrasted with research based on post-development theory, more examples of cooperative work amongst local actors can complement that list if studied as strategies for local and regional development. Even if both bodies of literature come from diverse empirical evidence, geographical locations and epistemological backgrounds, they provide similar conclusions using different paths: regional cooperation can be an effective process of and for local and regional development. Empirical research serves to reconcile both approaches.

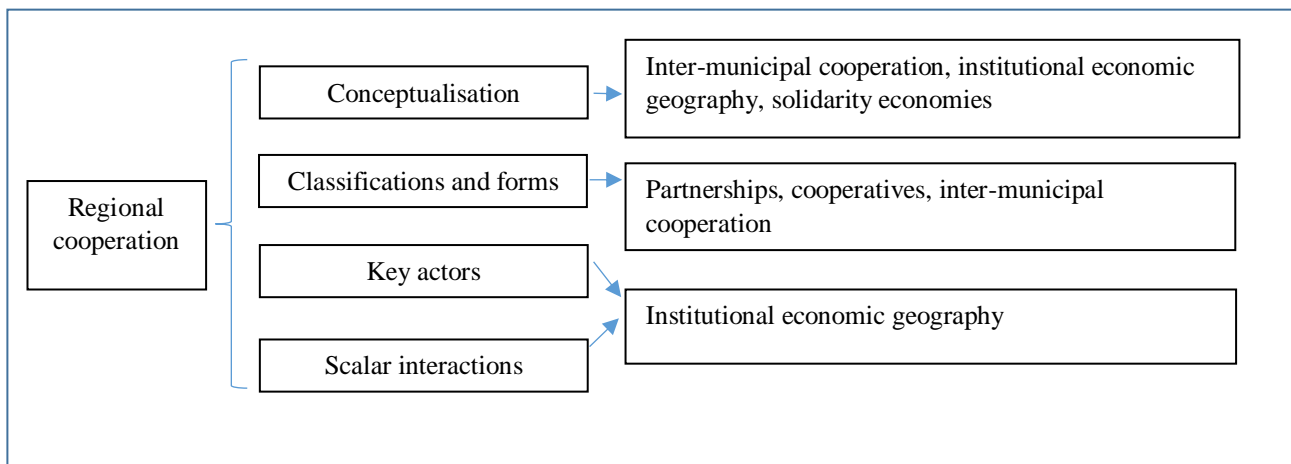


Figure 2.1 Analytical framework to conceptualise regional cooperation
Source: author

As figure 2.1 illustrates, the existing conceptualisations and classifications of regional cooperation are the departing point to understand the phenomena. However, as section 2.3 shows, there is a multiplicity of approaches with overlapping areas rather than a conceptual consensus. This suggests that regional cooperation is a social construct comprised in regional evolution and not a fixed notion. Therefore, to account for regional cooperation the actors and scalar interactions is the following step in its conceptualisation. To understand who participates in regional cooperation, and what are the rationales, can provide a better understanding of how regional cooperation is socially constructed and regionally tailored phenomenon that transcends the local scale.

Literature and empirical data show that at least two levels of analysis are necessary to understand regional cooperation: Firstly, the national level; particularly the political organisation of the states, decentralisation policies and legislation directly related to forms of regional cooperation (e.g. Hulst et. al, 2007). Secondly, the regional level, particularly the economic and social circumstances that later become into contextual drivers to cooperate (e.g. Sarria, 2002). However, this binary approach was not sufficient to fully disclose regional cooperation and analyse its impact on local and regional development. It was needed to introduce the local, regional, national and international context, and the role that different type of actors played in creating and innovating forms to cooperate (see Nelles and Durand, 2012; Perkmann, 2007). Indeed, regional cooperation also interacts with different institutions at varied levels. Accounted within regional cooperation's multi-scalar relationships, institutions have been recognised as crucial, thus requiring further analysis. Law and public administration usually emphasise the formal regulations that address regional cooperation, and the informal institutions that influence individual choices and collective action (see Feiock

2007). From an economic geography perspective, the emphasis is set on governance, decentralisation, local economic processes and path dependency (see MacLeod, 2001a; Hodgson, 2006; Rodríguez-Pose, 2013; MacKinnon, 2008). Previous studies on regional cooperation, mainly cross-case analysis using ample samples (Hulst *et al.*, 2009), evidenced that both set of institutions are required for regional cooperation to exist and evolve, and suggest the use of a combined analysis. Indeed, institutions define the rules, incentives and limits for economic and social processes, shape the local context, and allow or constrain regional cooperation (see figure 2.2).

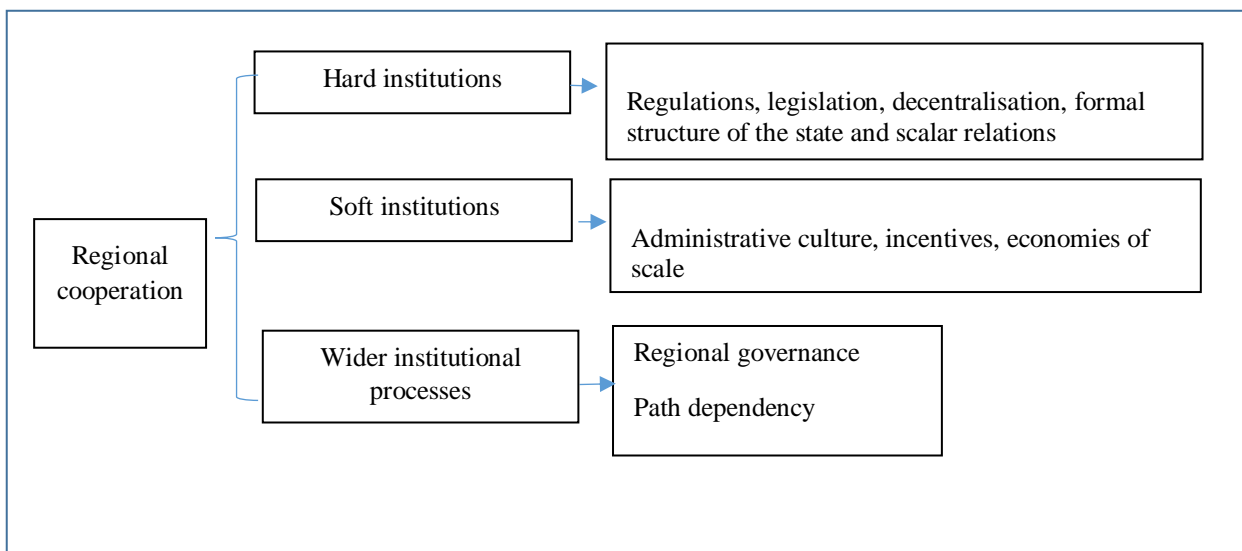


Figure 2.2. Institutional analysis
Source: author

Literature suggests there are three main areas of institutionalism theories in which regional cooperation is embedded, as showed in figure 2.2. First, the relationship between regional cooperation and hard institutions, particularly those related to decentralisations, local agency and the role of the national state (Hulst *et al.*, 2009; also MacKinnon *et al.*, 2002; Jessop, 2002; 2003; 2011). Second, the relationship between regional cooperation and soft institutions, which is widely explored in public administration research (see Gillette, 2005; Feiock, 2007; Clingermayer and Feiock, 2001). Third, the relationship with the third tier of wider institutional processes, which is less evident from the literature. Institutions are acknowledged as vital for local and regional development, and two common approaches to explore this relationship come from the analysis of regional governance in one hand, and path dependence in the other hand. From the literature on regional cooperation and local and regional development, the relationship between both is evident and often accepted. Therefore, from these apparently loose intersections, literature suggest that regional cooperation can participate of processes of regional governance, as it is argued for the case

of cross-border and metropolitan governance, but also in processes of regional path dependence, although the relationship is less clear in the literature.

Finally, it is needed to explain the relationship between regional cooperation and local and regional development, as it is showed in figure 2.3 below. Within economic geographers, the growing trend that approaches public-private partnerships as local adaptations of economic neoliberalism (Birch and Siemiatycki, 2016; Siemiatycki, 2010; Lizhu et. al., 2014), provides insights on the potential role that regional cooperation has in shaping local and regional development models at a regional scale Based on the understanding of neoliberalism as a variegated and context dependent ideology (Brenner and Theodore, 2002; Peck and Tickell, 2002; Tickell and Peck, 2003; Castree, 2006), partnerships are acknowledged as part of its local adaptations (see Larner 2005; 2007). In addition, the contributions of economic geography concerning the enhancement of local economic processes and competitiveness to access international markets through innovation and clusters (see Cochrane, 2011; Pike *et al.*, 2006; MacKinnon *et al*, 2002)suggest that collaborative and cooperative agreements are beneficial to improve regional performance in a globalised economy . However, literature on economic geography and variegated neoliberalism remains too Global North centred. To fill this gap, post-development approaches, where local and regional development is understood as the local expressions of external economic forces (Escobar, 1995; 2010; 2015), are needed to uncover the relationship between regional cooperation and local and regional development in Latin American regions.

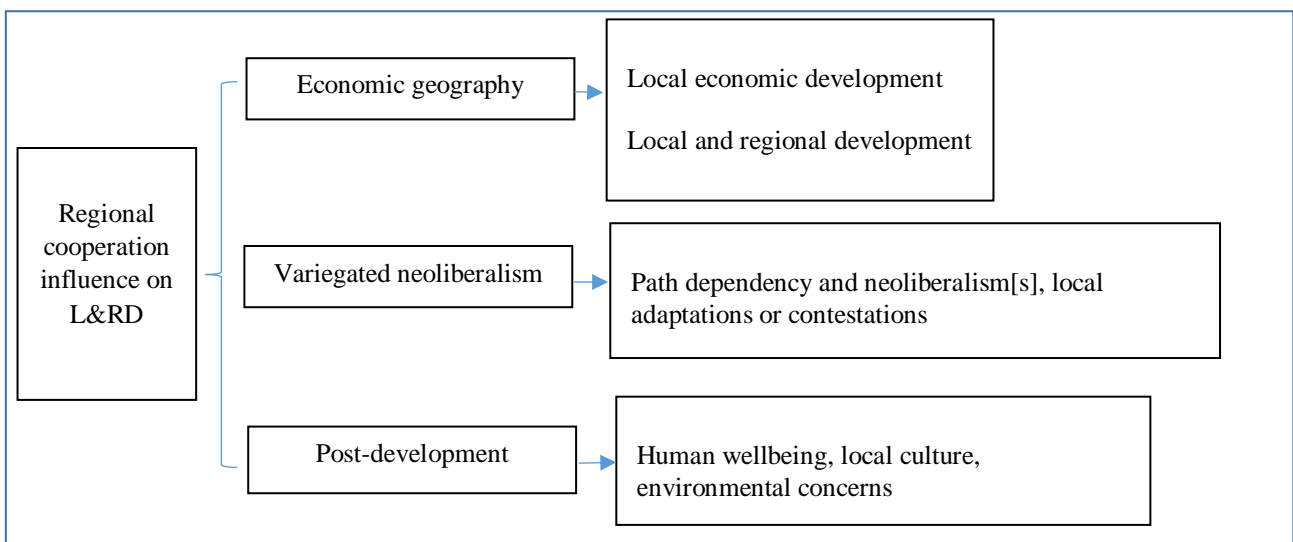


Figure 2.3 Regional cooperation’s influence on local and regional development
Source: author

2.6. Conclusions

The main objective of this thesis is to explain the relationship between regional cooperation and local and regional development, task that cannot be accomplished if not investigating the specificities, features and conceptualisation of regional cooperation, its time and space interactions, evolution, and adaptations. As local and regional development, regional cooperation departs from the acknowledgement of regions as key actors in defining their development needs, while embedded in an economic globalisation context. However, the territorial face of this context has resulted in top-down economic policies, and development benefits unevenly distributed not only amongst but also within countries. Under these conditions, regional cooperation not only pursues local and regional development improvement, as usually recognised in the existing literature, but it is also created because local and regional development is an unfulfilled need.

By using the local context as the starting point for the analysis, this research aims to contribute to the understanding of regional cooperation as processes that emerge and evolve in accordance to the local institutions, multilevel networks, and local needs and assets. Additionally, it attempts to explain the relationship between local and regional development and regional cooperation by introducing the analysis of Global South regions. These regions, despite of facing the same challenges of economic globalisation and neoliberal economic policies as other regions elsewhere, are embedded in historical economic patterns that have left its rurality impoverished and vulnerable when unable to participate in mainstream economic processes. In this context, regional cooperation can become a useful tool for the population that was left behind either to participate in mainstream economic processes, such as agricultural production, innovation and exports, or to raise awareness on the need to recognise alternative economic models that are more inclusive and geographically sensitive. It is in this last aspect where some common ground can be identified between the different approaches to development. Both economic geography and post-development, including the most recent approaches to the analysis of variegated neoliberalism, have acknowledged the local scale as the starting point to conceptualise development and to understand economic processes, despite their ideological distance. These approaches cannot be taken as one-of-the-same-but-with-different-name type of theoretical development, as they emerged from diverse geographies, experiences, times, and historical backgrounds. However, following diverse theoretical developments have reached a similar conclusion: development need to be accounted from a local and regional perspective, recognising local diversity and contexts. Studies on local and regional development should, therefore, analyse how regions use and reshape economic processes and socio-

economic changes, rather than how to apply homogeneous solutions for a unidirectional development.

Approaching local and regional development from an economic geography perspective, particularly its contributions to regional economic growth, innovation, and multilevel networks, plus the contributions of post-development for understanding development paths in the Global South, allows understanding how different approaches can coexist, and how non-economic variables enter to the local and regional development conceptualisation. This conceptualisation provides the context, rationales and objectives that regional cooperation pursues. Its creation and evolution can be explained by using an institutional approach that accounts both local institutions and the relationships that regions have with different scales and actors. Finally, regional cooperation can be proved a geographically sensitive process able to influence local and regional development.

To be able to explain those set of relationships, this research uses an in depth analysis and intensive research design, aiming to use the local context as the starting point for the analysis, as it will be explained in the following chapter.

Chapter 3: Researching Regional Cooperation in Latin America

3.1. Introduction

The analytical framework discussed in the previous chapter was applied to empirically examine the conceptualisation and evolution of regional cooperation and its implications in local and regional development in multi-scalar and diverse institutional contexts. Hence, a comparative analysis is the most pertinent approach. The analytical framework guides the analysis of regional cooperation as processes occurring in two regions with similar general characteristics but located in different countries (Coffee Region in Colombia and O'Higgins in Chile), the relationships that emerge between diverse scales and institutions, which facilitate or limit regional cooperation, and the role of regional cooperation in local and regional development.

Based on the contributions, gaps, and relations identified in the previous chapter, this thesis is guided by the following research questions:

1. Why regional actors engage in regional cooperation processes?
2. How is regional cooperation defined and conceptualised?
3. What kind of regional cooperation has been established, how has it evolved and what factors is it shaped by?
4. In what way institutional conditions and contexts have influenced regional cooperation?
5. What are the implications of regional cooperation in local and regional development, how and why have these occurred?

This chapter explains the methodological approach applied. The most appropriate approach was one that allowed delving into the processes of regional cooperation and the context in which these are embedded, while comparing and contrasting evidence, theories, and abstracting general attributes and relationships. Indeed, to investigate regional cooperation as a process, it was crucial to understand their context and interactions with different layers of institutions, actors and development processes surrounding them. Therefore, the methodological approach that better suited the research objectives was a comparative case study, drawing on a critical realism epistemology and ontology and an intensive research design. Section 3.2 explains how the research is grounded in a critical realist epistemology and ontology. Section 3.3 explains the research design based on a comparative case study and the selection strategy for the cases of analysis. Section 3.4 explains the data collection strategies, and how the research was carried out. Section 3.5 explains the strategies

for data analysis. Section 3.6 addresses the ethical challenges and explores the researcher positionality, and section 3.7 summarises the main advantages of the methodological decisions.

3.2. On critical realism and intensive research design

Critical realism has been widely recognised as a ‘philosophy that celebrates the existence of reality independent of human consciousness’ (Yeung, 1997:52). In the social sciences, it rejects positivist, empiricist and structuralism approaches to social phenomena, and in economic geography, it has been applied as a methodology (see Sayer and Morgan, 1985). However, as Yeung (1997) argues, critical realism provides an initial philosophical approach to research in the social sciences, but leaves the methodological and theoretical decisions subject to each discipline (Yeung, 1997). This thesis builds on that approach to critical realism, this is, it takes critical realism as an epistemological starting point rather than a fully applied methodology. That starting point is the acknowledgement of regional cooperation as a multi-layered social phenomena, in which those layers or levels are in constant interaction. Critical realism is based on the existence of reality independently of our knowledge, therefore arguing that reality exists regardless of human observation, and it is due to causal powers that operate in different layers, which in turn interact through causal mechanisms (or relationships). These causal mechanisms where reasons, attitudes and knowledge are included, explain social phenomena (Næss, 2015) by acknowledging human and social structures (Yeung, 1997), which ‘are [created,] reproduced, modified and changed by human actors’ (Næss, 2015:1232). Knowledge, therefore, is created by recognising and redefining causal mechanisms and relationships that are shaped by human actions. This understanding of a layered reality fits well with this research’s objective to approach regional cooperation as a process influenced by different scales, as it recognises the context, actors and institutions playing a role in regional cooperation; and the scalar relationships that exist before and after regional cooperation took place in the studied regions. It is here where an intensive research design comes appropriate.

An intensive research design permits a focus on processes embedded in their contexts. It uses diverse methods for data collection, mainly of a qualitative nature, provided by individuals or groups directly related to the phenomena of interest and within their causal contexts (Sayer and Morgan, 1985). It incorporates a deep analysis of how and why processes emerge, work and change, by finding causal relationships and connections. By using a critical realist ontology and epistemology, combined with an intensive research design, the following set of relationships could be explored and explained. First, the influence of supra-national economic and development

strategies in providing the foundations for later regional cooperation, and how these interact with the local level and regional cooperation processes. Second, the effects of national institutions and territorial organisation in defining the rules, paths and possibilities to create regional cooperation processes, their usage at the local level, and the combined work of actors from different scales to overcome institutional and territorial restrictions. Third, the combined and sometimes opposed work of local actors with diverse interests in shaping and defining the local and regional development model to be pursued with, amongst other mechanisms, regional cooperation.

These relationships were identified by fostering a dialogue between theory and empirical evidence during the research process. Indeed, theoretical development in economic geography emphasises the pressure on regions to compete and succeed in a globalised economy context, while recognising these as potential incentives for clustering and agglomerative economies to emerge. Post-developmentalism emphasises the importance of alternative economies -where cooperation is accounted- and their focus on the human being rather than economic growth. Empirical evidence has shown that economic globalisation and uneven development provided the main contextual circumstances that became the rationale for such cooperation. Although the relationship is not always direct, it shows that those circumstances play a role when defining regional cooperation objectives and the influence it can have on local and regional development conceptualisation. On the other hand, literature on regional cooperation from disciplines such as public administration, recognise the crucial role of institutions for cooperation, emphasising on individual and collective behaviour rather than the local context. Whether individual behaviour and collective action, or institutions derived from the local – national interaction, empirical evidence has shown that both types were crucial for regional cooperation to emerge and evolve.

This thesis is a phenomenon-driven piece of research (see Eisenhardt and Graebner, 2007), in which regional cooperation as a social phenomenon was observed prior to the beginning of the research. Despite of the wide amount of literature that examines regional cooperation (Clingermayer and Feiock, 2001; Feiock, 2007; Perkmann, 2003, Hulst and Van Montfort; 2007) there is still much to say about regional cooperation and its relationship with local and regional development in the present context of economic globalisation and neoliberalism, especially for regions in the Global South. Therefore, this research attempts to contribute theoretically and empirically to existing studies on regional cooperation strategies for local and regional development. The phenomena was approached as a context embedded process that can be examined by drawing on the contributions of

economic geography, and complemented with insights from other disciplines, seeking to balance knowledge contributions between the Global North and Global South.

In sum, the benefits that critical realism and intensive research design bring to this research can be illustrated in three points. First, it allows for an in depth analysis of regional cooperation that is firmly embedded in its context, but also acknowledges the multiple layers that interact to shape it. Second, it utilises use data collection strategies that engage with actors who have actively participated in and are close to the processes of cooperation. Third, it applies an inductive and deductive approach (Yeung, 1997). This final aspect is particularly relevant when doing geographical research, as Markusen (2003:749) pointed out:

‘I doubt that in geographical research there is really anything approaching purely deductive theorising –that is, the posing of causal relationships without having already been drawn from experience or reading other people’s work. Similarly, there is no such thing, I would argue, as a purely inductive study (...) No inductive study takes place without a set of explicit and implicit questions brought to the phenomenon studied. These implicit questions are deductive propositions.’

Indeed, when balancing inductive and deductive approaches, the mentioned dialogue between disciplines and geographical imaginations is facilitated as the analysis responds to the pre-existent realities and the pre-existent knowledge, without privileging theory over phenomena or vice versa, but rather allowing constant interaction between what is known and what is left to investigate. Once the design needs are explained, next section will delve in the methodological aspects used to conduct the research.

3.3. Comparative case study and selection of cases

3.3.1. Case study

Regional cooperation has generalizable features already acknowledged in the relevant literature: it is an arrangement made by local governments, usually located with spatial proximity, it may include private partners and it is usually established to solve a common problem (Hulst *et al.*, 2009; Hophmayer-Tokich 2008). However, regional cooperation has a context dependant nature as well, meaning it must adapt to the local context in where it is practiced. Therefore, to examine regional cooperation as a process, it is necessary to unpack the contextual conditions and the real-world context where the phenomena occur. There is a requirement to further investigate regional cooperation’s general features and particularities. For example, to understand what motivates

cooperation, how it is designed, implemented and adapted, what kind of actors participate and why, and how those interact within the multilevel institutional context. Furthermore, to understand how regional cooperation influences local and regional development, there is a need to attain insights regarding broader contextual processes.

Although case study is often criticised for its potential flaws to create generalizable knowledge (see Gerring, 2007; Eisenhardt and Graebner, 2007; Flyvbjerg, 2006), those flaws can be covered by, firstly, clarifying the type of generalization intended and, secondly, by providing a solid research design. Case studies are not meant to produce empirical generalization as they will not have sufficient representativeness to affirm or deny population patterns, but they can be used to produce explanations of relationships and processes (see Tsang, 2014, Yin, 2008). If analytical generalization is aimed, a research design with solid theoretical background, with different sources of evidence, rigorous data collection and analysis techniques (Yin, 2008), and strategic case selection strategies (Flyvbjerg, 2006), provide the methodological support for theory development, refinement or falsification.

Case studies can take different forms if classified by its purpose, design or epistemological status. Literature regarding this issue is vast, however, two useful classifications are frequently cited and utilised, one provided by Stake (1995), and one provided by Yin (2008). Case studies can be intrinsic or instrumental (Stake, 1995). Intrinsic when the aim is to understand the case itself. Instrumental when the purpose is to gain understanding on a broader issue or theory. On the other hand, case studies can be exploratory, descriptive or explanatory (Yin, 2008). Exploratory when the cases aim to explore a situation without targeting explanations of particular phenomena. Descriptive when these aim to describe a phenomena and the context in which it occurs. Explanatory when the cases aim to answer questions of a phenomenon that occur in a real life basis. In addition, regarding case selection, a case study can include a random sample, if its purpose is to avoid bias (case in which the sample size plays a critical role in theory development); or information oriented, if its purpose is to obtain a deeper and wider information from one case or a small sample (Flyvbjerg, 2006). This last category has another sub-classification: Random selection, when cases are chosen following a random or stratified sample, or information oriented selection, when cases are chosen for being extreme -unusual-, with maximum variation (small sample of cases with one very different dimension), critical, or paradigmatic.

This research used an explanatory and informed oriented selection approach. This is, cases that can inform and answer specific questions regarding a social phenomenon, chosen to obtain deeper and

wider information that permit logical explanations. As this research aims to explain regional cooperation processes as a real life and contemporary phenomenon that work and evolve under certain conditions, it required an in depth analysis of particular cases. It would be different if the aim was to provide a general definition, types and forms, in which a cross-case analysis would be more appropriate (eg: Hulst & Van Montfort, 2007).

3.3.2. Comparative case study

When recognising regional cooperation as a context dependent phenomenon, comparing at least two cases was crucial to attain broader insights on the phenomena. Using an oriented selection of cases with one different dimension, allowed for a focus on the process of regional cooperation in general, instead of explaining one single type. This condition also led other to methodological decisions, which will be explained below.

This research attempts to contribute to theory refinement and analytical generalization, rather than propose new theories or venture empirical generalizations (see Tsang, 2014). A comparative strategy allowed for contextual variables to be analysed, uncovering causal patterns and providing more in depth explanations (see Ward, 2010). By using a comparative approach, broader insights about regional cooperation processes were extracted by first, analysing the cases within their context and then abstracting common aspects. Notwithstanding the cases remained embedded in a certain context (as centralised governments and extractive economic activities, for example), these conditions were also extracted to an upper level of generalization, same with the causal patterns and relationships derived from them. The comparison also served to illustrate the evolution and practicalities of regional cooperation as a process in more general terms, rather than providing explanations for one particular type of regional cooperation. In other words, it was possible to understand and explain regional cooperation in general, rather than a public-private partnership in particular. Finally, it also helped to reconcile bottom-up and top-down approaches to development, as the comparison allowed to connect approaches and understand how those interact or confront in a real-world situation (see George and Bennet, 2005). This last aspect was of especial relevance for this research, as its theoretical framework is geographically varied, *yet all* cases are located in Latin America. Therefore, maintaining a dialogue between theory and practice was crucial along the research process.

With a comparative studies logic, case studies in two regions of Colombia (Coffee Region) and Chile (O'Higgins) were conducted. Three cases of regional cooperation were selected per case, with the aim to gather rich data of diverse processes occurring within the same context at a first stage

(see figure 3.1), and different context at the second stage (see figure 3.2). As result, each case study was analysed in two stages. The first stage used an in case or internal comparison, and the second stage used a cross-regions comparison. Due to the size of the regions (rather small in terms of population, economy, and extension, when compared with other regions in their respective countries), the size of the cooperation processes tends to be small, with only one case per region of considerable size in terms of population affected and number of actors involved. This did not imply a problem of representativeness as regional cooperation processes are normally of a very specific nature, and because this research did not seek to claim statistical or empirical generalizations. However, it meant to sub-classify the cases in accordance to their size and scope, by using a core and subsidiary cases approach. Bigger –core- cases provided the most of the empirical data and support for the results analysis, while subsidiary cases contributed with support data to complement the insights in terms of diverse forms of regional cooperation. It was because of the use of core and subsidiary cases that the comparison was made in two stages, allowing to abstract generalizable features within the same context first, and then generalizable features of the phenomena itself.

The decision to use core and subsidiary cases was taken after the first fieldwork was conducted in Colombia, during the summer of 2015. The fieldwork was conducted in two different stages per region, an initial exploratory phase where the strategies of regional cooperation and its main actors were identified, followed by the data collection phase. During this first stage it became evident that several –and smaller- strategies of regional cooperation were taking place in the Coffee Region, and despite its smaller size, to include them in the analysis would provide richer empirical evidence. Core cases were selected because of their bigger size and longer temporal trajectory, and subsidiary cases in accordance to more practical issues related to the accessibility to the main actors and secondary data. Core cases remained as the main providers of data because of its size, number and diversity of actors involved and more tangible evidence of its implications on local and regional development. Subsidiary cases served as instruments to generate an overall understanding of regional cooperation in each region. These provided rich insights on the influence of the local context and institutions on regional cooperation creation and establishment regardless of the type of agreement, and some clues on the general construction of local and regional development through cooperative work. Core cases provided rich and insightful data on the process of creating and establishing regional cooperation that could be contrasted with subsidiary cases to attain generalizable features. These also provided a deeper understanding of the local context, institutional environment and multi-scalar relationships of regional cooperation, as well as the influence in local and regional development. Using a core and subsidiary cases approach allowed for a deeper

understanding of the phenomena at different scales (in terms of size and scope), and a more insightful understanding of regional cooperation at the regional level when combined.

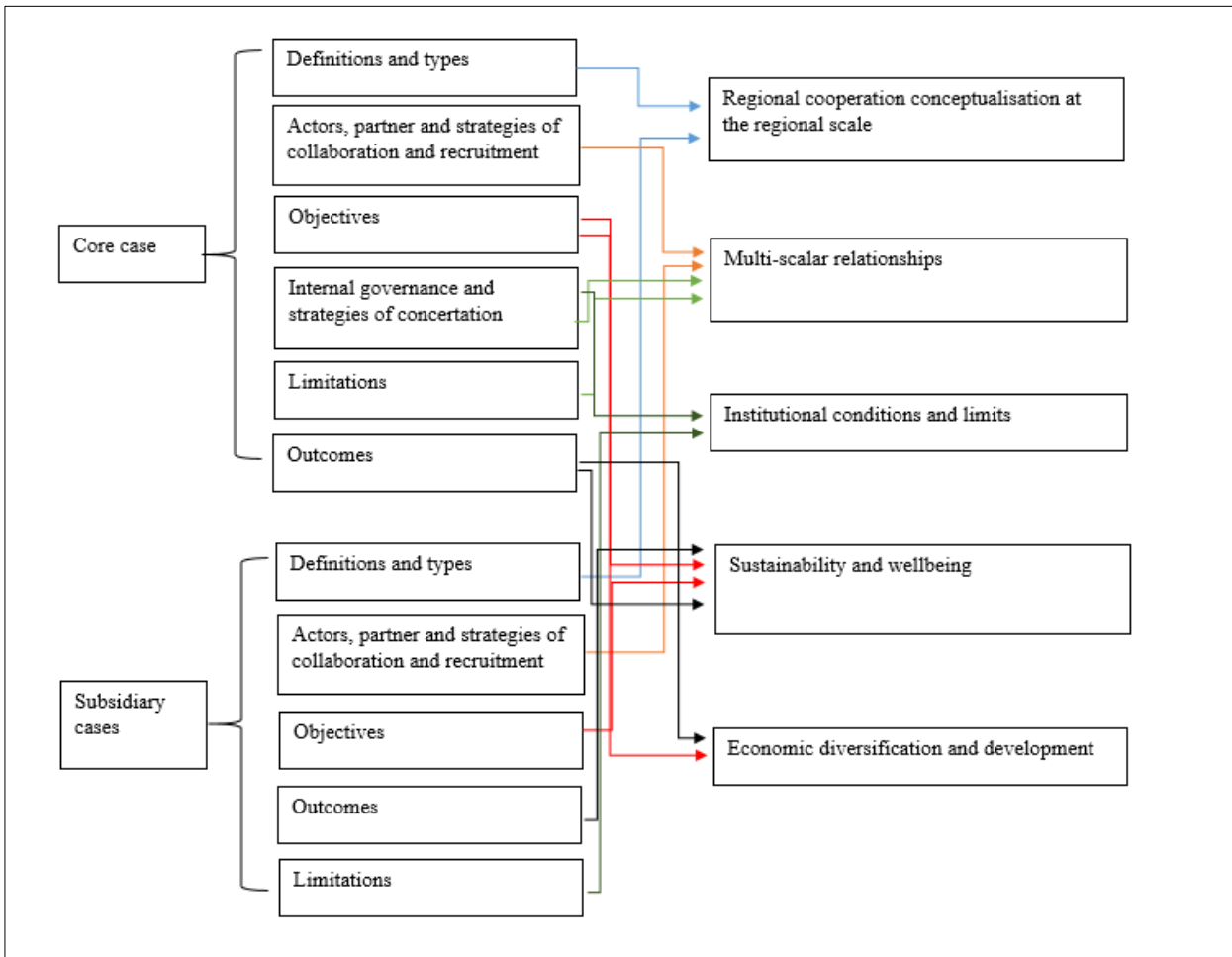


Figure 3.1 In-case comparison framework
Source: author

Core cases represent alternative forms of regional cooperation, and their evolution and longer temporality are crucial to understand the establishment, evolution, adaptation and implications of regional cooperation processes. However, as this research attempted to explore regional cooperation as a generic bottom-up process, to include subsidiary cases and a comparative analysis in two stages provided more evidence to extract general insights on the process.

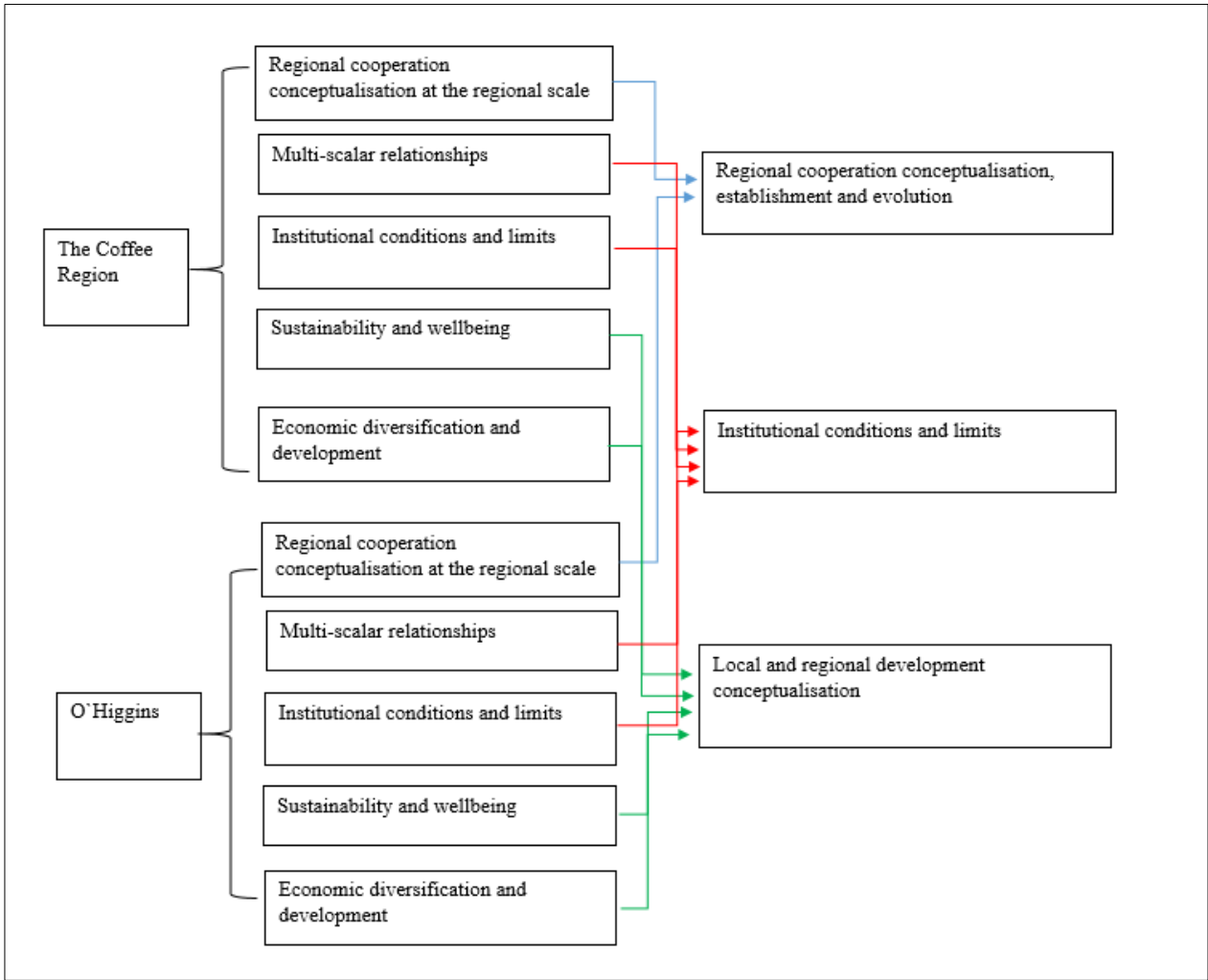


Figure 3.2 Cross-case comparison framework
 Source: author

3.3.3. Selection of cases

As mentioned in section 3.2, this research was initially conceived as phenomenon-driven due to the observations and previous analysis done in the Coffee Region. Thus, one of the regions was selected prior to the literature review, as it was considered sufficiently relevant, yet unexplored with regard to the phenomenon of interest. The second region was selected by following an informed oriented selection approach looking for most similar cases (see Gerring, 2007; George and Bennett, 2005; Seawright and Gerring, 2008). In this sense, the second region must have had current cooperation processes from a different type, in order to focus the analysis in the process rather than in the form, but share socio-economic, institutional and political conditions, in order to assure that the comparison was done over two rather similar contexts (see table 3.1). To find regional cooperation processes of different types was vital because what is more relevant is to explain regional cooperation as a process irrespective of the form it takes, as the focus was set on the

process and its practice rather than its outcomes and types (see table 1 below). However, it is important to highlight that the similarities do not have to be concrete, those can be extrapolated to major levels of abstraction (Ragin, 1987). In other words, one can identify the presence of a historical shock as a commonality, rather than a very specific kind of event (e.g. an earthquake), or the presence of specific kinds of actors participating in the cooperation scheme (e.g. local governors or guilds' representatives).

Table 3.1 Characterisation of regions in terms of the research needs.

Common aspects	Regions located in Latin American countries
	Regions in countries with a centralised government
	Regions where rural areas and agricultural production play a key role in regional economy
	Uneven development and marked inequality between urban and rural population
	Cooperation processes focused on economic, environmental, and/or cultural issues
	Cooperation processes organised around one (or more) commodities
Different aspect	Dissimilar forms of regional cooperation

Source: Author

Other types of quantitative variables were not of particular relevance. Regarding the number of inhabitants per region, a moderate variation did not affect the analysis, as the main contributions of this research are aimed to explain how cooperation works, evolves and influences local and regional development, but not to provide insights in its quantitative impact. A similar appreciation for the national wealth indicators was applied, as long as the variation was moderate (in between upper middle income – high income). What was more relevant for the analysis was to understand if local autonomy and agency facilitated or limited regional cooperation, instead of explaining causal relation between national GDP and local capacities.

Following the criteria summarised in table 3.1 above, O'Higgins in Chile was selected as the second region, after considering four other possibilities². Beyond its location in Latin America, Chile has also a centralised form of government that is intending to decentralise after the Pinochet's dictatorship. O'Higgins in particular, similar to the Coffee Region, is a region of average income and economic growth, which is dependent on extractive economies, with high levels of inequality that are more evident when comparing urban and rural population (see chapter 4 for a more detailed contextualisation). In addition, O'Higgins has one core strategy of regional cooperation that, as in

² Mendoza-San Juan in Argentina, the Salmon Cluster and traditional fisheries in Valdivia, Chile, *Paisaje Agavero* in Mexico, and Tarapoto-San Martin in Peru.

the Coffee Region, did not exactly fit the listed categories found in the regional cooperation literature, yet has a long trajectory and clearer implications on local and regional development. In addition, the region also has several smaller strategies that could be included as subsidiary cases.

As mentioned previously, once the regions were selected, the fieldwork was conducted in two stages per region (although due to time and budget limitations, both stages were conducted during the same trip). First, an exploratory stage, followed by the data collection stage. The cases identified during stage one in each region, and are described in table 3.2 below³.

Table 3.2 Cases, general characteristics

	Name	Location	Type	Year of creation	Purpose
Core cases	Coffee Cultural Landscape CCLC	Coffee Region - Colombia	Mixed agreement	1995	To protect the cultural legacy derived from coffee production, to protect natural resources, and to diversify economic activities
	Cooperativa campesina Coopeumo	O'Higgins region - Chile	Cooperative of <i>campesinos</i>	1969	To increase members production and profit
Subsidiary cases	Andes range municipalities association	Coffee Region - Colombia	Inter-municipal cooperation	2011	To provide gas service
	Pijao <i>Cittaslow</i>	Coffee Region - Colombia	Non-profit organisation	2006	To influence local policy in establishing an alternative development model
	Colchagua Valley	O'Higgins region - Chile	Trade association of wineries	1996	To establish and protect the origin denomination, to advertise member's wine and tourist services, and to increase its members profit
	San Vicente Chamber of Tourism	O'Higgins region - Chile	Trade association of tourist services providers	2013	To improve the tourist services and increase its members profit

Source: author

3.4. Data collection

The methodological approach used, plus the multiplicity of scales, actors and institutions involved, was better covered with the use of several strategies for qualitative data collection and from

³ See chapter 4 for a more detailed explanation and contextualisation of each case.

multiple sources. A multiplicity of methods were needed to facilitate the recognition of causal mechanisms, and to identify different manifestations of the same phenomenon (see Gerring, 2007). Indeed, due to the methodological decisions, the lack of academic research about the selected cases, and the multiplicity of regional variables and scales that play a role in regional cooperation, data collection strategies were focused on qualitative primary data through in situ research (semi-structured interviews and observation), although qualitative secondary data was also used. The emphasis on qualitative methods was crucial, as it was needed to analyse data within a contextual approach, without losing sight of the influence of local and regional particularities in shaping different aspects of the regional life (Yeung, 2003). Crucial factors for this research, such as social, cultural, economic and institutional aspects, are shaped, generated and influenced across time and space (Yeung, 2003).

3.4.1. Collection strategies

This research utilised both primary and secondary data. By combining primary and secondary data, the research validity was improved and any potential bias reduced. It is argued that over relying on primary data obtained from interviews only, makes the research susceptible to the interviewees' assumptions, positions or interpretations or incomplete data due to containment by the social structures where they belong (Yeung, 1997; Silvermann, 2001). In addition, some relevant quantitative information, mainly contextual data on socio-economic indicators, was not accessible through interviews alone. Analysing secondary data served several purposes. First, it allowed for a significant understanding of the socio-economic and political conditions of the regions. This secondary data of data was obtained from official sources and governments databases. International organisations such as UNDP, FAO, and the OECD have produced several reports at the national level, and some more specific documents such as UNDP regional report on the Coffee Region's development challenges (2004), or OECD territorial reviews on Chilean regions' economic development (2009). On the other hand, national official organisations provide general data on regional GDP, employment, population and economic activities. Second, it helped to understand the formal institutional environment, especially concerning decentralisation policies and regional cooperation regulations, which allowed or limited regional cooperation. This type of secondary data was obtained from national legislation on territorial organisation, territorial competences and territorial finances. Third, it helped to understand the development model pursued from the national and local governments, and to contrast it with the model pursued by the cases. This data was obtained from policy documents produced by the national and the local governments, in particular

the Development or Government plans. Finally, as an additional source of data were regional newspapers. These served to contrast primary data with the way local media portrays the social impact of regional cooperation. Secondary data was categorised as showed in table 3.3 below.

Table 3.3 Categories of secondary data

Category	Description
Legislation, all hierarchies	To collect information about territorial organisation, land use, territorial competences and finances
Policy documents	To collect information about local government plans, development goals, and information directly related to the cooperation strategy (such as the composition and regulations)
Reports from public organisations	Regional diagnoses to inform the regional context
Local and national news	Provided additional information on the relevance of the cases at the local level and for the general public

Source: author

The principal primary data collection method was semi-structured interviews. The fieldwork was conducted during the summer of 2015 in the Coffee Region, and the spring of 2016 in O’Higgins, for about three months in each region. As mentioned above, although previous research was done in each region, the fieldwork started with an exploratory phase, which was used to identify the most relevant cases to study. This was immediately followed by conducting interviews, which assisted in highlighting relevant local events, resulting in participation in informal meetings with locals (of especial relevance in Chile, country that I was visiting for the first time). To gain access was a different experience in both regions. While I was both, a local and an observer in the Coffee Region, the access was facilitated by first, my personal knowledge of the region and my understanding of the culture of its inhabitants. Second, through my own personal contacts such as family and friends who lived in the region I was able to access participants. However, the experience was different in O’Higgins. To gain access I was assisted by a teacher from the local school, who provided me with the accommodation (Peumo is a very small town with limited accommodation for temporary residents), and introduced me to a number of participants and gatekeepers. Living and sharing everyday experiences with my host and her social circle gave me a deeper understanding of the social, economic, and political conditions on the region (all of this collected in fieldwork notes), and taught me the language differences of Spanish spoken in Chile, facilitating my communication with the interviewees.

Informants were selected by identifying the sectors involved in the cases: developers, local government`s representatives, main industries/economic activities representatives, and experts (see table 3.4).

Table 3.4 Categories of interviewees

Category	Description
Professionals from the public sector, local level (9 interviews)	Local government representatives` interviews illustrated the role of the local governments in the cases; how they are related to the national level, decision-making processes and rationales for implementing a cooperative process
Professionals from the public sector, national level (5 interviews)	Professionals from the national level involved in the cases. These interviews illustrated the relationship between the national and local levels, and the influence of the national level on regional cooperation
Private sector (9 interviews including a few <i>campesinos</i>)	Representatives from the most salient economic activities that illustrated the rationales and outcomes of cooperation within each sector and its participation in the process
Leaders and active participants of regional cooperation processes (12 interviews including a few <i>campesinos</i>)	Promoters and professionals who provided information about the design and implementation process, including experts who provided a critical perspective
Civic sector (2 interviews)	Organised institutions not necessarily part of the cases but impacted by them

Source: author

Thirty-seven interviews were conducted, 19 in the Coffee Region, and 18 in O`Higgins (see table 3.5). The interviews allowed me to understand the context in which regional cooperation was created, evolved and practiced. The interviews were particularly important to obtain a critical perspective on the cases and obtain information on data that was not publicly accessible. This includes soft institutions, decision-making processes, and the practicalities of the implementation and the establishment of regional cooperation. The interviewees were selected and approached by, first, researching the cooperation strategies, public agencies and municipalities` official web pages and later using the snowball method. The first contact was made through email and telephone, and later, once in the field, through recommendations from other people who live in the region or other interviewees. When neither of the emails, calls or recommendations were successful, I approached some interviewees directly by visiting their offices or work places. This was used mainly to obtain interviews from the *campesinos*, the mayor of one of the municipalities (who happened to be at the

town`s main square and agreed immediately to be interviewed), and other public officials who never replied my emails or calls.

Table 3.5 List of interviewees

	Coffee Region		O'Higgins
Local public level	CAR Planning director, Quindío	Local public level	Productivity Promotion profesional, Peumo
	Planning director, Risaralda		San Vicente's City Council member and head of Cachapoal's cabinet
	Planning office professional, Caldas	Civic sector	Community leader, former mayor
	Planning director, Armenia	Cooperation strategies	Manager (two different interviews)
	Salento's mayor		Coopeumo Social director (two different interviews)
	Salamina's tourism office director		Coopeumo partner and vice-president
	Armenia's mayor candidate (mayor for the period 2016-2019)		INDAP regional consultant body president
Civic sector	Coffee growers' association leader	Colchagua Valley manager	
Cooperation strategies	CCLC Tourism project manager	Private sector	San Vicente Chamber of Tourism president
	CCLC Academic and board member		Farmer and Coopeumo partner
	CCLC Academic and board member		Farmer- no member
	Citta-slow manager		Farmer-no member
	Pijao's mayor	National public level	Farmer and Coopeumo member
Private sector	Artisans association president, Salamina		Prochile, head of the fruits sector for O'Higgins
	Coffee grower		Prochile, head of the wine sector for O'Higgins
	Coffee grower		Economy Ministry, professional of the asociativism and social economy division
	Chamber of Commerce representative	Economy Ministry, head of the asociativism and social economy division	

	Academic	
National public level	Congressman	

Interviews were conducted following different strategies in accordance to the participant`s category (see table 3.5) and the place where the interview was conducted. Most of the interviews were done in the participant`s place of work (official building`s offices, universities and farms), while few others were done in coffee shops. Interviews in offices and coffee shops followed a traditional scheme of question-answer-recording, but interviews in farms with *campesinos* were conducted with the format of walking interviews, following a route determined by the interviewee. I evidenced two main advantages when taking this interviewing strategy. First, it helped the participants to feel more comfortable with me, and less intimidated with the recordings and the university paperwork. Most of the *campesinos* I interviewed had no similar experience with interviews, nor with academic research. To focus on their farms, their production and agricultural methods, I rapidly deviated the attention from what was making them uncomfortable and helped the conversation to flow better. Second, the data provided by the walking interviews was more place-specific, allowing me to understand the stories and answers in the exact place these develop, and to connect the participants with their local environment (see Evans and Jones, 2011).

Another primary data collection method used was observation. This method was used in a more opportunistic way, meaning that I was attending meetings and debates, as they were available for the public. I also had the chance to observe a *campesinos* demonstration in the Coffee Region, and gatherings that spontaneously occurred in informal settings (see appendix 1 for more details on observation data). These gave me a deeper understanding of the environment in which regional cooperation was occurring, even in the Coffee Region, place that I knew well by that time. Indeed, while observation allowed me to understand better the political and social context in O`Higgins, it gave me more reliable data for the Coffee Region`s current socio political context, undermining potential bias based on my previous knowledge.

3.4.2. Data analysis

In terms of data storage and management, I used NVIVO. It allowed me to gather all the data, regardless of its format, in the same place, facilitating its manipulation and coding. Thus, it served as a storage device where coding, marks, and patterns were identified and highlighted. I attended a workshop to learn about the usage and benefits of the software. Once NVIVO was installed, the first

step was to upload all the data, which included the audios of the interviews, policy documents and reports, bodies of legislation and photographs taken during the fieldwork. This allowed me to oversee all my empirical material and not to lose track of any piece of data. The second step was to transcribe the interviews directly into NVIVO. Transcribing within NVIVO has the benefit of maintaining the audio and the transcription linked as they were a single file, therefore, when extracting the codes, both the audio and written versions are easily traceable and available. This was of especial relevance during the translation process, as it made easier to compare the written with the audible version of the same quote, to procure an accurate translation of the words, meanings and emotions. Finally, I coded the data into NVIVO. Coding the data allowed me to formalise it into categories, making data management uncluttered (see Crang, 2005). Those were defined by first, using the main categories identified along the literature review, and then contrasted and complemented with the research questions and the data itself (see appendix 4 for codes). Coding within NVIVO allows gathering all the coded quotations and extract them in a single sheet, allowing an uncluttered and manageable analysis. Therefore, I had one document for each coding category, rather than diverse sources for data containing various codes. Having all the extracts for each code 'together' was beneficial because, first, the conclusions derived from the analysis accounted for all relevant material, and second, it made the comparative analysis easier to manage.

Due to the diversity of the collected data, I used methodological and theoretical triangulation (Denzin 1970, cited in Yeung 2003:455) based on the analytical framework (see figures 1,2 and 3, pages 35, 36) and the comparison framework (see figures 4 and 5, pages 45-46). Methodological triangulation was done by comparing and contrasting different sources of data (see Yeung, 2003:455-456), allowing me to understand the relations amongst it. Theoretical triangulation was done by combining different theoretical perspectives on regional cooperation and local and regional development, and including them into the data analysis.

Once the data was organised and coded, the following step was the comparative analysis. I first identified patterns, processes, actors and motivations in each case, to be analysed and compared within and through the levels and temporalities, to later analyse the similarities and differences between the cases and the regions, creating a balance between the individual details and the general systems or tendencies. A final step was to establish how each difference and similarity was related - or not- with the process of regional cooperation, and to what extent those circumstances influenced its implementation, evolution and outcomes.

The first stage of the comparative analysis identified the type of regional cooperation implemented in each core and subsidiary case within the regions, who were the actors involved, and in which scales they were located. By extracting regional common patterns on regional cooperation establishment and evolution in the core and subsidiary cases allowed to form a more general picture of what it meant to cooperate within the same socio-economic context, and what kind of relationships were relevant to regional cooperation within the same institutional context. It also highlighted the specific conditions, rationales, needs and local understanding of local and regional development that are common to the region, instead of the singular cooperation strategies. Having a more generic understanding of the general patterns and relationships identified in the analytical framework explained in the previous chapter, the cross-case comparison was facilitated by taking each region as one case, instead of attempting the analysis of several cases of diverse size at once. The second stage of the comparative analysis, therefore, included a cross-regional analysis of regional cooperation's conceptualisation and evolution, the institutional and multi-scalar relationships that emerged, and the connexion with local and regional development. This stage followed the temporary evolution of each region's economic development since the 1960's, period in which two main events marked the beginning of future cooperative processes (see context chapter for more detailed explanation of these events, and figure 1 below for the temporary evolution), until 2016 which is the year in which data collection was terminated. To identify the common patterns, the scales in which those occurred, the institutional relationships derived from them, and their temporal location, permitted to compare both cases within their own contexts but identifying similarities in the regional local economic development evolution, and extracting general insights to construct the thesis' main arguments.

There is a final aspect that need mention concerning the data analysis, and it is related to the methodological challenges of language and translation. Two challenges came with the language diversity. The first challenge is related to the projection of feelings and affections. All the primary data and most of the secondary data was collected or available in Spanish, but the biggest challenges came with the interviews. Although Spanish is my mother tongue and my English proficiency allowed for accurate translations, the feelings and affections the interviewees manifested are perhaps lost in translation. This is relevant because the ideas of cooperation and collaboration carry a strong ideological and affective relationship with history and everyday experiences for some of the participants, and these may not be evident when the quotes are presented in English. Second, the use of colloquial phrases posed a big challenge for the translation, making it more demanding with the Chilean participants, as spoken and written Spanish differ from

country to country. These colloquial phrases can be easily misinterpreted, thus their translation required extra care.

So far, this chapter has covered the epistemological and ontological approaches, methodological decisions and the steps followed to collect and analyse data. Before finalising, the next section reflects on ethical challenges faced during the study, and my positionality as a researcher.

3.5. Ethics and positionality

The first ethical challenge I had to deal with came with the positionality from where I led this project (see Kelly and Olds, 2007), especially because of my personal attachment with the Coffee Region. Indeed, it was my own curiosity for deeper understanding of the evolution and stagnation of social and economic indicators in the region, once recognised as a model to be followed in other regions of Colombia, what led the initial inception of this PhD. Although the social indicators in terms of quality of life -in most parts of the region- remain relatively high (but virtually static), the economic performance has experienced a severe decline, especially after the implementation of open markets policies (PNUD, 2004). When reviewing the region's history, two aspects caught my attention: First, the fact that the formal division of the region in three different administrative units or *departamentos* (1966), did not change the self-perception of the region as one, nor the insistence of the national government to provide data on the Coffee Region rather than of each department separately. Second, the positive impact of a strong institutional model created and implemented around the coffee production (UNDP-Colombia, 2004) mostly before 1990. These two aspects led me to consider cooperation as a plausible effective strategy to overcome regional crisis. I managed this ethical and potential bias challenge by first, developing a rigorous methodology, and second, by including a second region from a different country. In O'Higgins, on the other hand, my positionality was of an outsider. To avoid biased impressions on sensitive topics such as the dictatorship or uneven economic development, observation and interaction with different types of people, from different backgrounds and political views were crucial, as far as I was just starting to comprehend the country and its economic and political history.

The second ethical challenge was given by conducting a research where human participants are involved. This will always require an ethical reflection beyond impartiality and objectivity. Even though this research did not require an in depth analysis of sensitive aspects of participants' lives, it did depend on the collaboration of people whose knowledge and expertise were vital. Therefore, trust, guarantee of anonymity by default, and impartial use of data with strict academic purposes

was provided by using informed consent. The informed consent and the participant's information document (see appendix 2 and 3) covered aspects such as voluntary participation, transparency, anonymity and confidentiality.

3.6. Conclusions

This chapter covered the rationales behind selecting a comparative case study to conduct this research. It offered further explanation on the research needs and the methodological approaches, and outlined the practicalities of the research, including data collection strategies, data analysis and ethical issues.

Regarding the methodological approach, the multiplicity of variables, actors and context, demanded an intensive research design where different methods and data could be incorporated and combined. Comparative case studies fulfilled these requirements. Indeed, its own nature entails the use of different strategies to collect data, use multiple sources and examine social phenomenon within a real life context, allowing certain degree of flexibility and space of manoeuvre for the research, especially during the fieldwork. The use of core and subsidiary cases came while conducting the research in field. The rationale to maintain this scheme of in case and cross-cases comparison using core and subsidiary cases, is the rich information collected and the advantage of obtaining broader insights within the same region, allowing the cross-case comparison to develop amongst general features extracted at the regional level, instead of being based on the specificities of each regional cooperation strategy. The use of a comparative case study done in two stages resulted in a more reliable source for theory development.

So far, both theoretical and methodological foundations have been explained (chapters 2 and 3). The next chapter outlines the context in which regional cooperation is occurring, and provides a brief but inclusive picture of the cases.

Chapter 4: The Context for Regional Cooperation in the Coffee Region and the O'Higgins Region

4.1. Introduction

This thesis argues that regional cooperation is a process that emerges and evolves according to time and space conditions. It also argues that regional cooperation has the potential to influence local and regional development conceptualisation, while serving as an adaptive or contestation strategy in the face of top-down development models due to the failed attempts to reduce poverty and uneven development. Therefore, before entering the empirical and theoretical debates, the historical and contextual background in which the cases developed have to be described and explained. This is the purpose of this chapter. Section 4.2 describes the territories, their composition, location and position in the national public structure, highlighting decentralisation policies and the centralism of Colombian and Chilean governments. Section 4.3 describes the economic and social changes experienced by the regions since the 1960's, a decade in which important historical changes occurred in both regions, but emphasising the 1990's - 2015 period, in which neoliberal policies were implemented. Section 4.4 describes the cases, their composition, actors and objectives. The chapter concludes with concluding remarks in section 4.5.

4.2. Delimiting the regions: Jurisdictional limits and socio-economic interactions

El Eje Cafetero (the Coffee Region) in Colombia, and *la Región del Libertador Bernardo O'Higgins* (O'Higgins) in Chile are territories spatially defined by jurisdictional divisions. The Coffee Region, located in central-west Colombia (see figure 4.1), is comprised of three departments⁴ and the northern part of a fourth (Caldas, Quindío, Risaralda, and northern Valle del Cauca), and 69 municipalities (see appendix 5 for the list of municipalities). The Coffee Region is not one but four administrative units (departments) that have been informally named together under that denomination, given its shared culture and economic history. O'Higgins, located in central Chile (see figure 4.2), comprises three provinces (Cachapoal, Colchagua and Cardenal Caro) and 33 municipalities (Comunas) (see appendix 5 for the list of municipalities). While Colombia has two levels of territorial organisation: departments and municipalities (the latter are contained in the former), Chile has three levels: regions, provinces and municipalities (regions contain provinces, and provinces contain municipalities).

⁴ Administrative and jurisdictional territorial division. Colombia is divided in 32 departments.

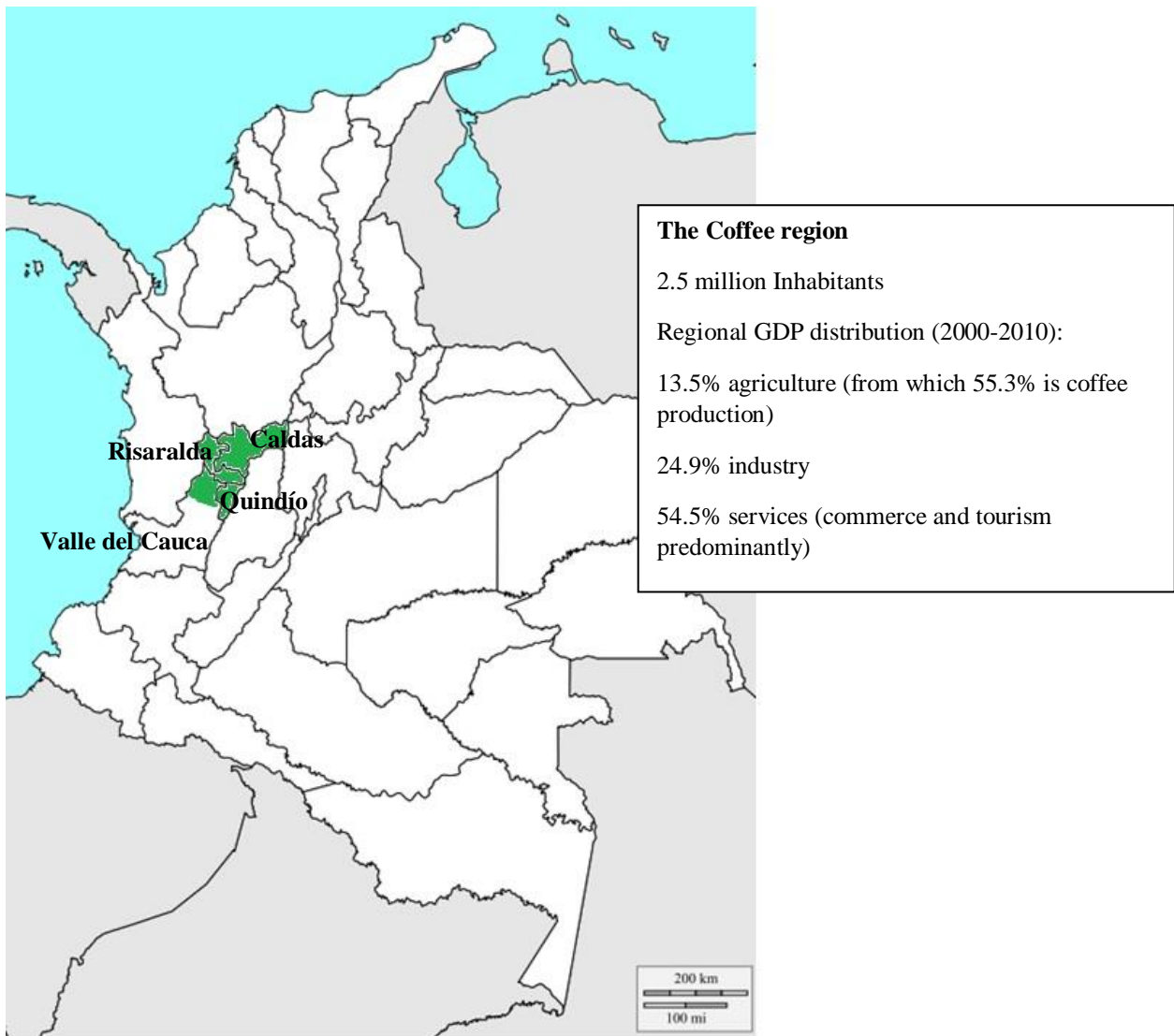


Figure 4.1 Coffee Region location (in green).

Source: d-maps.com <http://d-maps.com/m/america/colombia/colombie/colombie19.pdf>

4.2.1. Political-administrative organisation

Colombia is a Presidential, unitary and decentralised republic (Colombian Constitution, art. 1), divided in departments and municipalities. These hold limited administrative, fiscal and political autonomy (see Ramírez *et al*, 2014; Cortes and Vargas, 2012). Departments contain municipalities, have their own elected authorities (Governor and Departmental Assembly), administrative and coordination powers, and play the role of intermediaries between its municipalities and the nation (Colombian Constitution, art. 298). Municipalities are the most important territorial bodies. These

have their own elected local authorities (Mayor and Council), and hold political, fiscal and administrative powers. Municipalities must provide public services and infrastructure; define land uses; and are in charge of the social and cultural improvement in their territories (Colombian Constitution, art. 311; Law 136-1994).



Figure 4.2 O'Higgins location (in green)

Source: d-maps.com http://d-maps.com/carte.php?num_car=181104&lang=es

Chile is also a Presidential, unitary and decentralised republic (Chilean Constitution, art. 3), divided into regions, provinces and municipalities. Regions are the biggest and most important territorial units, these are governed by a President's delegate (*Intendente*) and a regional council integrated by elected councillors⁵. Regions are in charge of the social, cultural and economic development, guided by national policies and programs. Provinces are smaller levels of administrative organisation, these are directed by a governor who is also designated by the President, and whose attributes are deconcentrated from the *Intendente's* functions. Municipalities or *Comunas* are governed by elected mayors and councillors, and are in charge of the social development of their territories (Chilean Constitution, Chapter XIII). In contrast to the Colombian structure, where each department and municipality is organised following the nation's administrative organisation model, in Chile each region has a branch of the national Ministries and Public Services, while provinces and municipalities have a smaller structure organised in divisions in order to facilitate administrative purposes (see figure 4.3 below). Both countries have a centralised form of government and a paternalistic scheme inherited from the Spanish colonial times. Whether because of low local capacities or tight legislation, it is usually acknowledged that the local level has little room for manoeuvre (see Ramírez *el al*, 2014; Cortes and Vargas, 2012; Kent, 2004; Palma, 2009).

4.2.2. Decentralisation policies – overview

In the 1980's, while Chile was going through a state downsizing process and pioneering in the consolidation of neoliberal policies (Ostry *el al*, 2016) under the dictatorship of Augusto Pinochet, Colombia's decentralisation process was just beginning to be discussed in the midst of an armed internal conflict which started in the 1960's.

The Colombian devolution process was ratified through the National Constitution enacted in 1991 (Maldonado, 2001). It aimed to improve public services` provision, reduce poverty and reduce inequality (Ramírez *el al.*, 2014). Within all the amendments, the popular election of mayors and governors; the devolution of powers in education, health, drinking water and basic sanitation services; and a significant increment of financial resources transferred to the territorial bodies, are the most substantial changes in terms of local autonomy and self-government (Maldonado, 2001). During the same period (1990's), Chile was celebrating the end of 17 years of dictatorial and military government. As a result, in terms of the nation's structure, the strong centralised and

⁵ Councils were designated by the municipal councillors until 2013, when the first elections for regional councils took place due to a legal modification (Law 20.678).

hierarchical structure of the Chilean state (Ominami, 2011) began to be challenged. A first step taken during the first democratic presidential period after the dictatorship (1990-1994), was the decentralisation of the municipal level. This reform comprised the election of mayors by public vote, and granted municipalities with a certain degree of autonomy (Law 18.695). However, Chile is still ruled by a Constitution enacted in 1981⁶, and the reforms required to decentralise and modernise the state have been done through a series of constitutional reforms focused on strengthening democracy rather than devolving powers. However, following the first steps towards decentralisation, reforms regarding democratic election of regional councils, which grants a little more autonomy to the regional government (Velásquez-Forte, 2013), and the continuation of the regionalisation process (to create regions along the country) have been set in place.

Colombian local authorities are responsible for education, health, drinking water, basic sanitation, poverty reduction, and the design and implementation of the development plans. These documents, created by the governors and mayors respectively, address the development policies to be implemented during the administrative period (4 years). Development plans have to be approved by the assembly/council. They comprise policies and programmes regarding economic, social and environmental development, in accordance to the constitution, existing laws, availability of resources, and the National Development Plan (Law 152, 1994). In the same line, Chilean *Intendentes* and mayors produce a regional or municipal development plan for each administrative period, following the guidelines given in the National Development Plan. These documents have to be approved by the regional or city council (Law 18.695, Law 19.175).

‘Colombia is regions. Achieving local autonomy is extreme urgency (...) we don’t even have an effective checks and balances system, what we have is a highly centralised government with the executive at the top’ (Int10- Congressman, Armenia, Col. 2015).

⁶ Debates and plans to replace the dictatorship’s Constitution began in 2015. The reform mechanism and the formal process of reform will take place once the new Parliament is elected in November 2017.

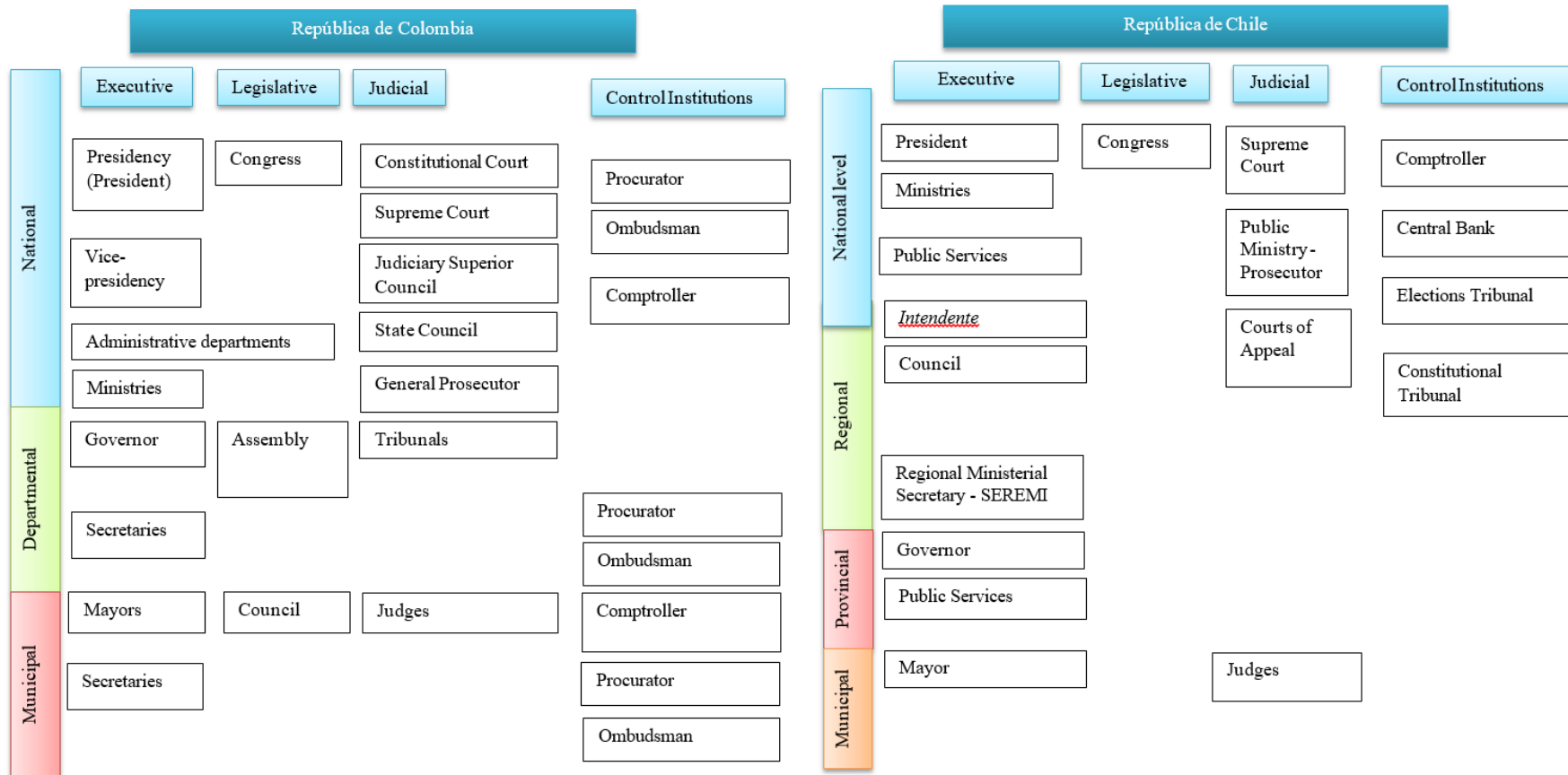


Figure 4.3 Colombian and Chilean public structure.

Source: author, based on National Constitution of Colombia (1991) and National Constitution of Chile (1980)

Colombia has been recognised as the country that has achieved an advanced level of decentralisation in Latin America (Fretes-Cibils & Ter-Minassian, 2015), apart from the Federal governments of Mexico, Brazil and Argentina. However, these policies are still far from achieving their ambitious purpose. Inequality endures amongst Colombian regions, public services coverage remains under 100% in most cases, and low institutional and financial capacity remains (Ramírez *et al.*, 2014), and this is partly explained by the conditionality of local financial resources. Colombian territorial units can have their own financial resources taken from local taxation, profits from services provisioned or public goods. However, the biggest part of local finances comes from the national government, via transfers made through the General Participatory System (SGP)⁷, co-financing systems and the General Royalties System (SGR)⁸. Most of these resources come with predefined destinations settled by the national government. Departments and municipalities receive around 40% of the national current revenues, obtain financial resources from mining and oil royalties and execute approximately the 64% of national investment (Maldonado, 2011:1). In addition, territorial units can access loans via international public or private institutions, and funds from international cooperation, but accessing these resources depends mainly on the local institutional capacity.

Apart from the sectorial rather than territorial logic applied to distribute financial resources, the case in Chile is not different. Territorial finances depend on the ministries and governmental agencies' budget assignments, whom territorially allocate budget for their regional branches. Municipalities receive transfers by the regional government, the Communal Shared Fund⁹ (FCM) and a few local taxes (art. 111 Chilean National Constitution; law 18.695). Regions also have access to funds from the National Fund for Regional Development¹⁰ (FNDR) (Law 19.175).

⁷ *Sistema General de Participaciones*. It is the management system for general purpose intergovernmental fiscal transfers.

⁸ *Sistema General de Regalías*. It is the management system to distribute royalties amongst all territorial units.

⁹ *Fondo Común Municipal*, managed by the Ministry of Internal Affairs, is municipalities' main financial source. It consists in the redistribution of municipalities' own income.

¹⁰ *Fondo Nacional de Desarrollo Regional*, part of the Ministry of Internal Affairs, allocates budget for regions.

4.3. Economic and social change

Colombia and Chile have a centralised form of government and regional inequality. Both are countries with alarming levels of inequality, regionally (Latin America) and globally.

Measured in the GINI index, Chile scores 50.5 and Colombia 53.5 for the 2011-2015 period (World Bank, no date). Regional inequality is evident, despite the continuous (although modest) economic growth both countries have experienced in recent years.

Their economic and social changes cannot be accounted for without considering the neoliberal shift that occurred in Latin America. Due to failed development policies, the promise of ‘development’ was set on free markets and economic liberalisation (MacKinnon and Cumbers, 2011; Potter *et al.*, 2008; Willis, 2005). Neoliberalism is supported by the ideas of open transnational markets, industries and services privatisation, and public sector reduction (Jessop, 2002). The shift towards neoliberalism began in the Global North through economic and trade alliances, and the creation of international organisations such as the International Monetary Fund (IMF), the World Trade Organisation (WTO) and the World Bank (WB) (Dicken, 2011). Meanwhile, countries of the Global South were struggling with their dependence on international aid and the decline of their local industry (Dicken, 2011). During the 1980’s, period known as the Lost Decade, Global South countries experienced high rates of external debt and hyperinflationary economies. In 1983, the international community began to speak about a debt crisis, after Mexico’s default on its external debt. Latin American and African countries owed large sums to banks in the United States, Europe and Japan, and were compelled to allocate a significant percentage of their GDP to cover the debt (Corbridge, 2008). In addition, the large amounts of oil bills and the strengthened US Dollar that followed the creation of the Organisation of the Petroleum Exporting Countries (OPEC), posed additional challenges (González-Molina, 2012). It is during this period when neoliberal policies were rapidly implemented in the Global South, following the IMF and WB recommendations. Neoliberal policies were exported to the Global South through the IMF and the WB. These organisations promoted SAPs, which included cuts in public expenditure and a reduction of the state’s intervention in the economy (Simon, 2008:87). To accept these measures it ‘became a prerequisite for obtaining financial support. (...) This economic

conditionality was complemented in 1990 by political conditionality, the prerequisite imposed by the British and other donor governments for so-called ‘good governance’ as well as approved economic policies’ (Simon, 2008:88). Later, and following the Washington Consensus instructions (deregulation of international trade and free capital mobility), Global South countries, especially Latin American countries, continued their transition to a neoliberal economy (Franco, 1996, González-Molina, 2012), by privatising public goods, deregulating international trade and freeing capital mobility (González-molina, 2012).

Pinochet’s Chile was the first neoliberal laboratory in which the Chicago boys’ economic advice could be fully installed and backed by a repressive military dictatorship (see Taylor, 2002; Tinsman, 2004). Colombia formally started its economic and social policy changes later in 1990, following the IMF’s economic advice in the midst of one of its internal conflict’s most violent period, drug trafficking and the war on drugs, and the rapid emergence of right wing illegal armed groups known as *Paramilitares*. In spite of these –and many other- contextual features, the Washington Consensus promoted Neoliberalism in Latin America as a standardised economic and social policy, with Chile as the example to follow (see Stiglitz, 2002; Jessop, 2002). The consequences of these shifts were strongly felt in the Coffee Region and O’Higgins.

4.3.1. The Coffee Region

Traditionally, the Coffee Region’s main economic activity has been agriculture, and coffee its main commodity. Opposite to other cases of agricultural exploitation, coffee production is mainly undertaken by *campesinos* and small landowners with no more than one hectare of cultivation (Toro-Zuluaga, 2004). The dependency on coffee production and trade has resulted in a cyclic economy, especially since the second half of the 20th century. From the mid 1940’s to the mid 1980’s, international coffee prices were above US\$2 per pound, and reached peaks of US\$7 (Toro-Zuluaga, 2004), bringing rapid economic growth and general wellbeing. During this period, the region was regarded as a successful example of territorial development in the country, and it has almost escaped –or rather ignored- the worst consequences of the internal conflict (Toro-Zuluaga, 2004). During these years, the National

Coffee Growers Federation (FNC¹¹) took the role of a parallel state, investing in education centres for rural population, roads, electricity, sanitation, improving wellbeing and facilitating coffee production. Established in 1927, FNC is in charge of managing diplomacy and public policy concerning coffee production. Financially, FNC is sustained by sales of coffee, the profit of its coffee shops (called Juan Valdez), the royalties for its trademark use, and the contribution each coffee grower is obliged to pay (*cuota cafetera*). However, to understand the extent of the role played by FNC in the Coffee Region, it is needed to consider that ‘during the last 25 years of the 20th century, they paved 2000 km of rural roads, built 1000 public schools and electrified the 95% of the region’ (Toro-Zuluaga, 2004:130). High prices of coffee in the international markets (mainly United States and Germany), facilitated the investments made by FNC and resulted in successful social and economic indicators when compared with the average of the country. While Latin America was passing through the ‘lost decade’, the Coffee Region was passing through a coffee bonanza. The region was acknowledged as one of the most prosperous regions in Colombia by that time (PNUD, 2004).

Known as El Viejo Caldas, the Coffee Region (excluding northern Valle del Cauca) was a single department until 1966. However, it was divided in three departments due to Armenia local politicians’ efforts to gain more autonomy (PNUD, 2004). This jurisdictional division was followed by a period known as *la bonanza cafetera* (1970’s – mid 1980’s), when international prices of coffee reached their highest rates (average of US\$159.6 per 453.6gr¹²), mainly due to protective measures implemented through the International Coffee Agreement. This agreement allowed producing countries to regulate coffee production and prices by setting production quotas and control the offer, so high prices were guaranteed. However, following a meeting held in London in July 1989, and after almost 30 years of implementation, the agreement was terminated (see Lopera, 1993) and coffee production and trade was now regulated by the free market. What followed was a significant decrease of international prices, reaching a low of \$73.7USD per export unit (1992-1993), which was

¹¹ FNC was established in 1927 as a private non-profit organisation, as a campesinos initiative to organise themselves, to contribute in improving their own wellbeing and to become representatives of the sector at the national and international level (FNC, n.d.). FNC has become a strong organisation, managing and advising coffee diplomacy and policy (Toro-Zuluaga, 2004).

¹² 453.6gr is the weight of each export unit.

translated into a significantly negative effect in the regional economy. Low international coffee prices, plus an international economic crisis, high interest rates, and commodities at low prices, resulted in a deceleration of all economic sectors (CEPAL, 1999, PNUD, 2004).

During the same period (1990's), Colombia started to rapidly implement neoliberal policies, through a process known as *la Apertura Económica*. It consisted of 'liberalise trade (...), liberalise foreign exchange transactions, eliminate all restrictions to foreign direct investment, reform the labour code (in order to make labour more flexible) and the social security system, to allow private investment in an area traditionally reserved for the state' (Zapata, 2011:39). These reforms worsened the economic and social conditions in the Coffee Region, to the point that the 1992-2003 period is called 'the Lost Decade' (Arango-Gaviria, 2008).

In January 1999, a 6.8 earthquake (Richter scale) hit the region, severely affecting the Coffee Region, but mainly Quindío. According to the CEPAL report (CEPAL, 1999), most of the damages were related to human victims (1,185 fatalities and 8,523 wounded) and urban infrastructure (79,500 affected houses: 43,500 partial damages, 36,000 destroyed or uninhabitable). Although the region was already in a phase of economic decline, the relative wellbeing that remained (measured in good connectivity, education and infrastructure), had hidden social problems, inequality, unemployment, migration and armed conflict, especially regarding the effects of forced displacement¹³. However, those circumstances became evident, and worsened, after the natural disaster (CEPAL, 1999). Today the Coffee Region has one of the highest levels of unemployment (DANEa, no date) and drug addiction (SIDEc, no date) in Colombia.

In summary, the rapid implementation of neoliberal economic policies, the instability of the coffee prices and Colombian currency (pesos), the destruction of infrastructure, social and family bonds in the earthquake; and more recently, the proven impacts of climate change on the region, have resulted in a stagnated economic development. These circumstances, plus the low regional resilience to face a globalised economy (Arango-Gaviria, 2008; PNUD, 2004), have forced a shift in the regional economy, but these attempts remain nascent. Since the

¹³ The Coffee region has been a main recipient of displaced population (PNUD, 2004; Toro-Zuluaga, 2004)

beginning of 2000's, the region has attempted to consolidate the service sector, mainly tourism and commerce (Valencia-Valencia *el al.*, 2013), while agriculture has decreased its participation in the regional economy. In recent times, the services sector represents 54% of the regional GDP, the industrial sector represents 24.5%, and the primary or natural resources sector the remaining 13.6% (2010 data) (Valencia-Valencia, *el al.*, 2013). The economic sector that is growing at the fastest rate is rural tourism, which started to replace coffee production by maintaining its infrastructure as part of the tourist offer. This shift was initiated by private initiative, coffee entrepreneurs who found in tourism an alternative to increase their profit still using their own coffee production infrastructure (CEPAL, 1999).

4.3.2. O'Higgins

Traditionally, O'Higgins has concentrated its economic activities on mining (copper) and agriculture, making it very vulnerable to international commodities' prices variability (National trade public organisation professional 1, 2016). Although the region has an advanced industrial development when compared to the Coffee Region (mostly related to the agro-industry and wine sector) (Ortega-Melo, 2006), its proximity to Santiago de Chile has prevented the diversification of its industrial development, which remains mainly based on agro-industry and processed food production (Head of associations and cooperatives division, Ministry of Economy, 2016). For the last 30 years, agriculture and mining have had an important participation in the regional gross product (Ortega-Melo, 2006; IER, no date).

Chilean economic history can be clearly divided between before and after the military coup of 1973. Before the coup, the economy was driven by interventionist policies, with the national state managing directly some economic activities, including mining (Villalobos, 2003). During this period, precarious social and labour conditions of campesinos were well-known and prompted an agrarian reform. Rural areas were replete with unexploited fields, campesinos labour was poorly paid and labour rights were virtually non-existent (Villalobos, 2006; Civic leader and Coopeumo founder, 2016; Coopeumo manager, 2016). Under these conditions, groups of *campesinos* forcedly occupied unexploited fields, demanding its expropriation and redistribution amongst rural workers without property. The agrarian reform process began in the presidential period of 1964-1970 (Eduardo Frei Montalva), and

consolidated in 1967 with the Expropriations Law (Villalobos, 2006; FAO, 2012). This reform had a great impact in O'Higgins, as most of its population were *campesinos* with no access to rural property, making them beneficiaries and later property owners. However, the reform was not accompanied with financial or technical support, and many beneficiaries were forced to sell their properties back (Civic leader and Coopeumo founder, 2016; Coopeumo manager, 2016).

In 1973, the military coup took place, and several social, economic and political changes were implemented rapidly -and violently-. In terms of economic policies, the Chilean economy passed from an interventionist state to a neoliberal economy. The state was now a subsidiary player in the national economy (Villalobos, 2006). Reforms to guarantee private property, which of course implied a stop to all actions related to the agrarian reform, entrepreneurial freedom, free market and privatisation were rapidly implemented. Chile is a pioneer of neoliberalism (Ostry *et al*, 2016; Rehner *et al*, 2016), and O'Higgins received much of the effects as the economy focused on exports, mainly copper, raw agricultural products and raw materials. If measured in terms of economic growth only, O'Higgins had a positive impact, as more relaxed regulations allowed growth in copper export, but making it highly vulnerable to price's fluctuations. The situation changes if regarded in terms of social and political conditions (National trade public organisation professional 1, 2016; National trade public organisation professional 2, 2016; Coopeumo manager, 2016). In 1982, a fixed US Dollar currency exchange, increased loans and excessive economic freedom prompted an economic crisis. Unemployment reached 30% (Villalobos, 2006), and *campesinos* labour, social, and economic conditions worsened. Meanwhile, the Chilean government was consolidating commercial relations with the United States and Europe. Beyond the economic crisis of the 1980's, Chile showed positive numbers in economic growth indicators. However, this economic model has mainly favoured larger producers, and left *campesinos* in hazardous situations. Stronger competition, stricter requirements for production and commercialisation, and the constant need for innovation, have left small producers out of the economic game (FAO, 2012; Civic leader and Coopeumo founder, 2016; Coopeumo manager, 2016).

Despite its agricultural focus, O'Higgins population is mostly urban (70.7%) (Conicyt, 2010). The region's natural and geographical conditions lend competitive advantages in terms of agricultural and minerals exploitation (Ortega-Melo, 2006), and a potential tourism industry that still needs to be developed. However, the variability of regional economy and the inequality amongst agricultural producers have called the attention of local and regional governments, whom have acknowledged the need of economic diversification. This, however, remains as a future project (Cachapoal provincial government representative, 2016). In February 2010, central Chile was hit by an 8.8 Richter magnitude earthquake, followed by a tsunami. The disaster led to 562 fatalities and 2,671.556 inhabitants affected in the country (EM-DAT, no date). O'Higgins was one of the most affected regions. 12.2% of the households were destroyed or suffered a major damage. The rural and poorest population were the most affected (Polanco, 2012; Coopeumo social director and founder, 2016).

Both regions have cyclic economies, strongly dependent on international commodities prices and national governments transfers. As a result, inequality remains unsolved and it is striking when looking at rural populations, especially *campesinos* whom have been historically marginalised and do not have sufficient resources to enter the globalised economy.

4.4. Processes of regional cooperation

The previous context is one of the most appropriate spaces to imagine and create alternative economies and development strategies. If people are left out of the market and have no sufficient guarantees from national or local governments, bottom-up development strategies emerge (Sarria, 2002) as a response to inequality and segregation. It is under this premise that core cases of regional cooperation processes in the Coffee Region and O'Higgins were established.

4.4.1. Coffee Cultural Landscape of Colombia

Coffee Cultural Landscape of Colombia (CCLC) is the core case in the Coffee Region. CCLC is an area of 141.120 hectare declared world heritage site by UNESCO, declaration that was gained and maintained due to processes of regional cooperation. CCLC is recognised as a productive landscape where economic, natural and cultural features coexist in a unique

fashion (UNESCOa, no date). It integrates 47 municipalities and 411 small villages in its principal area, and 4 municipalities and 447 small villages in its buffer area, all of them in Caldas, Quindío, Risaralda and the northern part of Valle del Cauca. These municipalities are located along the Central Andes Mountain Range, at an altitude between 800 and 1900 meters above sea level. These municipalities share economic, cultural and environmental conditions that are now formally recognised under a regional trademark. CCLC becomes a formal recognition of the close relationship between a territory and its main economic activity, and the culture and traditions derived from it (however, CCLC does not provide any type of legal recognition of the area as a jurisdictional region). Accordingly, the coffee owns its characteristics to the physical conditions of the area where it is cultivated, and the traditional modes with which it is grown, harvested, and processed (Paisaje Cultural Cafetero, 2010). It also acknowledges the role that coffee production has played in improving local development and shaping regional and national institutions. As mentioned above, coffee has been the main driver of regional economic activity and development, which has resulted not only in prosperous, yet cyclic economies that led the economic and social stagnation in the last years, but also in a unique institutional arrangement headed by the National Coffee Growers Federation and its territorial branches known as *Comités de Cafeteros*. The formal institutions and organisations not only gather producers, manage production, sales, and export, but also invest their surplus in enhancing wellbeing for coffee growers, provide productive and social infrastructure (although these last investments have been considerably reduced in recent years), and in research and innovation to improve coffee production and quality (Cenicafé, no date).

CCLC aims to preserve the cultural and natural landscape shaped by the interaction between people and nature. It is labelled as an outstanding example of human adaptation to rough environmental conditions, resulting in a population specialized in growing coffee in small plots, farming landscapes, urban centres with unique architecture, social bonds, rich water resources, environmental management, and landscape (Ministerio de Cultura de Colombia, 2011; Paisaje Cultural Cafetero, no date). The attributes that gave CCLC a heritage list site status are: Coffee produced in high altitudes, coffee as predominant crop, mountain farming and its adaptation to the landscape, the young age of coffee plants, adaptation to modernity,

coffee producers' institutional framework, traditional production, small rural property scheme, multiple crops, sustainable production, architecture, urban landscape, and archaeological heritage (Coffee Cultural Landscape of Colombia, 2010).

CCLC started as a private and small initiative from a group of local academics, as a response to economic and social crisis in the region (Int8- CCLC board member 1, Pereira, Col. 2015). In its beginnings, it aimed to diversify Salamina's economic activities by capitalising on its cultural features to make the town an important tourist destination. Amongst the options available, opting for the UNESCO heritage list was the most viable, as long as it could grant territorial protection by updating land use regulations (in terms of guardianship of the culture and environment), while encouraging tourism as an economic activity alternative to coffee production. The project, however, took a regional scale when the group of local academics presented the project to the Ministry of Culture. UNESCO's initial condition to submit the proposal was the participation of the national government, whom conditioned its support to the expansion of the project to the Coffee Region. The rationale behind this condition was the potential benefit that an international recognition could bring to an economically stagnated region, as it could boost regional economy in an area that shares social, cultural and economic activities (Int16- CCLC board member 2, Armenia Col. 2015).

CCLC project was established in 1995, and its evolution can be divided into two stages: before and after 2011, which is when the region was finally included in the world's heritage list. The first stage was comprised the preparation and submission of UNESCOs requirements and the consolidation of CCLC as a regional cooperation project, including the design of an internal governing system (see figure 5.1 in chapter 5). From 1995 until 2001, the work was focused on preparing the paperwork required by UNESCO. As the project took a bigger scale, the involvement of a wider variety of actors beyond local academics and the Ministry of Culture was crucial. Working groups with local governments, the autonomous regional corporations¹⁴ (CAR), and local academics were formed, and the project took the form of a regional cooperation scheme. Between 2004 and 2005, Caldas, Quindío, Risaralda and Valle

¹⁴ Regional or departmental organisations from the public sector in charge of the environmental conservation and planning

del Cauca signed a contract with the Ministry of Culture and submitted the application to UNESCO, whom requested a management plan before accepting the region's inclusion in the world heritage list. This plan took four years to be complete (from 2006 to 2009). Meanwhile, more actors joined the project (FNC, commerce chambers, local politicians, and the Coffee Region's Universities SUEJE), and the participation of the private sector increased.

The second stage starts when the region was officially declared as a world heritage site in 2011. From 2011 until today, the management plan is being implemented, adapted and included into the municipal and departmental development plans, which has required more commitment from the national and local governments. CCLC is organised under the principles of economic and social wellbeing, ownership and belonging, and environmental sustainability:

‘The CCLC management plan aims to create stronger bonds of belonging and ownership in CCLC communities, and to preserve the productive landscape under sustainable principles, making it congruent with the economic activities. The management practices included in this plan must focus on the economic and social wellbeing of all of the inhabitants, and to create a sense of ownership of their cultural heritage, and environmental sustainability’ (PCC Plan de Manejo, 2009, author's translation).

CCLC management plan is driven by the following objectives and strategies to be implemented. Some of them have started, while some others were awaiting a start date by the time the research was conducted:

Table 4.1. CCLC management plan objectives and conservation strategies

Objective	Strategies	Organisations in charge (additional to CCLC)	Status
To encourage coffee production competitiveness	Encourage younger generations to get involved in coffee production	FNC	Awaiting
	Renew older coffee plants		On course
	Promote good practices in coffee production		On course

	Provide financial mechanisms to support coffee production		Controversial
To promote social and economic development of coffee growers communities	Invest in formal and vocational education and training	Ministry of Culture Governors	On course
	Invest in communitarian infrastructure (access roads and households)	Mayors	Controversial
	Incentivise sustainable tourism projects where coffee growers' communities participate using participatory planning tools	FNC	On course, controversial
To preserve and promote cultural heritage, and integrate it with regional development	Invest in research, assessment and conservation of cultural heritages	Ministry of Culture Governors	On course
	Promote social participation and socialise CCLC cultural, environmental, and social values	Mayors Local universities	Awaiting, controversial
To increase coffee grower's social capital	Encourage leadership and participation of coffee growers' communities within FNC and its institutional framework	FNC	On course
	To promote democratic processes in FNC		On course
To encourage regional integration and development	Commit national and international organisations with CCLC objectives and principles	FNC Ministry of Culture	On course
	Encourage regional alliances between local authorities and the private sector		On course
To promote CCLC productive and environmental sustainability	Create knowledge to explain and maintain a healthy interaction between productive activities and biodiversity protection	FNC CARs	Awaiting
	Protect water and forests		On course
	Include innovation and knowledge for coffee production		On course, controversial

Source: PCC Plan de Manejo (2009)

CCLC strategies, values, programs and the institutional participation are articulated through a multitude of regulations and legal tools. These include municipal and departmental development plans, Colombian National Constitution, laws for territorial protection and use, laws for cultural heritage conservation, *Café de Colombia* denomination of origin (ratified by

the European Union and recognised in South America, United States, and Canada), and contractual agreements amongst participant organisations, authorities and private actors. In financial terms, the national government allocated \$104.172 million Colombian pesos (approximately £30 million as of February 2014); and the Inter-American Development Bank (IDB) provided \$521.600 USD to consolidate the tourist services in the region (*Rutas del Paisaje Cultural Cafetero*). Additionally, the national government has committed several organisations from the national public sector (nine ministries, the Administrative Department for social prosperity, and the National Learning Service) (CONPES, 2014), to provide financial resources and technical assistance. CCLC is a complex and perhaps overly ambitious project that can only be achieved through multilevel regional cooperation.

4.4.2. Cooperativa Campesina de Peumo Coopeumo

Coopeumo is the second core case, and is located in O'Higgins. Similar to CCLC, it also had a different origin. It started as a wholesales cooperative. Today, Coopeumo is a cooperative that gathers around 360 *campesinos* (Coopeumo manager, 2016), most of them producers of fruit and wheat in small farms of 12 hectares size in average (Coopeumo manager, 2016), located in the municipalities of Peumo, Las Cabras, Pichidegua, and San Vicente de Tagua Tagua, all of them situated in the province of Cachapoal.

Before Coopeumo was established as a *campesinos* cooperative, it was organised as a wholesaler-consumers' cooperative, with the objective of buying goods and selling them back at lower prices. However, the evident struggle that new landowners were facing after the agrarian reform led to its transformation into a producer's cooperative (Int24- Civic leader and Coopeumo founder, Peumo, Chile 2016). This change was done by a group of social leaders who had an active role in the agrarian reform and workers' unions, incentivised by a national policy that promoted the creation of cooperatives and social organisations throughout Chile. Its objectives changed from buying to selling, to providing technical and financial assistance for *campesinos* whom benefited with the agrarian reform, by helping them to produce in their new lands instead of selling them back to the previous landowners (Int24- Civic leader and Coopeumo founder, Peumo, Chile 2016). It aims to offer financial and

technical support and social services to its members, to facilitate their production, increase their profit, and improve their quality of life (Coopeumo manager, 2016).

Coopeumo was established in 1969, as result of the difficulties *campesinos* benefited with the agrarian reform were facing, with the support of the national state (FAO, 2012). During its almost 50 years of existence, Coopeumo has gone through different periods (see table 4.2). In its first period (1969-1973), it provided financial and technical support to *campesinos* benefited with the agrarian reform, aiming to incentivise the productivity of their newly owned land, instead of selling it back to larger producers (Coopeumo social director and founder, 2016). During this time, government support was crucial because the cooperative lacked financial resources and was managed by its members, whom had no experience in managerial and leadership roles (FAO, 2012). Five years after its creation, Augusto Pinochet's dictatorship, with a clear bias against this kind of social organisations, eliminated all support from the public sector, leading Coopeumo to a second period of decline. As social and economic conditions of the rural population were rapidly decreasing, the Catholic Church, whose most salient representative was the Chilean Cardinal Monseñor Raúl Silva Henríquez, interceded by approaching various NGOs and international organisations to obtain financial support for *campesinos'* organisations (Ortega, 2012). With funds raised from the Private Action Collaborating Together (PACT) (based on the United States) in 1979, and from the Inter-American Foundation (IAF) (1981), a private organisation called *Sistema Financiero Campesino* (*campesinos'* financial system) was created. This *Sistema Financiero* granted a loan to Coopeumo so that the cooperative was reactivated (FAO, 2012; Ortega, 2012), and its third period began. This period (1980's) did not entail much action due to political limitations, and was dedicated mainly to the reactivation and consolidation of the cooperative by its founders (civic leader and Coopeumo founder, 2016). The fourth period began with the end of the dictatorship. Once democracy was re-established and neoliberal economic policies were further developed, Coopeumo increased its membership, its profits and expanded to the surrounding municipalities (Coopeumo manager, 2016). Finally, the increasing support of the national government to promote and strengthen cooperatives and social organisations, and an economic policy clearly directed towards exports, the fifth period started in 2000. The cooperative re-structured its objectives towards the promotion of

innovation and exports, in contrast to their traditional function as sellers for intermediaries and export firms (FAO, 2012; Ortega, 2012; Coopeumo manager, 2016). In 2008, Coopeumo was certified by Fairtrade International and in 2012, they completed their first export of plums.

Table 4.2 Coopeumo’s creation and evolution stages

Stage	Year	Description
Initial	1969	Coopeumo is established as a result of the agrarian reform
Dictatorship	1974	Coopeumo is seized and begins a phase of decline
Recovery	1981	With international support, Coopeumo’s management returns to its initial founders. Its social services are re-initiated
Strengthening	1981 - 1990	Coopeumo is consolidated and the social and financial services are expanded
Consolidation	1900 - today	Coopeumo is restructured to fit new economic conditions

Source FAO (2004)

Coopeumo has little interaction with the local governments (mayors and councils). Their relationship is limited to the participation in local fairs, or renting a venue for events (Coopeumo social director and founder, 2016). However, the interaction with the regional government and the regional branches of the national government is more active and solid. The cooperative participates in several calls for funding, technical support and training offered by institutions like CORFO¹⁵, INDAP¹⁶, and Prochile¹⁷. It also participates in public policy discussions at the regional level, mainly through its most notable members (who have played a key role in the regional history, including the agrarian reform, unions, and regional

¹⁵ CORFO or Production Development Corporation is a public organisation attached to the Ministry of Economy. It is a national level organisation with branches in all of the country’s regions, its main purpose is to promote economic growth.

¹⁶ INDAP or Institution for Agricultural Development is a public organisation attached to the Ministry of Agriculture. It is a national level organisation with branches in all the country’s regions, its main purpose is to promote agriculture

¹⁷ PROCHILE, attached to the Ministry of Foreign Affairs, is a public organisation from the national level with branches in all the country’s regions, its main purpose is to promote Chilean exports.

politics) (Coopeumo manager, 2016; Coopeumo social director and founder, 2016; Civic Leader and Coopeumo founder, 2016; Coopeumo member and founder, 2016).

Today, Coopeumo’s main objective is to improve the quality of life of its members and their families, understanding that income is a core element of that wellbeing. Freedom, respect, honesty, loyalty and democracy are the core principles that guide Coopeumo’s actions and strategies, as reads in their webpage and official communications. Hence, the cooperative aims to support agricultural activities, management and entrepreneurship, while balancing its role as a capitalist business that seeks profit, and a *campesinos* organisation that seeks wellbeing and rural development (FAO, 2004, Int25- Coopeumo manager, Peumo, Chile 2016). In this sense, the cooperative sells its members’ products, targeting international markets rather than export intermediaries. In addition, it has five shops to sell agricultural products to its members and the public, provides technical support and the following social services:

Table 4.3 Coopeumo social services and projects

Program/project	Beneficiaries
Life and accident insurance	Members
Medical and dental services at lower costs	Members and their families
Emergency loans and programmed visits in case of illness	Members
Insurance for funeral services	Members and their families
Tax and financial guidance	Members
Internet provider, free service	Local schools
National agencies` financial intermediary for reconstruction loans, 2010 earthquake	Affected inhabitants of Coopeumo’s influence area
Reconstruction loans, 2010 earthquake	Members
Sponsorship of cultural and artistic performances	Local schools
Scholarships for outstanding graduates from local schools	High school graduates

Source: Author based on interviews, Ortega (2012) and Coopeumo’s website <http://www.coopeumo.cl/> (accessed on 18 September, 2017)

Coopeumo is also known for its engagement with local communities, which is achieved not only through the expanded council, but also through direct interventions and programs. The

cooperative provides free internet to rural communities, grants economic and small educational bursaries to the most talented students from local schools, supports cultural activities in the municipalities, and served as a government intermediary to provide loans to the 2010 earthquake victims to rebuild their homes.

Its members and management team strongly defend the belief that only through cooperativism campesinos can take advantage of free markets and economic globalisation (Int25- Coopeumo manager, Peumo, Chile 2016; Int27- Coopeumo social director, Peumo, Chile 2016; Int33- Coopeumo member, Peumo Chile 2016).

4.4.3. Andes Range's Municipalities Association

Andes Range's Municipalities Association (ARMA), is one of the subsidiary cases in the Coffee Region. It is established as an agreement of inter-municipal cooperation between four municipalities (Pijao, Buenavista, Córdoba and Génova) located in Quindío. It is a small strategy if compared with CCLC. ARMA provides household gas in urban areas. It was established due to an increasing need to provide a public service, where the required infrastructure exceeded municipalities' financial capacities. It is, therefore, a classic example of regional cooperation fostered by the incapacity to fulfil one particular need through individual action.

Followed by a series of meetings, where different proposals were analysed and discussed, the agreement was signed in 2011. Its implementation has been relatively fast, easy and uncomplicated (Int11- Mayor2, Pijao, Col. 2015). At the time the interviews were made, the mayors were presenting a proposal to Quindío's governor to expand the association. Their aim was to extend the objectives and include fundraising for infrastructure, especially roads and social and cultural activities. They were looking for the governor's support appealing to CCLC and the role these municipalities play in it. However, the mayors and governor's period finished in December 2015, and so far there are no signs of advancement.

4.4.4. Pijao *Citta-slow*

This is the second subsidiary case of the Coffee Region. Inspired by the slow food movement, the *Citta-slow* movement was initiated in Tuscany (Italy) in 1999. *Citta-slow* aims for the recognition of alternative development models where quality of life, local communities, local and clean food, tradition, culture, and the local environment are prioritised (Lowry and Lee, 2011). Pijao is the first *Citta-slow* city in Latin America, however the final certification is still pending of a series of projects and improvements to be done in the town. It did not start as a regional cooperation process per se, but as a private and individual initiative. However, it has evolved to a cooperative and collaborative work with actors from different levels. The project started with the initiative of a local leader who persuaded Pijao's local government to postulate the city to the *Citta-slow* network. Once the minimal requirement was verified (population below 50.000 inhabitants), and the local government agreed to accept the guidelines¹⁸ of slow food and work, wellbeing improvement and local environment conservation, Pijao joined the network.

Beyond the local government, Pijao *Citta-slow* works with the local private sector, mainly coffee and food producers, tourist services providers, and local artisans. On an international level, apart from the agreement with *Citta-slow* movement and the networks it creates, which have been used to establish commercial agreements for coffee sales between the *Citta-slow* cities, Pijao *Citta-slow* works with the Pacific Alliance¹⁹ to deliver education projects with volunteers. It also works with CCLC, although these are separate projects, their objectives are very similar, which facilitates collaborative action to improve production and distribution of high quality coffee (*cafés especiales*).

Pijao *Citta-slow* faces two main limitations. First, it is largely dependent on the local government. Every time a new local government is elected, the new mayor has to accept and

¹⁸ Those guidelines include 72 requirements subdivided in 7 areas: Energy and environmental policies, infrastructure policies, quality of urban life policies, agricultural, tourist and artisan policies, policies for hospitality, awareness and training, social cohesion, and partnerships (*Citta-slow*, n.d.2).

¹⁹ Multilateral agreement between Chile, Colombia, Mexico and Peru, established in 2011 with the objective of enhancing regional integration for the free movement of goods, services, resources, and people, and articulate economic and commercial integration amongst the members and the world (The Pacific Alliance, n.d.).

commit with the project to assure the requirements are going to be fulfilled. In addition, Pijao has a very low institutional capacity and lacks financial resources, making it difficult to commit and invest in all the compulsory areas to obtain the *Citta*-slow certificate. Second, the word slow (*lento* in Spanish) creates great controversy amongst the community –and potential voters-. It is interpreted as quietude and silence, more like a lethargic town than a sustainable one, making it difficult to reach consensus amongst the community and the local government in terms of projects, alliances and strategies to be implemented.

4.4.5. Colchagua Valley

Colchagua Valley is one of the subsidiary cases in O'Higgins. Colchagua Valley, whose commercial name is written in English, is the first regional association of wineries in O'Higgins. Established in 1999, it aims to promote Colchagua Valley wine's denomination of origin, and to consolidate the valley as one of the main providers of wine-tourism services in the country (Colchagua Valley, no date). Initially established as an anonymous society, it changed its legal status to a trade association in 2011 (Wineries association manager, 2016).

The association has 14 members; wineries located along the province of Colchagua, and involves the local tourism services providers, such as hotels and restaurants, as sponsors. In recent times, the association has not had a major interest in growing in terms of number of members. Its main goal is to be more active in the provincial and regional public sphere. It works as a bridge between the local government and the private (wine and tourism) sector, and demanding better infrastructure from the public sector in order to improve the tourism services (Wineries association manager, 2016).

4.4.6. San Vicente Chamber of Tourism

San Vicente Chamber of Tourism is the second subsidiary case in O'Higgins. It is located in San Vicente de Tagua Tagua, a middle size municipality (44.047 inhabitants, Municipalidad de San Vicente, no date), where the main economic activity is agriculture, fruit and wheat production especially (Local Chamber of Tourism President, 2016). However, due to the volatility of commodities' international prices, and the mentioned volatility of regional economy, local entrepreneurs and the local government have acknowledged tourism as a

potential sector for economic diversification. The Chamber of tourism gathers tourist service providers in the municipality, hotels and restaurant owners mainly. It was created in 2013 and aims to improve the tourist offer, and to lobby local and regional governments to invest in better infrastructure and public services.

4.5. Conclusions

Both regions share certain aspects from their historical and economic backgrounds. Regional economy largely depends on commodities exploitation and national government transfers, they are vulnerable to natural disasters, their social and economic conditions have reached critical levels and there is a constant pressure to adapt neoliberal economic policies.

In terms of regional cooperation processes, despite the clear differences between the kinds of regional cooperation established with the core cases, there are great similarities. First, their dependency on either the national or the regional governments to successfully implement and maintain the cooperation strategies. Second, the need to search for international organisations' support. Third, an identifiable development model that each cooperation process is trying to pursue. Subsidiary cases, on the other hand, represent smaller initiatives that pursue objectives that are more specific: provide public services, influence public policy, increase profit and diversify regional economic activities.

This chapter offered an overview of the main aspects that have influenced the creation and survival of regional cooperation strategies. The following chapters provide an empirical and theoretical analysis of regional cooperation processes by first, explaining the origin and rationales of regional cooperation, its design and evolution, and the role that different actors have played (chapter 5); followed by the analysis of the institutional environment that incentivises or constrains regional cooperation (chapter 6); and finally the influence that regional cooperation has on local and regional development (chapter 7).

Chapter 5: Processes of Regional Cooperation

5.1. Introduction

Regional cooperation is a complex process that changes, adapts and responds to contextual needs and available resources. Social, economic and political conditions prepare the ground for potential agreements, which aim to respond to a situation of need or shared problems, and is established with the input of actors from multiple scales. In a context of centralism, low local autonomy and uneven development, a high level of innovation and creativity is needed, as a successful agreement should be designed to adapt to that context and overcome legal and territorial limitations.

Regional cooperation is often used as a strategy to improve local and regional development, whether it is clearly stated in the objectives or not. Objectives such as public services provision, territorial management, economic competitiveness or incentivising industrial/economic development, can be gathered under the category of strategies for local and regional development. However, the link might not be always clear or automatic. Some cases of regional cooperation can be too specific to state that they contribute to local and regional development, but to deliver local governments responsibilities, or to increase the income of one specific economic sector. Thus, to better establish and explain the link, regional cooperation should be studied as an evolving process, delving into its specificities, multi-scalar relationships, and its contextual influence.

The aim of this chapter is to explain regional cooperation conceptualisation and continuity by following its temporal evolution. Section 5.2 explains the roles of multi-scalar actors in regional cooperation, emphasising on the divergences found with the main regional cooperation literature, especially concerning the private leadership, the participation of local and national governments and international organisations. Section 5.3 explains the relevance of approaching regional cooperation as a context dependant process, while extracting generalizable features to conceptualise it. The second segment of this section reflects on the different forms regional cooperation can take. Section 5.4 delves on regional cooperation contextual drivers, focusing on concepts of crisis, dispossession, regional competition and

inequality. Section 5.5. Explains regional cooperation establishment and sustainability, focused on its territorial and non-territorial settings and networks, and the self-governing rules that permit decision-making and management. The chapter finalises with the conclusions section.

5.2. Actors

Literature on regional cooperation tends to focus on certain type of actors as key to establish and sustain cooperative agreements. Often, the responsibility of creating cooperative agreements is attributed to local political leadership. Accordingly, these agreements are sustained due to the active participation of local governments elected or non-elected officials; while the private sector acts as a key partner (see Hulst *et al.*, 2009; Spicer, 2015). However, this roles' distribution appears restrictive of emergent and alternative forms of regional cooperation, as the ones studied in this research. Whether local actors create their own cooperation model when facing legal and scalar restrictions, as the Colombian cases (except from ARMA), or base their cooperation strategy on business or anticapitalistic models, as the Chilean cases, empirical data demonstrated that regional cooperation actors vary according to the needs of each cooperation process and the institutional local context. Actors come from the private sector, the local governments, the international level and the national government. As the cases analysed here differ from traditional forms of regional cooperation (metropolitan areas or inter-municipal cooperation for example, see section 5.3 below), the role that it is often attributed to certain actors is also different. Leadership comes from the private sector, the local governments are marginal or secondary actors in the agreements, and their role is substituted by the national governments or international organisations.

5.2.1. Private leadership

Leaders are acknowledged as agents of change, and its role has not gone unnoticed for regional cooperation, nor for local and regional development scholarship. They have a recognised role in shaping and reshaping places, and in creating and sustaining regional cooperation processes. For most cases, leaders from the private sector guided the cooperative agreements, and are characterised by their territorial attachment, and their affiliation with a

certain economic activity or professional career that facilitated networking and debate, but not for holding a position in the public sector.

‘[Colchagua Valley exists because of] the will of the six first members, they were always persevering, tenacious, convinced that this is good and necessary’ (Int31- Wineries association manager, Santa Cruz, Chile 2016).

As showed in table 5.1 below, leaders of all the cases, except from ARMA, belong to the private sector. Although political leadership is considered as a core variable for regional cooperation between local jurisdictions (Feiock, 2007; Clingermayer and Feiock, 2001) or cross-border regions (Perkmann, 2003), non-traditional or emerging forms of regional cooperation adapt to the contextual conditions rather than to jurisdictional competences. CCLC and Pijao *Citta-slow* are non-prescriptive forms of regional cooperation, while Coopeumo, Colchagua Valley and San Vicente Chamber of Tourism are forms of cooperative work not regulated as regional cooperation but as private organisations. Private leadership is explained by the limited local agency and autonomy due to centralism and institutional capacities unevenness (see chapter 6), which materialises in local governments unable to address issues of uneven development and inequality (see section 5.4.), and the temporality of elected officials. Concerning this last point, it is usually acknowledged that elected officials have low interest in pursuing projects that transcend their mandate’s period, and are reluctant to the subordination and potential loss of political power that is implied with any cooperative agreement (Spicer, 2015), as was indeed confirmed by then interviewees. This could imply that regional cooperation is more likely to occur amongst non-elected officials. However, for the cases studied here, local governments’ low institutional and financial capacity hindered the possibility for non-elected officials to lead cooperative agreements. ARMA, on the other hand, is a typical case of inter-municipal cooperation; therefore, political leadership is indeed expected. Municipalities’ mayors took the leadership to create and sustain the agreement, responding to a long-standing promise from political campaigns (Int11- Mayor2, Pijao, Col., 2015). In this case, political leadership was critical, and obeyed to political pressure from voters and political promises (Int11- Mayor2, Pijao, Col., 2015). This fact supports previous research conducted on inter-municipal cooperation (e.g. Hophmayer-Tokich, 2008), but is especially relevant to support the need to open the framework with which regional

cooperation is studied when non-traditional forms emerge. Indeed, interviewees who actively participated in the initial stages of CCLC appointed their success, materialised with the inclusion of CCLC in the UNESCO list, to the fact that leaders belonged to the academic and not the local public sector. Local governments, although initially interested, did not see the relevance of the project at that stage, mainly because the process exceeded the temporality of their own government periods. The most significant cases are those municipalities located in Antioquia (Coffee Region neighbour department), whom also shared the essential features to be part of the project, yet were not included.

‘Why is not Antioquia in CCLC? (...) Well, because in all the meetings we did Antioquia sent bureaucrats (...) who probably got tired and thought that this was wasted time, so many years and nothing happens. Classic immediate-term type of thinking’ (Int16- CCLC board member 2, Armenia Col. 2015)

Table 5.1 Regional cooperation leaders- summary

Cooperation process	Leader
Coffee Cultural Landscape of Colombia	Academics from local universities
Pijao <i>Citta</i> -slow	Civic leader
Coopeumo	<i>Campesinos</i> and social leaders benefited with the agrarian reform in Peumo
Andes rage municipalities association ARMA	Municipalities’ mayors
Colchagua Valley	Owners of six wineries
San Vicente Chamber of Tourism	Owners of hostels and restaurants

Source: author

The characteristics of territorial attachment and interaction facilitated by common networks have being already identified by public administration research referred to the rationales to cooperate in general (Clingermayer & Feiock, 2001; Gillette, 2005), but not in reference to one single set of actors. Territorial attachment characterises all the leaders interviewed, who

recognised that certain degree of topophilia was key to start the processes. Networks and interaction, on the other hand, were proven critical in all cases. A minimum degree of interaction is essential for regional cooperation, and this is particularly relevant when individual leadership was a rare characteristic in both regions. Interaction positively influenced regional cooperation, and it was facilitated by common networks (Cook *et al.*, 2005), economic or professional in the cases. Interaction allows knowledge exchange, crucial not just to define goals, compromises and benefit's distribution, but also to define the form of the agreement in accordance to the available options and legislation. Indeed, leaders have a similar professional career or participate in the same economic activity (farming, higher education, tourism and wine), making easier to explore, debate and exchange ideas. For the core cases, pre-existing networks facilitated the creation of more complex strategies of regional cooperation. In CCLC, the local academics were already connected through the association of universities of the Coffee Region (SUEJE), which gathers most of the public and private universities. SUEJE was a pre-existing space of interaction and knowledge exchange that facilitated common projects, such as CCLC. Coopeumo leaders, on the other hand, share a long history of social protest, activism and political engagement that created strong bonds amongst them. Their participation in the demonstrations and land occupations in O'Higgins prior the agrarian reform (see chapter 4), and their active role in the *Demócrata Cristiano* political party (Int24- Civic leader and Coopeumo founder, Peumo, Chile 2016; Int27- Coopeumo social director, Peumo, Chile, 2016), created the networks that facilitated collaborative work, leading to the creation of Coopeumo.

5.2.2. Local governments

Despite of the key role that is usually assigned to local governments in the existing literature, whether local, regional or metropolitan, and the expectations regional cooperation actors interviewed have on this level of government, its participation in the cases has been secondary or marginal. Except from ARMA, none of the cases had local government representatives as the processes leaders. Local governments play a secondary role of partners in the best of the cases, but as it was stated by most of the interviewees, their participation is crucial and could positively influence regional cooperation.

‘Incentivising and participating in cooperative work must be a role of the local governments. Authorities in Santiago might be well educated (...), but we are the ones who feel the needs, day after day (...) yet, local authorities here are not concerned for the long term, they put street lights or pave roads.’ (Int24- Civic leader and Coopeumo founder, Peumo, Chile 2016)

The main obstacle for local governments to engage actively in regional cooperation is due to their limited agency and autonomy, lack of political will from most of the local governments in the areas involved (these points will be explained in depth in chapter 6), and their lack or low representation in regional cooperation governing systems (see also section 5.6). For CCLC, local governments’ non-representation have led to either a lack of interest and knowledge about CCLC, especially in smaller and more distant towns, or to a greater dispersion of policies and actions. Armenia, self-named CCLC pioneer city, has created its own CCLC municipal committee where projects are discussed and decided separately from the permanent board of decision (main institutional arrangement in charge of governing CCLC) and within the municipal borders, notwithstanding the regional scope of the process.

‘We now have a municipal agreement, approved by the city council (...). We want to separate CCLC from the local administration and make the private and academic sector the process’ leaders, because we [local authorities] have too many things to attend, many different committees to participate, we can easily minimise CCLC’ (Int21- Planning office director, Armenia, Col. 2015)

CCLC is a complex process with ambitious objectives. Fifty-one municipalities are involved and local governments’ participation and support is vital. The protection of the cultural and natural landscape entails a wide variety of actions and projects of considerable financial investment. However, local governments’ participation has been varied and, in average, poor. CCLC management plan projects and policies must be approved by the local governments before they are implemented, as these have to be included in the local development plans. Projects such as changes in land use regulations, investment in infrastructure, production of specialty coffee, or the promotion of sustainable tourism (CCLC management plan, 2009) cannot be developed without the local governments’ approval and investment. However, while few mayors and governors have shown an active support, rapidly including CCLC in their development plans and providing some -yet scarce- resources, most of them remain

expectant of the benefits that CCLC can bring, without engaging in the decision-making process, investment or regional policy design. Pijao *Citta-slow* faces a similar situation²⁰. It aims to influence municipal development policy. The unique tool to do so is the municipal development plan. ARMA, on the other hand, given its nature, was established, addressed and developed by the local governments making use of a tool provided by the Colombian legislation. Local government`s participation is mandatory for inter-municipal cooperation, as it is a legal requirement for its creation. Nevertheless, for non-listed forms of regional cooperation like CCLC or Pijao *Citta-slow*, the subject remains vague. There is not a statutory responsibility to participate.

In the Chilean cases, despite of their private nature, the levels of expectation on the local government`s remain as high as the levels of dissatisfaction. Coopeumo`s relationships with this level of government is weak and limited to basic interactions such as ‘borrow a room [at the city hall] for large meetings’. (Int27- Coopeumo social director, Peumo, Chile 2016). Interviewees agreed on the limited competences and scope that local governments hold in the Chilean public structure, which is virtually inexistent in relation to economic activities. Colchagua Valley, although recognising their efforts in establishing stronger relationships with the local government, describe these as ‘kindly difficult’ (Int31- Wineries association manager, Santa Cruz, Chile 2016). However, the association expect the local government to be more active in improving local infrastructure that is vital for their business development and community wellbeing. San Vicente Chamber of Tourism manifested having almost zero relationships with the local government, although recognising their role is vital to maintain the infrastructure that facilitates tourist business.

It is worth to highlight that local government`s participation is not essential for regional cooperation to exist, as its involvement depends on the nature, form, and objectives of the

²⁰ Pijao is also part of CCLC, which might imply, at first sight, an overlap on the purposes and contents on the municipal development plan. However, when analysing the *Citta-slow* association recommendations and CCLC management plan, there are evident similarities in terms of development models to be pursued. Those recommendations focus on 17 action points including: the improvement of basic sanitation infrastructure, sustainable tourism, actions to protect the natural resources (especially water), incentivise the production of coffee with special characteristics, amongst others.

agreement. Its participation influences regional cooperation continuity, but not its establishment. When regional cooperation aims to influence public policy, local governments are essential as only they can alter public local policies, but even in these cases, the private sector, alongside the national government and international organisations, can create the conditions and incentives to increase local governments' involvement. When regional cooperation aims to deliver a public service, or influence local economic growth through specific actions on certain economic sectors, local government's participation is important as they can provide some conditions to develop local economy. However, their role can be substituted by the national government or international organisations. As mentioned, most of the cases do not count with the local governments as leaders, as they accomplish a secondary or marginal role. In the Coffee Region, CCLC and Pijao *Citta-slow* aim to influence public policy, a task that can be better materialised through the local governments. However, their participation varies from complete passiveness to inefficient and contradictory proactivity, but never of leadership. In O'Higgins, local governments' involvement is almost null. Despite the assumption that local governments are active partners, or that some cases cannot classify as regional cooperation because they occur within a private scale, here is argued that a binary of public or private is not enough to exclude certain cases of cooperative work from the broader definition of regional cooperation. In contexts where the national state is expected to intervene in all in several aspects of the regional life, or where local development initiatives are left to the private sector or the national level because local governments have little autonomy or financial capacity, the role of both the states and the private sector cannot be relegated from the effective existence of cooperative processes with impact on local and regional development.

5.2.3. National governments

Regional cooperation was encouraged by the national governments in the Coffee Region and O'Higgins. Jones (2011) argues that when economic and social crisis remained unsolved, its management migrates from the economic to the political sphere, so the states' control over economic accumulation processes is not altered. In this sense, regional cooperation emerges as a 'politically mediated institutional project' (ibid: 1204) that aims to solve a set of

problems. Indeed, actors may try to design regional cooperation strategies where a substantial part of the problems and needs are covered, while, in the cases analysed here, the national government intervenes from the beginning as long as the project offers a potential solution for economic stagnation, allowing it to reconfigure its regional presence through its intervention. While the national governments participate or encourage regional cooperation because of its potential problem solving capacity, regional cooperation processes rely on the national governments to accomplish the role that is expected from the local level. Therefore, regional cooperation is assessed as a viable initiative able to solve social and economic problems where the state was inactive or inefficient, thus, plausible to be financed. CCLC and Coopeumo were established with the national states intervention, and have relied on its financial support to sustain the agreements and fulfil their objectives; whether directly as occurred with CCLC, or indirectly as occurred with Coopeumo.

‘In 1964, with Eduardo Frey Montalva’s government, is when all social organisation begun. First the *campesinos*’ unions, then the agrarian reform, and in between, the creation of cooperatives as an answer for campesinos needs.’ (Int24- Civic leader and Coopeumo founder, Peumo, Chile 2016)

Coopeumo shows that when the national government have a clear intention to support regional cooperation, their involvement is easier as long as the will is already in place. It also demonstrates the vulnerability of regional cooperation facing abrupt political changes, as a military coup and following dictatorship. In the 1970’s Chile, the national government encouraged cooperative organisations to work jointly, whether creating public calls or specialized agencies that provided the support for the emergent social organisations. Coopeumo was established within that favourable environment. However, in the early dictatorship years, national government’s support was removed, and most of the cooperatives in Chile were closed and some others seized, as Coopeumo. Years later, in the early 1980’s, the cooperative was claimed back by its original founders with aid from international organisations, re-established during the coalition governments (from 1991), and expanded and strengthened during Michelle Bachelet’s second presidency (2014-2018). During this last period, a presidential mandate commands the promotion and supervision of cooperatives (which translates into direct intervention of national agencies and ministries). Today, despite

of being financially stable, Coopeumo obtains ample support from the national agencies, ministries, and their regional branches, whether directly via projects and loans, or indirectly via public calls for funding.

CCLC, on the other hand, indicates that without a clear intention from the national government, it is the leaders' job to persuade it to participate. CCLC is a private initiative, but heritage sites must be nominated by the country, making national government's participation mandatory. CCLC was nominated to UNESCO by the Ministry of Foreign Affairs, thanks to the previous work done by the Ministry of Culture (see chapter 4). Due to the characteristics and needs of CCLC, public funds are essential: as humanity heritage, the 13 attributes identified as unique (and because of which the heritage site recognition was granted), must be preserved and protected, i.e.: resources must be invested. However, most of the municipalities included in the CCLC area do not have sufficient financial capacity, while others simply lack local governments' will. As long as these conditions remain unaltered, or CCLC does not raise funds from elsewhere, its continuity depends on the national government, whose support was pledged by the President and several institutions from the national level²¹.

For the subsidiary cases, the national government's role has been similarly important but indirect: Colchagua Valley was established in 1996 with financial support from a national level agency (CORFO), and San Vicente Chamber of Tourism was established in 2013 with financial support from another national level agency (SERNATUR). ARMA was created according to existing laws that regulate inter-municipal agreements, while Pijao *Citta-slow* used existing laws that regulate charities' foundation.

²¹ 9 ministries, the Administrative Department for social prosperity –DPS–, and the National Learning Service –SENA– (CONPES, 2014), committed to provide financial resources and technical assistance. These compromises were gathered in a public policy document (CONPES, 2014).

5.2.4. International organisations

Organisations from the international level have played an important role in the core cases²². In a context where local governments have limited autonomy and agency, the participation of external actors becomes crucial for creating and maintaining regional cooperation. Amongst the different fields and approaches where regional cooperation is studied, international actors are recognised as crucial only in the framework of cross-border cooperation and metropolitan governance. International actors, the European Union in particular, played a crucial role for cross-border cooperation and cross-border regions in Europe, as it provided a regulatory framework and financial incentives for otherwise informal agreements reliant on good will (Scott, 1999; Perkmann, 2003). Although none of the cases analysed here fit within the category of cross-border cooperation, there is one common aspect to highlight. These emergent or non-traditional forms of regional cooperation have found regulatory frameworks or financial aid in international organisations.

“[After Coopeumo was seized] in 1980 the cooperative was close to being winded up (...) there were no more incentives for its managers as long as the tax law changed and now cooperatives had to pay VAT (...). The *Sistema Financiero Campesino* (...), which operated with United States Congress funds, had the idea to establish a group of six people in a Chilean town to help *campesinos* to solve their unemployment issues and poverty conditions (...) so they called me and some other local leaders. The project was more related to the opposition of course, that’s why they called us (...) We managed to bring and establish the project here [in Peumo]. Then, when the project was coming to an end, we managed to reopen the cooperative (...) and then obtained a big loan from the Inter-American Foundation IAF (...) so we could run our cooperative again, and to be honest the cooperative started to work pretty well” (Civic leader and Coopeumo founder, 2016)

More recently, Coopeumo has obtained benefits from its links with other cooperatives located in France, commercial relationships with markets in Ukraine and Russia, and international organisations such as free trade, from whom the cooperative obtained a certificate, allowing them to obtain better prices in international markets. Coopeumo experience demonstrates that,

²² Subsidiary cases are smaller in scope and actors involved, therefore unable to provide solid evidence on the role of international actors.

first, the national government political will, and all the actions derived from it, are determinant for private sector cooperative processes. Second, Coopeumo's experience also demonstrates that the existence of adverse political environment, in which the central government powers transcend the state's power counter balance, international actors can take over the supportive role that the national state was accomplishing. Third, that as regions in general, cooperatives are also facing scalar changes towards relational configurations and, despite of being anti-capitalist organisations, these can be facing transformations. Coopeumo is still a manifestation of diverse economies sharing the same space with mainstream neoliberal economic processes, but it is also competing for globalised markets (this point will be explained in depth in chapter 7), entering in a process of internationalisation (Errasti *et al*, 2003).

‘When we [Coffee Region] were included in the heritage list, the entire region was committed as that, as a region. Then that commitment was materialised in an agreement made during the former president's visit, and later with a public policy document (...) CCLC works as a catalyst for regional cooperation, plus of course the national government support, of course it is the national government the one who is responsible before UNESCO’ (Int5- CCLC tourism manager, Armenia, Col. 2015)

Concerning CCLC, the existence of the cultural landscape category in UNESCO heritage list, grants the region with an international recognition that commits the national state and serves as a catalyser for the process to take the form it took. Lacking of an appropriate national or local regulatory framework where CCLC objectives fitted, that framework was provided by an UNESCO. Other international organisations have played an important role in CCLC. Armenia Chamber of Commerce developed a project of articulation, technical and financial support for the tourism sector in Quindío, called *Rutas del Paisaje Cultural Cafetero*. This project was funded by the Multilateral Investment Fund and the national government, and was executed by the Armenia Chamber of Commerce in association with 18 organisations from the private and public sector, from the national and local level. The relevance is explained by the amount of resources executed (USD \$1.000.000), the award of international prizes, giving CCLC international recognition amongst the tourist sector, and the consolidation of what they have called a regional tourism cluster in which services providers are trained, certified, and promoted (Int5- CCLC tourism manager, Armenia, Col. 2015; *Rutas del Paisaje Cultural*

Cafetero closing event, June 2015). Although this project was developed independently from CCLC, once UNESCO included the region in the heritage list, both initiatives merged and *Rutas* became a regional project. For CCLC, UNESCO declaratory, the participation of the national government, and the financial aid of an international organisation were the motivators to expand the project to regional partners. CCLC demonstrates that the national government's intervention is crucial for regional cooperation, and that it is easier to call its attention when international actors are involved.

To summarise, here it is argued that non-prescriptive forms of regional cooperation are created and developed by actors whose roles differ from existing research. However, when regional cooperation is regarded along the different fields that studied it, the main difference amongst these approaches, beyond the obvious geographical and epistemological distance, are the actors recognised as the core participant of regional cooperation; either the local governments; firms or local communities. The empirical evidence and theoretical divergence suggests that regional cooperation is a socially constructed process tailored not only to the agreement needs and objectives, but also to the local context. The following section explains how local actors conceptualise regional cooperation.

5.3. Local understandings of regional cooperation

Regional cooperation can be found in relevant literature with a multiplicity of definitions. Public administration, urban studies and law often address the phenomena as inter-local or inter-municipal cooperation, accounting from simple agreements to more sophisticated forms such as metropolitan areas or city-regions. Economic geography usually refers to agglomeration economies or partnerships instead of regional cooperation in general, while post-development theories focus on solidarity economies and anticapitalistic organisations. However, there is one common aspect that emerges from reviewing theoretical debates and empirical evidence. Regional cooperation is a strategy for local and regional development. If local and regional development is a holistic concept that allows the inclusion of economic, cultural, social and environmental concerns, the possibility of a dialogue amongst different disciplines and approaches is open. When existing definitions were contrasted with the data

that inform this research, it was clear that some cases of regional cooperation do not necessarily fit in existing listed forms, but are conceptualised according to the agreement needs, include all or some of those actors, and have implications on local and regional development.

5.3.1. Regional cooperation as a process

Regional cooperation is a process that changes and adapts to time and space. This approach is beneficial as it allows expanding its analysis to alternative forms of collaborative work established through innovative or renovated arrangements, and to include alternative spaces of cooperation in the Global South that do not fit with those identified in, mostly, the study of the Global North's experiences. In this sense, regional cooperation existence is not conditioned to the participation of a given actor (local government for instance), or the use of pre-established types (such as metropolitan areas). As this research demonstrates, it can emerge from public or private initiatives and involve different kinds of actors. Regional cooperation can remain mostly in the private sector, still impacting territories beyond this private arena, and influencing the public sector to get involved along the process.

Regional cooperation has been traditionally studied in the fields of public administration and law. Within these frameworks, regional cooperation exists amongst local governments with or without the participation of private partners. Therefore, regional cooperation occurs amongst regions defined by its jurisdictional borders with spatial proximity and at least one common problem (Hophmayer-Tokich 2008), and is established according to pre-existing regulations. Following these lines, the rationales to cooperate are related to the reduction of transaction costs, dependency on local networks and trust, works better with smaller groups as larger ones make difficult coordination and management tasks, and is due to the initiative of local governments with symmetrical powers (Feiock, 2004; Spicer, 2015). Not all of these conditions were verified with the empirical data. None of the cases had the local governments as the leaders of regional cooperation processes, except from ARMA, which is a typical case of regional cooperation for public administration research.

ARMA is an inter-municipal cooperation scheme initiated by the mayors of five municipalities, whom used existing regulations to sign an agreement for public service provision. The negotiation and implementation phase was smooth and straightforward (Int11-Mayor2, Pijao, Col. 2015), suggesting that the costs of negotiation, coordination, and enforcement were lower than the expected benefits. It was established because gas provision was a long-standing promise of political campaigns, and because none of the municipalities had the financial resources to provide the service individually. The condition of small groups and local proximity is relative. Whether five municipalities is a big or small number is left to subjective considerations, as there are not parameters to define what constitutes as a big group, and although looking at the maps the municipalities are relatively close, their location over the Andes Mountain range and poor connectivity infrastructure place them quite far away (fieldwork notes). However, when contrasting ARMA with the rest of core and subsidiary cases, it is clear that it is an example of regional cooperation with a very specific objective; it does not challenge any development or economic policies, excessive centralism or lack of institutional capacity. When the project aimed to expand its objectives to a more generic agreement for local and regional development, the local governments' period terminated, and it might become another long-standing promise of political campaigns with uncertain future. The other core and subsidiary cases do represent a challenge to development and economic models, attempt to influence public policy, and challenge the excessive centralism and low institutional capacity as these have become great limitations for their sustainability. When regional cooperation aims for those complex objectives, insights from other disciplines are needed to explain the phenomena.

In terms of the territorial composition of regional cooperation, beyond spatial proximity, the existence of shared socio-economic and cultural conditions becomes more important than the actual location of places. These socio-economic conditions and relational networks can or cannot coincide with jurisdictional borders. This is more evident with CCLC, which comprises municipalities from different departments that share cultural features and economic processes. Coopeumo gathers *campesinos* located in five municipalities from the same province. The rationale to include those municipalities is not their spatial proximity but the existence of common economic activities and cultural affiliation, as the cooperative is open to

campesinos, but not to larger actors from the agro-industry sector. Regional cooperation is reflecting a territorial composition that obeys to social, cultural, and economic relationships taking place in multilevel settings, rather than top-down jurisdictional delimitations. Indeed, these jurisdictional borders can become a main limitation for regional cooperation, as is going to be explained in chapter 6.

A process based approach and the acknowledgement of regional cooperation's context dependent nature does not impede to capture its common features. Regional cooperation, from the outcomes and for the purpose of this research, is understood as the process in which actors of different qualities work collectively and concertedly in pursuing a common goal related to improving local and regional development, whether it follows a single or several objectives. The process becomes regional when its actor's territorial origin is varied, and when the cooperative work impacts a place in which territorial borders are indistinct. Regional cooperation is a process of a voluntary nature, voluntary agreements formalised through contracts between actors and organisations that are otherwise economically and legally independent (Buhalis and Schertler, 1999). The types of relationships that emerge from these agreements vary and depend on their nature, purpose, and actors involved. Therefore, vertical relationships based on hierarchical schemes, or horizontal governing systems where the partners have the same level in the agreement's organisation and management, can be developed. These relationships are bilateral or multilateral, and aim for a common goal, the solution of a shared problem or the achievement of a strategic advantage that is hardly reached with individual action.

5.3.2. Forms of regional cooperation

Regional cooperation can adopt diverse forms, ranging from simpler contracts, metropolitan areas, trade associations, amongst others. These forms are referred to the type of agreement and the legal tools that allow its materialisation, and its potential in altering regional geographies. Indeed, regional cooperation with the form of a metropolitan area, for example, creates new territorial units recognised by the national state. Other kind of agreements connect areas that are not legally joined, whether those are or are not formally recognised.

In terms of the type of agreement, literature provides a set of categories in which it can be classified: municipal or mixed arrangements; services delivery or policy coordination; single purpose and multi-purpose; networks, formal agreements, and standing organisations; and voluntary and induced (Hulst *et al.*, 2009, Citroni *et al.*, 2013). In terms of its territorial organisation, regional cooperation can take the form of inter-municipal cooperation, where the territorial division is not altered; or it can create new administrative units. However, here is argued that regional cooperation existence can be hardly bounded to predefined categories. Coopeumo demonstrates that private initiatives can migrate to the public arena and become successful examples of regional cooperation. CCLC demonstrates that regional cooperation can gather diverse characteristics found in several categories at the same time, without compromising its establishment or success. Indeed, CCLC takes characteristics from several categories: It is a mixed arrangement in the sense that both public and private actors participate; an arrangement of policy coordination with multiple purposes; and notwithstanding the initial idea came from the private and local sector; the national government incentivises it to become a regional process. Unlikely, its continuity depends on its capacity to evolve and adapt to changing conditions, and establishing external partners to obtain financial resources.

CCLC is a legal form of regional cooperation not foreseen in the legislation. Regional cooperation agreements can transcend pre-established forms, demanding innovation that sometimes cannot be provided by formal regulations. If existent forms are not appropriate to fulfil the goals, innovative ones can emerge. CCLC needed a novel design because being part of the UNESCO heritage list sets a responsibility in the national government; it demands great financial investment, innovative governing systems and policy coordination. Its purposes, although condensed in the management plan, remain hazy and require further explanation (what kind of technology can be implemented in order to preserve traditional knowledge, for example) and, despite of impacting a wide population, it is not a democratic process, but a declaratory that can or cannot be accepted by the communities. Its implementation can benefit but also interfere with opposite interests. CCLC design was the result of many years of deliberation (from its beginning in 1995 until today). Alongside with the preparative work to submit the solicitude to UNESCO heritage list, CCLC had to design a governing system that

allows its implementation and fulfil the commitments. It has persuaded the national government to intervene and invest, and the local governments and the private sector to participate. These processes have ended in a multiplicity of contracts, partnerships, public policy documents and a standing organisation in charge of CCLC administration. Although literature recognises that inter-municipal cooperation can transcend the public sector (Cravacoure, 2011, Hulst and Van Montfort 2007, Citroni *et al.*, 2013), CCLC still do not fit in the category. There is not a single formal agreement amongst all the mayors, but a set of policy documents and different kinds of contracts amongst some of the actors. In addition, CCLC aims to build a local and regional development agenda, opposite to the often recognised aim of inter-municipal cooperation to execute one or several, still specific functions (Hulst and Van Montfort 2007, Hophmayer-Tokich, 2008). CCLC is not changing territorial divisions either, regardless of the perhaps too ambitious aim to promote regional integration. It uses public contracts, public policy documents, and much of persuasion with the local governments to be implemented. CCLC is a hybrid form of regional cooperation in which public and private actors from different levels are involved, and where different types of legal and political tools are used to implement and maintain the process. At the end, CCLC is maintained by keeping the region in the UNESCO heritage list.

Coopeumo is not an example that fits well in the described categories either. It is a cooperative, a private organisation from the solidarity economy sector with multiple purposes, which given its particular characteristics has survived due to external intervention, positively influencing the communities where it is located. Coopeumo is a private initiative that works with the public sector, has multiple purposes, and the cooperative itself is a standing organisation of self-governing. The cooperative does not alter territorial divisions, but it does give insights on the existence of common characteristics and problems that surpass territorial boundaries. Regarding the subsidiary cases, ARMA is a pure inter-municipal cooperation formalised via public contract. It serves a single purpose and its aim is to deliver a specific service. Pijao *Citta-slow* takes the form of a non-profit organisation with the purpose of influencing local public policy and programs. Colchagua Valley and San Vicente Chamber of Tourism take the form of trade associations with multiple purposes. None of them, except by the municipalities association, fit in the pre-established categories. Yet, those are examples

(although smaller) of processes in which actors of different qualities work collectively and concertedly in pursuing a common goal, impacting places connected by common characteristics and problems, rather than territorial divisions.

The notion of regional cooperation differ from place to place. Regional context and local needs play a crucial role in shaping regional cooperation initiatives. However, there are broader social, institutional and spatial relations that explain the local understandings of regional cooperation, including regulations or formal institutions, local agency, and economic development processes shaped by historical paths and global economies. The social, institutional and spatial relations will be explored in chapter 6; the following section explains the role of the contextual needs that drive cooperation.

5.4. Contextual drivers

Literature on regional cooperation agrees on acknowledging that cooperative agreements emerge because there is a common problem to be solved more efficiently through collaborative work (Hophmayer-Tokich 2008). In these terms, regional cooperation is assessed as capable of strengthen local fiscal strength, balance political powers, create economies of scale and improve competitiveness in regions with smaller resources or amongst entrepreneurs with low capital and investment capacity, making of it an efficient tool for problem solving, (Hophmayer-Tokich, 2008; Blume and Blume, 2007; Lin and Liu, 2012).

The existence of common goals was pointed as a key foundation for regional cooperation by the interviewees. These goals vary according to the regions' needs, and can be related to local production, increase income, wellbeing, provide a public service or protect natural resources or cultural features. The existence of a common goal, whether generic, specific or even too ambitious, is the main reason that incentivises the creation of regional cooperation processes. However, empirical data showed that those goals are not only inspired by the challenges and opportunities brought by a globalised economy, as normally understood for Global North based research, but are deeply related to historical processes of marginalisation and dispossession. The following segments will explore how regional cooperation is influenced by

uneven development as an historical process of marginalisation, and regional competition and neoliberal policies as current regional challenges.

5.4.1. Uneven development and crisis

“Before the agrarian reform, when *campesinos* were simply workers in huge farms, they had to buy their food in the *Pulpería*, a sort of shop owned by the employer and farm owner. The deal was that they needed no cash, because the payment was deducted from their monthly payment. At the end of the month, many of them ended with no salary and even in debt with the *Pulpería*. That’s how miserable the salaries were” (Int27- Coopeumo social director, Peumo, Chile, 2016).

Uneven regional development has contributed the most to regional cooperation. Two of the most salient common aspects identified in the regions are the acknowledgement of economic and social inequality, and the recognition of the limited scope that individual work had on social and economic changes. In all cases, cooperation appeared as a strategy to overcome social and economic problems exacerbated by the local governments’ ineffectiveness, in regions that fell behind the economic development processes happening at the national scale. Inequality amongst regions, and within the regions, has proven to be the strongest justification to cooperate. The Coffee Region and O’Higgins have been historically dependent on agricultural production, and have low local autonomy and agency. Both are regions where neoliberal policies have been accompanied by increased unevenness. Although regional economic growth have had positive indicators for O’Higgins and negative for the Coffee Region (see chapter 4), both face high levels of inequality and, by the time the core cases began, high levels of poverty, mainly amongst rural population. Colombian and Chilean *campesinos* population have been historically marginalised and the rural areas hardly hit by each country –unfinished for Colombia- history of political violence (see Uribe López and Zapata, 2016; Uribe López, 2013; Cárcamo, 2013; Pezo, 2007). Poverty and inequality levels are systematically lower when compared to urban areas, and local governments have been inefficient to address these issues from the interviewees’ point of view (Int6- Regional competitiveness advisor, Armenia, Col. 2015; Int29- Coopeumo Vice-president, Peumo, Chile 2016).

The persistence of those socio-economic conditions and the lack of effective intervention from the states prompted the need to create local and regional development strategies through regional cooperation. Local or national governments ineffectiveness can be explained by a multiplicity of factors, ranging from financial limitations, all the way to excessive centralism or uneven institutional capacity. However, data shows that the start of the dictatorship in Chile was a key element for local inefficiency in O'Higgins, while the rupture of the Coffee Pact, which affected FNC financial capacity to invest in the Coffee Region, was key to highlight an already existent inefficient local government²³ (see chapter 4). Although investigating the reasons of governments' inefficiency exceed the scope of this research, the ineffectiveness of states at their different scales in Global South countries prompt regional cooperation strategies not only when facing globalised economies as Global North based research has shown. There are historical and context dependent reasons that accompany the contextual drivers of regional cooperation.

When comparing core and subsidiary cases, it was clear that the more critical the problem to solve, the more complex the cooperation scheme. Subsidiary cases were created to increase economic growth on a specific economic sector, or provide a public service, objectives difficult to achieve through individual action due to economic limitations or unsustainable competition. Complex examples of regional cooperation, as the core cases, have required a background of uneven development aggravated by a crisis: The Coffee Region has experienced a process of economic stagnation from the 1980's until today. CCLC was established in the middle of this conjuncture. O'Higgins appears to be improving its economic performance since the 1990's (although debatable given the persistent levels of inequality, limited local autonomy, and low environmental care), after it faced a social and economic crisis from 1970's, during which Coopeumo was established.

'With the open market policies and with the International Coffee Pact rupture in 1989 (...) coffee prices dropped and so too living conditions in the region. Purchasing power, GDP, the investments once made by FNC, who's financial and infrastructure investment that once replaced the State, stopped. Worthy to say that FNC was almost a

²³ More research could be carried out to determine the conditions and explanations for local governments' inefficiency, as this point exceed the objectives of this thesis.

parallel state here, covering social investment in rural areas. There was no more investment in roads or anything. The region has gone backwards'. (Int6- Regional competitiveness advisor, Armenia, Col. 2015)

Critical situations have played a dual role for the cooperative processes. First, it has worked as catalyser for larger and more complex forms of regional cooperation. Core cases indicate that larger or more complex strategies will be developed when the common problem reaches levels of crisis. For these cases, a critical situation is related to high levels of poverty and inequality.

'[Pijao] was a town politically, economically, socially, and culturally relapsed (...) because the bad reputation of local authorities (...) because of the dramatic drop of coffee prices in 1989 (...), because the 1999 earthquake (...). 70 or 80% of Pijao`s population depended on coffee (...), and neither the coffee organisation, nor the local authorities, were able to understand how to get ahead'. (Int12- Pijao *Citta*-slow leader, Pijao, Col. 2015)

CCLC and Coopeumo share a longer history of creation, fluctuations and a more elaborated governance structure (see figure 5.1). The relationship between crisis and a complex design is explained by the incentive that arises from the need to solve a greater set of problems. Indeed, actors might try to design local and regional development strategies in which the most part of problems and needs are covered, including cooperative agreements. However, it also creates higher expectations on the outcomes, exceeding the possibilities that cooperation can bring to the regions, and leading to certain discontent with the strategies, as CCLC seems to be experiencing:

'We have not learned how to differentiate the frontiers between the territory with CCLC and the territory without CCLC. There are many things we would like to attend using CCLC but is impossible, its function is not to address the entire population`s needs.' (Int16- CCLC board member 2, Armenia Col. 2015)

Secondly, crises have played a key role for regional cooperation by exerting pressure on actors to cede to new forms of subordination (Buhalis and Schertler, 1999), particularly when

the cooperative agreement involves elected officials from the local government, as occurs in the Coffee Region. Even if the role of local governments has been secondary, they have at least agreed to acknowledge processes of regional cooperation. However, regional cooperation is less likely to be established or, in this case, to develop, when it depends on elected officials, whom have more incentives to maintain its political power and less incentives to plan for long term (LeRoux & Carr, 2005). Indeed, the fear to lose political power and the temporary nature of local governments programs and policies (limited to their administration period), were identified by the interviewees as the major obstacles for elected officials to cooperate.

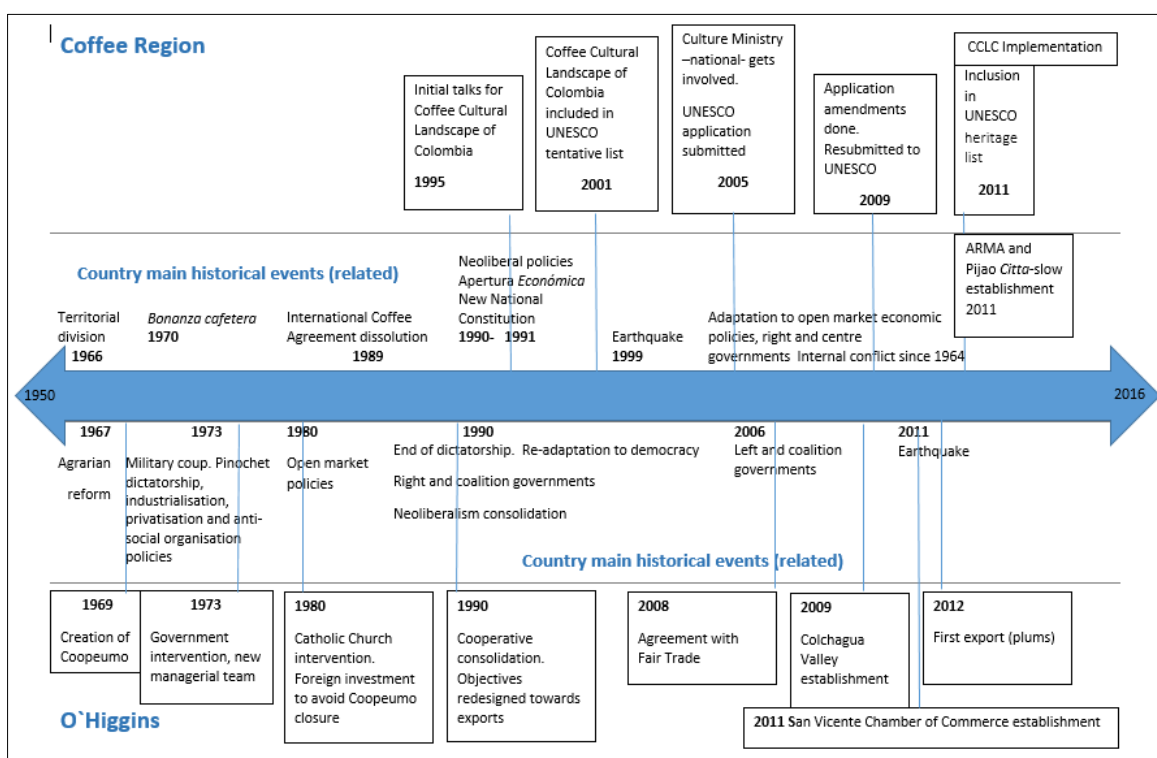


Figure 5.1. Regional Cooperation economic context and temporary evolution
Source: author

5.4.2. Regional competition

As mentioned above, regional cooperation in the Coffee Region and O'Higgins emerged as a response to historical processes of unevenness and inequality. However, this does not imply that the regions are not facing the challenges of a globalised economy. Besides historical and context dependent explanations, uneven development and crisis are seen as consequences of

top-down economic policies (Harvey, 2006). It is widely argued that traditional development policies were unable to address regional problems and had negative consequences in terms of unevenness and inequality, issues that were not solved by transitioning to neoliberal economic policies (Sarria, 2002; MacKinnon and Cumbers 2011). Correspondingly, that a centralised development policy is inefficient as it neglects the local context, needs and potentialities. Therefore, as an adaptive response to economic globalisation, urbanisation, democratisation, and decentralisation processes, regions and municipalities have been gaining and demanding control over their economic development, (MacLeod, 2001; Rodríguez-pose and Palavicini, 2013; Scott and Garofoli, 2007). If this control and autonomy is granted then regions can create cooperative projects (amongst other strategies). However, when that autonomy is not granted, or the regional institutional capacity is not sufficient to effectively exert it, cooperative work appears as reasonable to fulfil common needs with limited resources, as the studied cases demonstrate.

Empirical evidence reasserts previous affirmations that recognise competition as an incentive rather than a constrainer for regional cooperation. Regional cooperation is a collective action that can promote competitiveness for individuals, firms (Gordon, 2011), and regions in general, which cannot provide an adequate environment for economic activities if working separately. Implicitly or explicitly, all the analysed cases aim for improving regional competitiveness, whether diversifying economic activities as CCLC, improving production to increase profits, as the Chilean cases, or by providing public services or incentivising sustainable tourism as ARMA and Pijao *Citta-slow*. Sustainable competition is a clear aim for the Chilean cases, while Colombian cases gather it in different goals to improve regional competitiveness and reach international markets. Goals related to economic diversification and production of coffee with an added value (speciality coffee), although less directly, improve regional competition not within but with other regions. However, the extent with which competition incentivises cooperation depends on the type of activity to be developed. Interviewees connected with regional cooperation processes related to tourist services recognised tourism as the economic activity that needs cooperation the most: It requires of efficient transport and services infrastructure, which are to be provided by the public sector, and hospitality services provided by the private sector.

‘There is no reason to compete for tourists in the Coffee Region. It is such a small region; each department has potentialities and weaknesses. For example, Quindío is stronger in ecotourism, but they do not have a big airport or enough hotels to hold the tourists, while Risaralda do have it’ (Int7- Professional on local planning 1, Pereira, Col. 2015)

Competition is acknowledged as either an incentive or an obstacle to cooperate (Feiock, 2007; Xu & Yeh, 2010; Gillette, 2005). Accordingly, it is an incentive when it promotes inter-local cooperation aiming to attract firms, inhabitants, and agglomeration economies in regions that cannot generate economic growth and economies of scale while remaining isolated. It is an obstacle when the regions or individuals act within their personal or jurisdictional limits and see their neighbours as direct economic competitors. Competition between governments and jurisdictions is not rare; they normally compete to attract inhabitants, firms or businesses. However, this kind of competition is not evidenced in the regions studied. It is more related to attracting resources from the national level and their investment within their territorial limits. One of the interviewees have called these practices development in chambers. It refers to the practice of local governments to design and orientate economic development programs within jurisdictions disregarding geographical conditions and networks:

“We have been taught to develop in chambers. The strong centralisation has resulted in economic development models where departmental and municipal frontiers are the limit. How to promote regional cooperation if each department wants its own cluster? (...) it is a great challenge to make our governors to think outside their boxes, make them see they can cooperate with other municipalities or departments, and with the private sector. That’s why it has been impossible to consolidate Armenia’s metropolitan area, for example” (Int6- Regional competitiveness advisor, Armenia, Col. 2015)

Although neoliberal foundations privilege a market and competitiveness -rather individualistic- logic that creates a ‘profound antipathy to all kinds of Keynesian and/or collectivist strategies’ (Peck and Tickell, 2002:381), a context of uneven development and increased regional competition has contributed to regional cooperation to proliferate (Yeh and Xu, 2010). The existence of a common problem, whether it is related to uneven development, local autonomy, economic competition, or all of them combined, have led actors to explore different strategies and join efforts, under the idea that concerted and collaborative work has

the potential to solve the problem. Once these conditions are in place, empirical cases demonstrated that regional cooperation follows a deliberative process started by a leader, and inspired by the existence of a common problem, rather than a spontaneous and straightforward idea. The following section explains which factors have contributed to regional cooperation to be successfully established and sustained.

5.5. Establishing and sustaining regional cooperation

Once the actors, the local understandings and the contextual drivers of regional cooperation were analysed, this section focuses on the main reasons that have sustained the core cases²⁴, and the limitations these can face in relation to that sustainability.

“(…) and we told the *gringos*, give us a loan for 3 years and we promise to leave this cooperative running. It’s been more than 30 years!” (Int27- Coopeumo social director, Peumo, Chile 2016)

5.5.1. Regions and their socio-economic constructs

Empirical data suggest that regional actors self-recognise as interdependent, this is, they acknowledge the need of regions to work concertedly with its neighbours due to shared potentialities and problems. This coincides with the affirmation that regional cooperation occurs amongst places with local proximity and at least one common problem (Hophmayer-Tokich 2008). However, empirical data also indicate that shared socio-economic and cultural conditions are key for regional cooperation to be established. The territorial aspect of regional cooperation is of course essential, but territorial proximity is not enough to explain the process of regional cooperation. The Coffee Region demonstrates that cooperative arrangements amongst neighbouring departments and cities exist not only because of the territorial proximity but also because the existence of shared characteristics that facilitate cooperative work. CCLC intends to protect cultural features that are unique and shared by all the municipalities involved, creating a stronger sense of belonging and attachment with the territory and facilitating regional cooperation. “[CCLC] is provoking certain regional

²⁴ As subsidiary cases are smaller in size and shorter in timeline, this section uses only the core cases to explain how regional cooperation is established and sustained over the time.

integration that we are starting to notice, it made us think in what we are, our shared culture, us the three departments, it makes us proud and encourages us to protect our territory (...)’ (Int6- Regional competitiveness advisor, Armenia, Col. 2015). There is another aspect that calls to attention from the previous quote, and is consistent in most of the primary data. Most of the interviewees referred to ‘the three departments of CCLC’, even though CCLC is comprised by four. Valle del Cauca is not accounted as part of the Coffee Region in general, or as part of CCLC in other spaces different than official statements and documents. However, the municipalities located in the northern region are. This suggests that regional actors take those municipalities as part of Quindío (their most immediate neighbour department) rather than of Valle del Cauca, overlooking their jurisdictional borders. When visiting those municipalities, the similarities with the Coffee Region’s ones, in terms of economic activities, cultural heritage and landscape are evident (fieldwork notes).

Chilean cases also demonstrate that socio-economic conditions are more relevant to define the regional aspect of regional cooperation, beyond good connectivity and vicinity:

‘At some point the cooperative partners, which were quite a few, decided to expand the cooperative by inviting *campesinos* from neighbouring municipalities. They had that vision, back in the eighties, to say –we are not going to grow neither to survive, we need more people with us (...)– they left the selfishness apart (...) and that is why the other municipalities were integrated.’ (Int25- Coopeumo manager, Peumo, Chile 2016)

The regional aspect of regional cooperation is accompanied by the existence of common characteristics amongst the actors involved, whose concerted work is facilitated by their spatial proximity. Regions have homogeneous features and functional interdependencies (Perkmann, 2003). Common economic, social and historical processes, as well as ethnic, ecological and geographical features, make of regions a social and discursive construction that is reflected on regional cooperation processes. Core cases demonstrate that regional cooperation territoriality has little to do with the administrative organisation of the regions. Core cases reflect the same socio-economic construct of regional cooperation at different scales, from municipalities to departments and regions, to individuals to municipalities and

provinces. CCLC contains municipalities that share much of their cultural and economic aspects (coffee production, low industrialisation, growing tourism, architecture, natural resources, amongst others), are relatively close to each other (although some of them with poor connectivity services), but are in four different departments. This last aspect has become an obstacle when trying to develop projects that require public funds, but especially when trying to strengthen the regional cooperation process: ‘We cannot transgress our frontiers; the law does not allow it. (...) at the end, the municipalities remain separated’ (Int3 - Mayor1, Salento, Col. 2015). On the other hand, Coopeumo is comprised by a group of individuals with common socio-economic characteristics (*campesinos*), located relatively close to each other in different municipalities. Contrasting to CCLC, due to its private nature, its limited relationship with the local governments and its financial self-sufficiency, jurisdictional borders are not a direct limitation for Coopeumo. However, it does show that common problems, purposes and characteristics transcend municipal frontiers, and that regional cooperation responds better to those shared aspects than jurisdictional divisions.

The regional side of regional cooperation also transcends vicinity relationships. Networks and collaboration with national or international partners are also essential. CCLC has survived due to the UNESCO declaratory, the Colombian government intervention, and monetary aid received from the Multilateral Investment Fund. Coopeumo has grown by adapting its business model to exports by creating commercial partnerships with cooperatives in France and markets in Ukraine and Russia.

Coopeumo has surpassed an adverse political environment, and has a long history of changes and adaptation. Coopeumo, formally established in 1969, was reduced during the dictatorship period. Due to the recognition of its original founders as active social leaders, and their role in the political opposition at the local scale, they were spotted by the international organisation that provided the resources required to restore the cooperative (see chapter 4). Since the 1990’s, Coopeumo has made of export without intermediaries and to work on an active relationship with the public sector its main objectives, besides improving its members’ wellbeing and income. The cooperative has created partnerships with organisations from different scales and types, including national agencies, international organisations such as Fair

Trade and other cooperatives, and the academia. It also provides services to its surrounding community. They provide rural areas with internet and computer access, along with free training on how to use them, and served as intermediary for the reconstruction process after the 2011 earthquake.

‘Coopeumo is marvellous. They are a cooperative born in the 1960’s, when the development model was completely different, of economic autarky. They were able to transit towards a new model (...) Chile is a small country, we need exports to survive’. (Int39- Head of associations and cooperatives division, Santiago, Chile 2016)

As stated in the quote, exports become crucial for Coopeumo sustainability not only because of the size of the Chilean market, but because despite of its socialist origin and its focus on the human being rather than income and growth, the cooperative is also immerse in the challenges of a globalised economy.

For CCLC, political and economic changes are not as clear as for Coopeumo, yet its evolution has also been conditioned to its adaptability and networks building. CCLC has two easily identifiable periods, before the UNESCO declaratory (1995 - 2011), and after (2011 – 2017). During the first period, efforts were focused on preparing documents and requirements to include the region as part of the heritage list. There were periodic meetings between the academics and the representatives of the Ministry of Culture, and less frequently with local authorities and representatives from the private sector. The purpose was to identify what cultural, environmental and institutional factors were so unique that deserved to be included in the list, gather the evidence and design a management plan to explain how to protect and develop the cultural landscape.

‘[For many years] we were involved in a slow process, lots of ups and downs, but productive and satisfactory at the end. I am referring to the preparative work to submit the UNESCO heritage list solicitude, done by the local universities, all the eight of them, and the national government. (...) we used to go town after town; until we managed to finish the application.’ (Int8- CCLC board member 1, Pereira, Col. 2015)

This period demanded less participation of the external parties that would become partners in the second period, which is focused on CCLC consolidation and socialisation with the

communities and local governments. This period is relatively recent, so it prevents the identification of more concrete or quantifiable features. However, it is recognised that CCLC success depends on the continuous support of the national government, a greater commitment of the local governments, and a strong governing system capable taking adaptive measures and expand networks with international actors to raise funds. CCLC must overcome two big challenges: to maintain the cooperative work and to strengthen its legitimacy. Concerning the first point, so far municipalities and departments involved in the process are working in projects whose impacts do not transcend their own administrative boundaries, or not working in any related project at all. ‘Departments keep working separately; I do not see a strong alliance amongst them. Me as a coffee grower say: each coffee grower defend yourself as you can, because the government won` t help’ (Int4- Campesino1, Córdoba, Col. 2015). Concerning CCLC legitimacy, it can be challenged by the high level of expectations created. People that should be benefited the most with CCLC, i.e. coffee growers and rural population, have little or no information on how they can be favoured by being part of a UNESCO recognised site, and their main expectations are related to receive financial aid.

5.5.2. Governing regional cooperation

In general, regional cooperation requires of an internal structure to facilitate decision-making, management, projects development, fundraising and resources allocation. These governing systems can constitute a new institutional arrangement, a standing organisation, or be simpler forms of management or self-governing. These governing systems are organised around vertical and horizontal relationships that vary in accordance to the process needs. Vertical or hierarchical systems, more common in private cases of regional cooperation, have an identifiable head from where subordination relationships derive. Horizontal systems, on the other hand, lack of one actor who stands at the top of the structure, and the relationships are based on negotiation and persuasion.

CCLC is managed by a Permanent Board of Decisions (PBD), comprised of local governors, the Ministry of Culture, FNC, the autonomous regional corporations and SUEJE (see figure 5.2). This is a new institutional arrangement that aims for the promotion and implementation of projects to protect the designation of origin *Café de Colombia*, to regulate land use at the

municipal level, to encourage coffee production competitiveness, to increase income and wellbeing amongst the coffee growers' community, to preserve the cultural heritage, and to promote regional development.

PBD is a new institutional arrangement that follows a horizontal system where actors from different levels of the government and the private sector participate equally. However, power relationships remain when decisions are conditioned to the national government investment, which can be allocated or negotiated by only a couple of members (Ministry of Culture and FNC). Interviewees recognised the weakness of this governing system, qualifying it as 'more or less frequent meetings' (Int8- CCLC board member 1, Pereira, Col. 2015; Int5- CCLC tourism manager, Armenia, Col. 2015) rather than an established and strong governance scheme. PBD negotiates and decides on the grounds of CCLC management plan, where the main projects are contained. In accordance, these should be aimed to endorse and protect the denomination of origin *Café de Colombia*, to regulate land use according to the landscape attributes, to encourage coffee growers' competitiveness, increase their income, wellbeing, and social capital, to preserve cultural heritage and to stimulate regional development. However, the first main limitation of CCLC governing system is that it lacks of enforcement capabilities. So far, decisions and projects are materialised due to persuasion and incentives, mostly potential economic benefits. The lack of enforcement powers is reflected in the uneven interest deployed by the PBD members (Int16- CCLC board member 2, Armenia Col. 2015), and is intensified by jurisdictional borders. Although this weakness is more problematic for CCLC's relationship with the local context than within the process itself, this is not a minor issue as most of the decisions taken by the PBD must be re-approved and implemented by the local governments.

'CCLC sustainability depends in our own ability to re-design its governing system. We need a new institutional arrangement, one that is more inclusive, decentralised and autonomous, in which local governments and communities can actively participate. The actual design does not include the municipalities (...) even when they are the ones with powers over the region (...) we also need municipal committees in charge of implement the management plan in their areas' (Int8- CCLC board member 1, Pereira, Col. 2015)

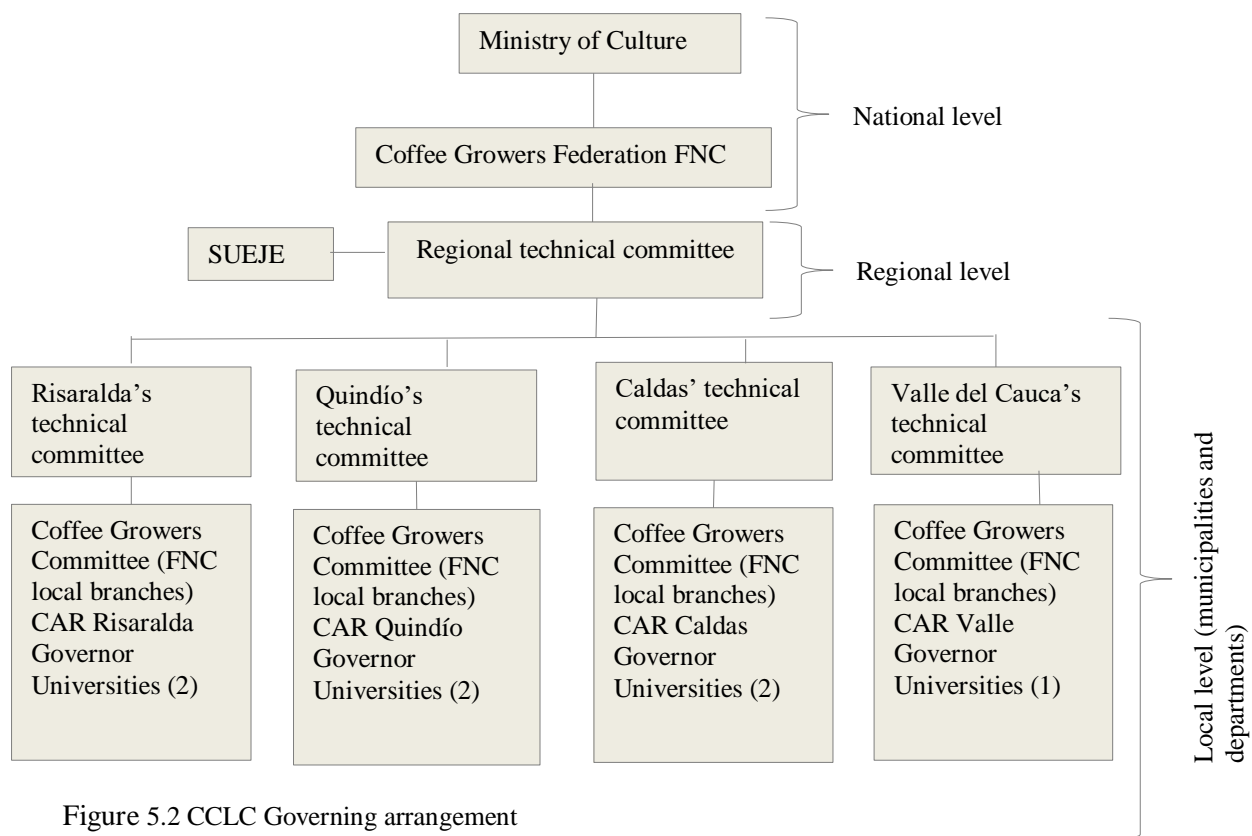


Figure 5.2 CCLC Governing arrangement
 Source: Paisaje Cultural Cafetero, 2010

A second great limitation of CCLC governing system is the lack of representativeness of two groups that are crucial for the process: municipalities and civic society. Concerning the municipalities, even if it is true that to reach an agreement with 51 mayors with diverse political affiliations and interests, might be a monumental task; the board members interviewed recognised that more spaces for decision-making at different scales are needed, as so far the participation of the local governments has been poor. Municipalities' non-representation have led to either a lack of interest and knowledge about CCLC, especially in smaller and more distant towns, or to the dispersion of policies and actions. Armenia, self-named CCLC pioneer city, has created its own CCLC municipal committee where projects are discussed and decided separately from the PBD and within the municipal borders, notwithstanding the regional scope of the process.

‘We now have a municipal agreement, approved by the city council (...). We want to separate CCLC from the local administration and make the private and academic sector the process` leaders, because we [local authorities] have too many things to attend, many different committees to participate, we can easily minimise CCLC’ (Int21- Planning office director, Armenia, Col. 2015)

The actions taken by Armenia’s local authorities reflect the need for broader spaces of participation but, so far, can constitute a threat to the regional project. By adopting separated strategies, municipalities might be using CCLC for their own economic growth, rather than creating strategies to benefit the region:

‘There is a lot of opportunistic people. Armenia just assumes it is CCLC capital city, but it is the city that damages [the landscape and territory] the most! Just look how the city is growing, the earthquake left lots of empty allotments in the city centre, why do they have to build new massive buildings outside the city, in the rural areas? The landscape, which is what UNESCO protects, is being destroyed’. (Int16- CCLC board member 2, Armenia Col. 2015)

The second group is the civic society. Non-representation of interest groups can lead to conflict and resistance to the process. However, this depends on the interests each group pursue. There is a growing non-formally organised movement of environmental activists where local authorities, politicians, academia and private actors participate. This group shares similar interests with CCLC and uses it as a trademark to make their cases. Their main purpose is to forbid large-scale mining in the region, prohibition that is contained in CCLC management plan. Therefore, their work with CCLC is of collaboration rather than opposition. However, this is not the case for a second significant and formally organised group of citizens. *Dignidad Cafetera* is an organised group of coffee growers who actively criticise FNC, its local committees and the government through demonstrations and open debates. They demand protection for *campesinos* when international coffee prices decrease, and access to cheaper supplies for coffee production. Although the coffee growers are represented by FNC and its local committees, the growing number of demonstrations and supporters suggests that this representation is not assessed as fully effective.

‘Since 2013 we have signed 32 agreements with the national government (...) to implement a protecting mechanism for *campesinos* in case the coffee prices go below

COP \$700.000 per load, to formalise the rural activity as a formal job, and to lower the supplies' prices (...). The government creates laws that cannot be implemented because of lack of regulation (...) so next June 22 we are going back to the streets, to demand compliance with these commitments (...) around 10.000 *campesinos* from all over the country are going to be here supporting us' (Int2- *Campesino* and civic leader, Armenia, Col. 2015)

About CCLC, *Dignidad Cafetera* representatives interviewed recognise themselves as key actors of the cultural landscape, but call the attention on the few benefits that it has brought to *campesinos*, and the advantage that some other groups are taking by using CCLC as a trademark for increasing their profit. Contrary to the environmental groups, the relation between coffee growers and CCLC is one of tension and conflict. CCLC faces several and opposite interests. While lacking an effective governing system, incentives and tools to compromise local actors, its successful development is unclear. Relationships of conflict, tension and lack of effectiveness have constituted the informal rules in which the internal organisation navigates.

In sum, the existence of a new institutional agreement to manage cooperative processes in which the public sector is involved does not guarantee its success, if that is not accompanied by an active support of its members and effective persuasion and negotiation skills that includes incentives and power balance. Regional cooperation processes cannot hold enforcement capabilities. This question needs to deal with political powers, financial capacity and legislation. Even if the regional actors and inhabitants agree with the aims, cooperation processes are not democratic, therefore should not be automatically granted with enforcement powers.

Coopeumo's case is substantially different; it counts with a solid and well-established governing system. Using a hierarchical logic, the cooperative is managed by a general board, an oversight board, a managerial council, and expanded councils (15 territorial committees). In managerial terms, Coopeumo is administrated by a team led by a manager and divided in four working areas: commercial, technical, loans, and social area (See figure 5.3). The cooperative has a traditional business-inspired system with the general board at the top, where

policy, projects and budget are decided, and it is managed following democratic rules, as expected for cooperative organisations (Streifeneder, 2015; IYC, 2012).

The cooperative is territorially divided in accordance to the communities where the members are located, and has a local representative in each area. They call this figure the expanded council. For its management, Coopeumo is organised around four working areas: First, the Commercial, in charge of the sales of the members` products and farming products to the members and the general public through the cooperative`s shops. Second, the Technical area, in charge of offering technical and entrepreneurial support. Third, the Loans area, in charge of the loans granted to the members. Finally, the Social area, in charge of the relationship between the cooperative and the community. Coopeumo is managed by a director, but the main policies and projects are decided in the general board. This board is integrated by all the members, who meet once per year to debate and take decisions regarding objectives, aims, profits, and the managerial team. Following a hierarchical scheme, under the general board of members there are three decision boards: the oversight board, in charge of the cooperative accountability, the managerial council, in charge of administrative decisions; and an expanded council, in charge of the relations between the cooperative and the local communities.

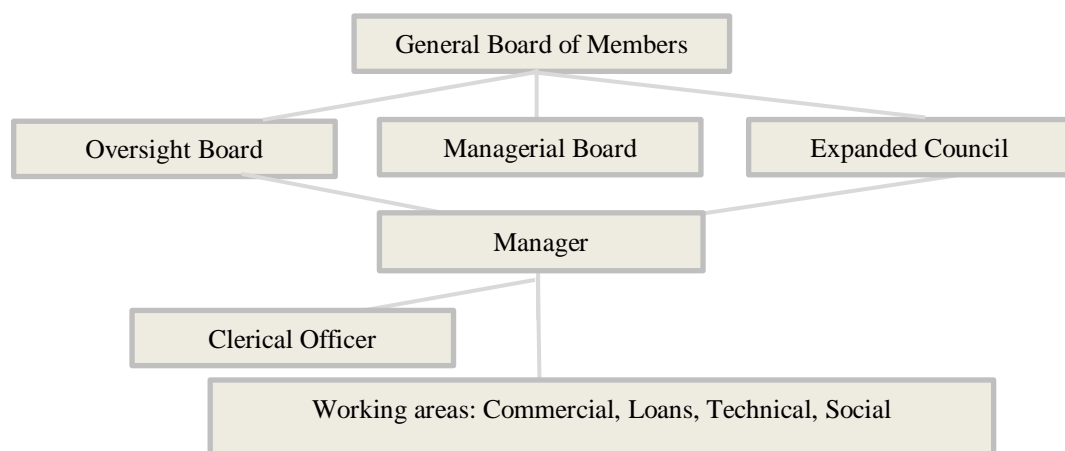


Figure 5.3 Coopeumo governance system
Source: Ortega (2012)

Coopeumo`s governance system does not differ much from cooperatives` schemes identified in previous research (e.g. Whyte, 1995; FAO, 2012), and is potentially vulnerable to common threats: High dependence on the agreement and engagement of members, weak legal

frameworks, adverse economic policies, and poor governance and capabilities (Borzaga & Galera, 2012). However, Coopeumo has a set of characteristics that have strengthened their governing system and contributed to overcome those threats. Firstly, the cooperative has a clear understanding of its role as a business and social organisation:

‘The cooperative [members] stay with us because we have both the economic and the social aspects as our cornerstones. If the cooperative was concerned just for the economic aspects it would not be a cooperative but a business, and if it was concerned just for the social aspects, well, it will be a charity’ (Int27- Coopeumo social director, Peumo, Chile, 2016)

Alongside, there is a strong belief that cooperative work is the most effective, and probably the only option *campesinos* count with to increase their income, improve their living conditions and participate in the national economic dynamics. This belief is strongly attached amongst members and the managerial team, creating a robust engagement in terms of loyalty, participation and accountability, and leading to decisions that are beneficial for strengthening the cooperative rather than increasing individual profit. It also creates a strong sense of pride amongst the members and gives Coopeumo a good reputation at the local level.

Secondly, members have a strong sense of trust in the managerial team. This trust is explained by the professional level of Coopeumo workers, the healthy financial and administrative management since its re-opening in 1980’s (FAO, 2012), the completion of beneficial projects for the community, the expansion of social services and the fact that none of the workers are members of the cooperative, minimising the risk of conflict of interests.

‘The workers you see here, the manager, all of us work for the cooperative but we don’t own it, the owners are its members, whom are well represented in the board of members and the managerial board’ (Int28- Coopeumo social director, Peumo, Chile 2016-2)

Thirdly, the cooperative allows its members to get actively involved in the management and decision-making, through the general board of members’ annual meeting, and the managerial, oversight and expanded council, which are integrated by elected members. In addition, these spaces allow its participants to develop additional skills such as accounting and management

through information and knowledge exchange, reproducing the positive cycle of trust and belonging.

‘From Coopeumo we receive a lot of help, they try to teach us (...), and because I have been always working with them in the expanded council, now I can tell I know how to prepare balance sheets and inventories’ (Int33- Coopeumo member, Peumo, Chile 2016)

Finally, and despite of its vertical governance system, Coopeumo has an innovative instance for local representativeness, this is the expanded council. The aim of this council, integrated by 15 territorial committees distributed amongst the areas where most members are located, is to make the managerial team closer to the territories, to get feedback and take immediate actions if needed.

‘The committees exist for like for us to chat, so we say –you see, Coopeumo is doing this wrong- so we go and tell them, we don’t have to wait until the annual meeting’ (Int33- Coopeumo member, Peumo, Chile 2016)

Coopeumo’s governing system finds is supported on high levels of trust in the managerial team, the members’ conviction on the benefits of being part of the organisation, and a strong sense of belonging. The cooperative is valued as an asset of which each member is owner. While CCLC requires of contracts, policy documents, local written agreements, and an entangled set of codified and written rules, due to the nature of its members (public and private), but especially to the levels of distrust, tension, and unequal interest, Coopeumo can rely on uncoded rules of belonging, trust, and mutual benefits to operate.

‘Look, there, I used to have lots of Pink Tomatoes, did you know them? Is big and sweet, and we thought it did not exist anymore. Happens that I was selling it cheaper than normal tomato because is kind of ugly shaped (...) it was Mr Ricardo – Coopeumo technical director- who told me what it was, so I began to charge more for it! (...) then, local TV channels and newspapers interviewed me, Miss Angelica – Coopeumo clerical officer- made the contacts and send the journalists (...) suddenly I was getting calls all day, people who wanted to buy the pink tomato! That’s the kind of support we need.’ (Int33- Coopeumo member, Peumo, Chile 2016)

Trust amongst Coopeumo members’ has been also crucial for its sustainability. Members’ trust is due to the role the cooperative has played in their wellbeing; beyond providing

technical and financial assistance, Coopeumo has continued to expand its social programs according to the members' demands²⁵. This has had impact in the cooperative reputation, internally and externally. It has created a strong sense of belonging and pridefulness amongst Coopeumo members, strengthening its legitimacy and will to maintain and develop the organisation. At the local level, it is assessed as a strong and transparent organisation, and, despite the average size of productive land owned by the members (12 Ha), which is not comparable with the amount of land of the *grandes fundos* (larger farms owned by firms and traditionally wealthy families); other *campesinos* acknowledge Coopeumo as an organisation for entrepreneurs. At the national level, the cooperative is recognised as an outstanding example of its kind in Chile, serving as case study for private consultants and international organisations such as FAO.

Governance systems are necessary for all types of cooperation processes, despite its size or purpose. However, when comparing core and subsidiary cases, it is clear that the larger the cooperation process, i.e., with a wider focus and objectives and a multiplicity of actors, the more complex its governing system and the rules that guarantee representativeness, pluralism, democracy and trust. Subsidiary cases of service delivery or policy coordination (Colombian subsidiary cases) have only a decision-making board instead of an entangled governance system, while private cooperation cases that pursue economic profit (Chilean subsidiary cases) are organised with a business-inspired system to allow its management and relationship with the local context (see table 5.2).

To approach regional cooperation governing systems implies to explain the internal rules that allow self-governing, development and expansion of the agreement. Internal rules that guarantee representativeness, spaces for negotiation at different scales, a rapid response, trust and loyalty, are key to shield the cooperative process against adverse political and economic conditions, to adapt to changes, and to make the process independent from external influence. While CCLC provides insights on the type of difficulties that regional cooperation process

²⁵ Today, the social portfolio includes life and emergencies insurance, students' loans (for the member's family), loans with low interest rates, annual payment of national health insurance without interests, and a funeral insurance, services that are expressly valued by the members.

faces with a weak governing system, Coopeumo demonstrates that a strong internal organisation is key to sustain the process. In sum, regional cooperation evolution and continuity requires adaptation abilities, good reputation and social acceptance and a strong governing system.

Table 5.2 Internal organisation, subsidiary cases

Cooperation agreement	Internal organisation
ARMA	One committee integrated by the mayors, where the governor participates
Pijao <i>Citta-slow</i>	Board of directors The charity is a small organisation with three permanent members, all of them from the private sector
Colchagua Valley	Headed by the board of members (13 wineries), and managed by an independent director
San Vicente Chamber of Tourism	Headed by a President (member), and four directors divided by thematic areas. Being a small and relatively new association, there is a low number of members and, in accordance with the interviewee, there is no need for a more complex structure

Source: Author

5.6. Conclusions

Regional cooperation within a context of uneven development, with the urge to improve local economy, and with low local autonomy and centralised governments, will occur with the right combination of rationales, leadership and a favourable or neutral political environment that allows financial investment. Its design and implementation must be revised towards common needs, problems and goals; and its continuity depends on a strong governing that promote ownership and is representative of all the stakeholders and in its capability to adapt and change. Due to its complexity, regional cooperation can be better understood if taken as a process rather than a strategy, contract, or agreement. That approach permits to observe how regional cooperation interacts with regional geographies and actors through time and space. It also allows understanding the set of relationships and contextual features influenced by, and influencing regional cooperation, and the adaptation measures required for its implementation

and evolution. This was precisely the aim of this chapter, to explain how regional cooperation is created, implemented and maintained, while analysing its definitions, forms, rationales and actors' roles.

Regional cooperation is a context dependant process in which historical, economic, and political features have a role. It depends on the existence of a common problem inspired on uneven development, dissatisfaction with top-down policies, or regional competition; leadership and knowledge exchange to analyse the choices available and how to implement them; a favourable or at least neutral political environment; the support of external actors; and financial investment. The form it takes is indistinct to its own existence, still crucial to grant it legitimacy. Given its dependence on the context and territory where it is implemented, regional cooperation must be an adaptable process, besides being able to maintain financial stability and an independent governing system.

As long as uneven development creates a larger gap amongst regions inhabitants, and their social and economic conditions worsen, wider and more complex forms of cooperative agreements can develop. The main problem, however, is the creation of higher expectations on its outcomes, which can exceed the real impact that cooperation can bring, leading to certain discontent with the strategies, as CCLC seems to be experiencing recently:

‘We have not learned how to differentiate the frontiers between the territory with CCLC and the territory without CCLC. There are many things we would like to attend using CCLC but is impossible, its job is not to solve the entire population's needs.’
(Int16- CCLC board member 2, Armenia Col. 2015)

Finally, regional cooperation needs to be territorially flexible. This flexibility has allowed regional cooperation to endure. Administrative boundaries are an obstacle for regions to cope with problems, and limit the possibility of innovative solutions. Regional cooperation can overcome those limitations to a certain extent, but this will require a higher level of innovation and creativity. However, the evolution of cooperative processes indistinctly of territorial boundaries have allowed its growth and positive outcomes in the regions.

Chapter 6: Institutional Conditions for Regional Cooperation

6.1. Introduction

The previous chapter explained the reasons and benefits of studying regional cooperation as processes embedded in its local context. Approaching regional cooperation as processes allows including non-traditional forms of joint and concerted work amongst regional actors as part of the analysis, in addition to understand its conceptualisation, evolution, and influence in local and regional development. Part of that local context is shaped and influenced by institutional environments and arrangements. Whether these are comprised of purely local institutions or multilevel institutions that influence or are adapted to the local context, their role is essential for regional cooperation. Institutions influence and create the environment in which development processes, strategies and policies are created and implemented, and regional cooperation is not an exception. Empirical data demonstrates that regional cooperation is shaped, incentivised and constrained by institutions that, in turn, explain the economic purpose behind cooperation processes, how these are organised and the set of relationships that emerge with other set of local and national institutions and actors.

To explain the relationships that emerge between regional cooperation and institutions, this chapter is organised in two parts. The first part explains the institutions that influence regional cooperation. In accordance to the empirical data, those institutions can be categorised as follows: Decentralisation, emphasising the relationship between decentralisation policies and the local capacity to design and implement cooperative processes; and informal institutions or unwritten norms that incentive or constrain regional cooperation processes.

The second part of the chapter refers to wider institutional processes occurring at the regional level where regional cooperation plays a role. Firstly, the relationship between regional cooperation and regional governance. Here is argued that regional cooperation opens new opportunities of horizontal governance at the regional level, becoming an alternative mechanism to enhance local governance. Secondly, the relationship between economic institutions, path dependency, and the role of regional cooperation. As the empirical data

demonstrate, regional cooperation can fall into the regions path dependency processes and contribute to its reproduction. The second part of the chapter also introduces the relationship between regional cooperation and local and regional development, explained in depth in chapter 7.

6.2. Institutions and regional cooperation

Regional cooperation processes are encouraged and constrained by institutions. Sets of preferences, interests, external and internal rules and incentives determine its existence and evolution. These institutions range from decentralisation, all the way to informal institutions shaped by historical and political circumstances.

6.2.1. Decentralisation policies

A demand for greater local and regional autonomy is, with few exemptions, a global trend that takes varied forms according to the national and local context (Rodríguez-Pose & Gill, 2003). In Colombia and Chile, the decentralisation policies applied led to different outcomes: Colombia is a case of mixed decentralisation and delegation of responsibilities and resources; while post-dictatorship Chile is a case of political decentralisation aiming to reestablish and enhance democracy along the country. These decentralisation trends have influenced regional cooperation by creating formal institutions that allow local actors to establish cooperative alliances, defining the forms of regional cooperation, and incentivising or constraining local agency. Although it is not the concern of this research to evaluate the outcomes of decentralisation policies, it is certain that these have limited regional cooperation processes. Despite the advances in devolving powers from the central to the local levels, centralism and regional unevenness still characterise the Colombian and Chilean states.

The first limitation comes with the decentralisation of various (in Colombia) or few (in Chile) competences to the local governments, and the remaining centralisation of financial resources. The Coffee Region and O'Higgins are financially dependent on the central government. Coffee Region's municipalities and departments have a low and uneven economic and institutional capacity, making them unable to produce a significant amount of their own

resources. Therefore, national transfers are their main source of financing. This trend intensifies through time (Fretes-Cibils & Ter-Minassian, 2015:159; see also DNP 2011). However, this dependence does not necessarily mean that the local governments lack resources, but is referred to the conditionality of those that are transferred.

‘[The national government] sends the money, but it is conditioned [to specific activities or sectors] (...) we do have space for manoeuvre on our own resources, what we collect from tobacco and alcohol or vehicle tax (...) but most of the resources are conditioned, normally for education and health’ Int7- Professional on local planning1, Pereira, Col. 2015)

The case is similar in Chile. Regional unevenness is easily perceived once outside Santiago (fieldwork notes). Regions, provinces and municipalities depend on national transfers, have low capacity to generate their own resources and locally collected and distributed taxes are virtually inexistent. The national budget is distributed following a sectorial logic, i.e. it is conditioned and executed per sectors accordingly to the national government mandate, while royalties are collected and distributed by the national government without consideration on producing regions, such as O’Higgins (von Baer, 2012; Law 19175, 2005). Same as the Coffee Region, financial dependence and resources’ conditionality implies that the scope of activities, programs or policies in which local authorities can invest is limited; leaving little chances for investment in regional cooperation projects. This also supports the argument explained in the previous chapter, regarding the vital role of the national governments: regional cooperation must find support at the central level, despite its very local scope.

‘Everything is extremely controlled by the national government, not even by the regional authorities. (...) there are conditioned budgets; if you receive an amount of money you have to invest it in the activity you were told so, even if you know that the activity is not essential, or even if you know that investing the money in another activity will bring better results’ (Int26- Coopeumo manager, Peumo, Chile, 2016-2)

The second limitation comes with the ambiguity and contradictions of the legislation directly related to regional cooperation. Indeed, Colombian and Chilean legislations provide legal tools for regional cooperation in the form of metropolitan areas, inter-municipal cooperation and regional integration for the Colombian case, yet these forms are hardly applicable due to

their territorial insensitivity. The Colombian National Constitution (1991) allows creating administrative regions by joining two or more departments, of metropolitan areas amongst two or more municipalities, and provinces between municipalities and/or indigenous territories within the same department (arts. 306, 319, 321). However, all these forms of regional cooperation-integration remained inapplicable because, as stated in the Constitution, they required further regulation. That regulation came twenty years later with the called Territorial Organisation Organic Law²⁶ (LOOT), where the list of regional cooperation-integration strategies was complemented with a new figure (municipalities associations).

“After all these years (...) the LOOT did everything to do nothing. For example, the wish that many of us have had for so long, to create regions as legally recognised territories (...) is frustrated (...) because if you look at the legislation carefully, you will find that regions as territorial units cannot be created unless you join entire departments, is nonsense” (Int8- CCLC board member 1, Pereira, Col. 2015)

As the quote shows, the possibility to create regions that are jurisdictionally recognised is limited by the condition of joining entire departments and not sections of them. As argued in chapter 5, the existing territorial boundaries do not reflect the socio-economic conditions through which regions are constituted, and some Colombian departments are so big in extension, and diverse in communities, ecosystems and economic composition, that they can contain various ‘regions’ themselves. CCLC cannot make use of this territorial setting to gain enforcement capabilities, autonomy and financial autonomy as it is not comprised of entire departments. Therefore, despite of the different possibilities granted by the Colombian legislation, CCLC keeps using agreements and contracts. The great number of municipalities and departments involved, their jurisdictional borders, and their heterogeneous interest in CCLC, limit the use of any of the forms contained in the legislation. Territorial insensitivity, plus the fear of regional political elites to lose powers (see page 30-31), the foregoing existence of the Coffee Region as a single department and its posterior division, explains why

²⁶ An Organic Law is mandated directly from the National Constitution and has an especial procedure for its creation. In terms of legal hierarchy, it is placed above an ordinary law, which means the later cannot be abolished nor replaced by the former (Colombian Constitutional Court, 2000).

CCLC remains a unique case of regional cooperation in terms of its form, and leaves regional integration processes out of any consideration.

There is, however, another legal mechanism that incentives regional cooperation, and could be, potentially, beneficial for CCLC. ‘Well, Colombia will be eventually regionalised (...) today we cannot think beyond our municipal borders, but the royalties’ reform is one step forward because we now can think on regional projects and cooperation’ (Int3 - Mayor1, Salento, Col. 2015).

This reform to the royalties’ distribution system was introduced in 2011 (legislative act 05), as part of the regionalisation agenda initiated with the 1991 Constitution. This reform divides the country in regions (by joining several departments), whom can accede to part of the resources collected through royalties to fund local development projects. What is most innovative of this reform is the possibility of non-producing regions to find an alternative source of funding (royalties were distributed amongst producing municipalities only), and the creation of an incentive to design development projects for a region rather than municipalities as separate entities. It should be noted that the projects to be fund through the royalties system must have a regional scope, but how the regions are formed is left for each regional committee to decide. The royalties’ distribution system was highlighted as the main incentive for regional cooperation -in general- for the local governments, and acknowledged as a potential alternative solution for CCLC fundraising. However, at least for the Coffee Region, it has failed to recognise the great differences amongst the Colombian departments and municipalities in terms of institutional capacity, autonomy and resources. Development projects to be funded must be approved by regional committees comprised of predefined regions. The problem of designing a project that fits the legislation instead of local needs remains unsolved. These projects must be preapproved by a new institutional form called OCAD (joint organisation for management and decision), integrated by the governors, mayors, national government representatives, and four congressmen (two of each one of the Senate Chambers). The region to which the Coffee Region is part includes Antioquia, which by itself gathers more than 100 municipalities. For CCLC, this means extraordinary

persuasion skills to gain approval on a project that will benefit less than half the royalties' region.

'In our search for alternative resources we have consider the royalties' reform (...) but in our case, our OCAD is integrated by Antioquia, Caldas, Risaralda and Quindío. Antioquia is not part of CCLC. Imagine how frustrating those meetings and negotiations are!' (Int8- CCLC board member 1, Pereira, Col. 2015)

The case is not much different in Chile. Regional cooperation regulations are as modest as devolution policies. These are referred to metropolitan areas, public-private partnerships to create private organisations, and inter-municipal cooperation. A metropolitan area must be formed by integrated urban areas from different municipalities *-areas conurbadas-*. None of the municipalities where regional cooperation cases are located fulfill this requirement. On the other hand, legislation regarding public-private partnerships remains vague. This ambiguity, plus municipal governments' low local agency discourages its creation in O'Higgins. Finally, regarding inter-municipal cooperation, this is defined as the association of two or more municipalities cooperating to deliver public services, build infrastructure, develop environment protection programs, offer training for local officials or improve the municipal system (art. 137 law 18.695). None of these forms provide sufficient incentives for local governments to create cooperation agreements, some of them are inapplicable, and all of them remain vague as the Organic Law that should regulate them (as mandated in the constitutional reform of 2009, Law 20.390) is still pending. Therefore, regional cooperation for local and regional development is driven by private initiative.

Amidst those contradictions and lack of incentives, it is not rare that the processes of regional cooperation found in the Coffee Region and O'Higgins have developed forms unlisted in the relevant legislation, which are, in turn, the forms of regional cooperation traditionally analysed in academic literature.

A third and final limitation, which is applicable just in the Chilean case, is the impossibility for Chilean regions, provinces and municipalities to intervene in policies and programs for local economic development. Chilean decentralisation has been a slow process, the executive remains as the centre and main political, administrative and financial power, while the regions are maintained as administrative containers of national agencies and ministries' regional

branches. Contrary to the Colombian case, where economic development is a statutory and legal responsibility shared by all the scales, Chilean local authorities depend on the national level to deliver most of their functions, including the promotion of economic development. The local level relies on the national level to implement public policies and have no vote in terms of economic development, while the national budget is allocated by sectors rather than regions. There are simply not enough incentives for local authorities to get involved in partnerships with other municipalities or provinces.

The above limitations help to explain the type of cooperative processes more prone to occur, yet they are not enough to discourage regional cooperation. Despite the acknowledgement of low autonomy for both the Coffee Region and O'Higgins, it is evident that Colombian local authorities have higher levels of autonomy, responsibilities and financial management. In the Coffee Region, regional cooperation processes from the public sector, or directly involving public actors were more common and best known by the local community, while in O'Higgins, private-led cooperation projects were more common and acknowledged.

6.2.2. Local agency

The capacity of local governments to decide and get involved in regional cooperation processes is undermined by the limits of decentralisation, tight legislations and, in the Chilean case, the inexistence competence of local governments to decide local and regional development approaches and programs. Indeed, conditioned transfers and financial dependency plus ambiguous and territorially insensitive legislation are strong limitations for local agency. If insufficient competences to decide and manage local economic development are added, it is not rare that local governments simply do not participate actively in regional cooperation processes. The limited local agency explains whether a local authority participates or not in current regional cooperation processes, and limits future possibilities of establishing regional cooperation with the local governments.

The case in O'Higgins is peculiar. Local authorities that were interviewed seemed to be more acquiescent with the scope they have so far, while the private sector interviewees manifested unconformity:

‘I do believe municipalities here in Chile have total autonomy. The mayor determines the programs for the municipality. Well, there are programs that come from the central government, but those are larger programs. Do not believe everything is easy, but it has been [relatively easy] for the mayor we have now [in Peumo], he has good relationships, Peumo is way much better now’ (Int22- Local government representative, Peumo, Chile 2016)

In addition, more advanced devolution policies seem unlikely as some of the most popular decentralisation proposals debated during the Chilean constitutional reform project (on course) still consider centralist figures for the regional government. For example, the proposal to elect the *Intendentes* is accompanied by maintaining a designated public figure in the regional governments. This figure, as it is being proposed, has the role of representing the president in the regions in the Chilean structure alongside democratically elected *Intendentes* and Governors (e.g. von Baer, 2012).

‘[To decentralise the state] is one of the things that are being discussed today in the constitutional reform debate (...). we hope that the discussion comes from the people and experts, and we hope the citizens make [decentralisation] an emerging topic (...) the first things to do should be (...) to democratise the regions by electing the *Intendentes*, each region should have its elected authorities who work in parallel to those that are designated. That figure that won’t disappear because they represent the President in the regions and guarantee that the macro-politic guidelines are applied’ (Int39- Head of associations and cooperatives division, Santiago, Chile 2016)

This cannot be interpreted as an exemption to the global trend on devolution, but as an evidence on how diverse those processes can be. Chile was governed under a repressive dictatorship until 1990, therefore the main concern is to enhance democracy and strengthen institutions in the first place. As the panorama in terms of local agency for local economic development is more likely to be maintained, regional cooperation will then continue as it has been functioning so far: apart from the local government and closer to the national level.

On the other hand, CCLC demonstrates that decentralisation, local autonomy and regional unevenness influence the extent with which local authorities commit with cooperation processes. As explained in the previous chapter, the engagement of municipalities and departments with CCLC is varied. While Armenia is trying to lead the process and become

the CCLC pioneer, some other municipalities are not actively involved but expectant of the decisions and financial resources that could be potentially transferred. Departments remain dependent on persuasion to incentive municipalities to participate. While Quindío has shown major commitment with CCLC, using it to led and promote environmental social movements against mining and tourist projects, and successfully persuading municipalities to include CCLC in their development plans; Risaralda and Caldas have showed a more passive attitude towards the project, participating in the meetings but maintaining a sceptical position.

‘It is clear for us in Manizales and Caldas that CCLC brings a competitive advantage for the region that we must use, but in practical terms it doesn’t have echo in the department, I don’t see effective cooperation strategies happening.’ (Int17- Professional on local planning2, Manizales, Col. 2015)

Unlike Quindío, Risaralda and Caldas showed better numbers in the human development index, economic performance and industrialisation. These departments were able to diversify their economic activities after the International Coffee Pact was abolished in 1989 (PNUD, 2004). Quindío has remained highly dependent on national transfers, agriculture, commerce, and more recently, tourism, while Armenia (its capital city) has been one of the cities with highest unemployment in the country for several years (Banrep, no date).

‘There is a radical difference amongst the Coffee Region (...) if you observe, Caldas and Risaralda invested [coffee sales] profits to industrialise and develop their departments, and created a stronger link between the academic and industrial sector (...) that helps to explain the inequality we see today [amongst the region]’ (Int16-CCLC board member 2, Armenia Col. 2015)

CCLC represents an alternative for Quindío to generate growth by developing the tourist sector without applying massive changes in its economic infrastructure. Risaralda and Caldas can rely on a relatively diverse and more successful local economy, rather than cooperative processes, due to their greater financial independence. However, none of the three departments by themselves, nor their municipalities, have enough resources to address their population needs or massively improve local economic development. It should be noted that the fourth department, Valle del Cauca, has been historically a strong industrial hub in Colombia, and is economically stronger than the departments of the Coffee Region. However,

the socio-economic conditions of the municipalities in the northern part of the department face similar challenges and limitations to those in Quindío than in Valle del Cauca itself.

One of the most used phrases in the interviews was ‘cooperation depends on political will’. Political will is referred to as the elected officials’ affirmative decision to create cooperative agreements, and is closely related to local agency but reflecting the voluntary nature of decision-making processes. Both regions keep expecting the state (and its local manifestations) intervention in all sort of issues, and set the responsibility on the visible heads: the elected officials. In the Coffee Region it is understood that creating cooperative projects is the governors and mayors’ duty, while in O’Higgins are the mayors who should be in charge, but no mention the governors and *Intendentes*, whom are designated by the President. Therefore, a rapid view of this argument will lead to conclude that regional cooperation will occur only when elected officials choose to create agreements between themselves, which in turn will happen only when they have the same political affiliation. However, setting all the responsibility in the elected officials is not just too restrictive but also disowns the very nature of regional cooperation as explained along this document. Elected officials do play a role in regional cooperation. Their passive attitude helps to explain the inexistence of more forms of regional cooperation, especially since their participation is mandatory (see section 6.3 on legislation that regulates forms of cooperation), but the Coffee Region and O’Higgins have demonstrated that regional cooperation can exist, and be successful, in spite of the local government.

Limited local agency poses a great limitation for regional cooperation. It leaves the local governments, which are often acknowledged as the most important actors of regional cooperation in the literature, outside of the cooperative processes. Insofar both regions remain financially dependent on the national level to promote local and regional development and implement regional cooperation strategies that involve the public sector. However, it does not prevent regional cooperation to be established and evolve, but forces its transformation and incentives innovative forms to emerge.

6.2.3. Social and institutional barriers and incentives to cooperation

Alongside decentralisation policies and local agency, regional cooperation occurs amidst a set of unwritten rules are shaping collective behaviour. After all, regional cooperation is a process driven, created and sustained through human interaction; individuals that represent an institution or their self-interest, and whose behaviour is determined not just by formal institutional arrangements and territorial jurisdictions, but also a set of cultural patterns and norms. The analysis of this human factor acknowledges the understanding of why cooperation ‘emerges in a world of egoists’ (Axelrod, 1984:3). Why individuals decide to embark in cooperative agreements is a question with a long tradition in the fields of public administration and economics, especially in the rational choice and collective action scholarship, themes that are out of this research scope. However, empirical data suggested that those behavioural codes are also capable to enable or constrain regional cooperation.

The cases occur within regions where inter-level interaction is constrained by jurisdictions and centralism, with a strong tradition on natural resources exploitation as primary economic activity, and marked uneven development. From this context, characteristics such as resistance to change, social homogeneity and administrative culture, were highlighted as relevant for regional cooperation. When asked about the main constrains faced while implementing cooperative agreements, interviewees’ answers were focused on soft institutions in the first place, and referred to the same set of cultural norms and behaviour in both countries²⁷.

A first social aspect of regional cooperation is related to a resistance to change was raised as an obstacle to regional cooperation in both regions. It should be noted, however, that resistance is related to maintaining traditional economic activities and modes of production, rather than a rejection to political or social changes. In this sense, is likely that cooperative projects that bring innovation are going to be initially rejected despite the potential economic gains. Resistance to change becomes an obstacle if cooperation process challenges the regional economic status quo, despite the reproduction of unevenness. The questions that

²⁷ The cultural and behavioural norms explained below were extracted from the interviews, and find support in the context chapter. However, this research does not pretend to offer a sociological analysis.

should be asked is what kind of changes and for whom. If processes such as CCLC are not materialising benefits for the vulnerable population it claims to focus on, *campesinos* resistance should not be unexpected. The conflict between resistance to change and regional cooperation has been addressed by public administration as the limits of conservatism to cooperate (Gillette, 2005; Feiock, 2007; Clingermayer and Feiock, 2001). In this set of literature, the focus is set on public elected officials, whom may not support regional cooperation strategies if these challenge their voters' conservative views. To some extent, Pijao *Citta-slow* reflects these claims.

'The Citta-slow idea is being perverted here. Some people reject the project because they believe we are going to finish with local activities, like forbid horse-riding shows or expel commerce from the central square, just nonsense (...). When we presented the sustainable tourism project we had to chase the mayor to get it approved, he had so much pressure that he simple shelved it (...). At the end what convinced him was the pressure from the larger cattle farms owners, whom we called and agreed to help because they are economically affected by land use changes that are reversed with the tourism plan'. (Int13- Pijao *Citta-slow* leader, Pijao, Col. 2016)

The concerns on resistance to change or conservatism depend much on the aims pursued by each case, and are more related to the possibility of local public officials to get involved or not in regional cooperation strategies. Referrals to resistance to change were also made by interviewees of core cases, but with a different focus. For CCLC, that resistance came in the form of *campesinos* disregarding the tourist value of CCLC, but this is a question of who gets the benefits of regional cooperation and how these are distributed. On the other hand, Copeumo finds conservative attitudes problematic when innovation projects are required to improve production, but not to the process of cooperation itself.

A second social aspect is related to the administrative culture. Administrative culture is understood as informal practices normalised within the local government, positioned as either an incentive or an obstacle to cooperate. In the cases, according to the interviewees, the practice of short term planning had the major negative impact on regional cooperation. Short term planning results in an obstacle for regional cooperation as long as the former tends to be a long term process, and local governments have little incentives to plan beyond their administration period. In the Coffee Region, despite of the fact that local authorities are in charge of the local

development plans, these 'are designed just for the mayor or governor's four-year period. To find a continuing development plan is pretty strange' (Int7- Professional on local planning1, Pereira, Col. 2015). This explains why current regional cooperation processes have to be explained -repeatedly- to the new local authorities. CCLC and Pijao *Citta*-slow exist in spite of the local governments but, as explained in the previous chapter, they depend on its support. The case in O'Higgins is similar, local government has little interest to participate in regional cooperation processes 'because the authorities have a very limited perspective. They are concerned about daily chores and not in long term projects' (Int25- Coopeumo manager, Peumo, Chile 2016). Regional cooperation in O'Higgins also exists in spite of the local governments, but this does not imply that their involvement is not desirable or needed (as explained in the previous chapter).

A final aspect highlighted in the empirical data is the existence of common characteristics - homogeneity as is usually acknowledged in public administration literature- amongst the community where the cooperative agreement is implemented. This is homogeneity in terms of economic activities and socio economic groups, rather than racial or religious. Income and wealth differences reduce the likelihood of cooperation (Clingermayer & Feiock, 2001), and this can be traced by looking at the cases: Participants share a socio-economic background. Coopeumo gathers *campesinos parceleros*, as they identify themselves, this is, *campesinos* benefited with the agrarian reform. Colombian cases have influence in towns and cities with a strong presence of *campesinos*, while Colchagua Valley and San Vicente Chamber of Tourism gather middle class entrepreneurs from the wine sector and tourism services providers respectively. Empirical data shows that homogeneity encourages the creation of social bonds, and facilitates trust building amongst the participants of cooperation processes.

Regional cooperation is not an isolated process. Institutions, socio economic and historical factors, all have had role in allowing what could be called innovative regional cooperation to occur in the Coffee Region and O'Higgins. Regional cooperation is not only shaped by institutions, it can play a key role in wider institutional processes related to local and regional development. Next section will explain these relationships.

6.3. On regional governance and path dependant cooperation

6.3.1. Regional governance

Regional cooperation is a local response against vertical governance systems (Lizhu et. al, 2014). It opens new spaces of negotiation and decision-making at different scales, can set its agenda with themes undermined by local and national authorities, can create additional links between local governments and the regions, and highlights the inefficiency of administrative borders to address problems of regional sale, as the cases demonstrate.

‘[CCLC] is not as museum, this is a productive landscape, we do not have opening times, we are a living landscape full of contradictions, contradictory interests, and all kind of actors involved’ (Int8- CCLC board member 1, Pereira, Col. 2015)

CCLC has served to enhance regional governance systems by opening new spaces of debate and decision-making for themes of regional interest, and by highlighting the inconvenience of administrative boundaries to address regional problems. CCLC aims to influence public policy and depends on the public sector. It is a mixed agreement of policy coordination and projects design whose impact is going to be seen at regional scale. In this regard, it creates a new space of debate and decision-making alongside the traditional institutional forms in which the state is represented, where organisations from the local and national level participate, and enhancing regional governance. This new space raises awareness on subjects that, given the hierarchical and centralised form of the Colombian government, are invisible to the national level, and given the low institutional capacity of the local level, are undermined by local authorities. Concerns around cultural conservation, or how to access the growing market for organic coffee, can be overlooked in a top-down governance system, especially in a country with major issues to solve (such an internal conflict), and set aside by local governments with low financial resources and pressing social problems to attend (see figure 6.1). However, those concerns are now part of a regional agenda.

‘Each municipality has to make its decisions within its territorial boundaries (...) but there are aspects where you cannot ignore the regional scale. The environment for example, it does not have a predefined territoriality (...) [Armenia] gets its water from Salento, we use it here and then we return it to the river, from which other

municipalities obtain their water' (Int21- Planning office director, Armenia, Col. 2015)



Figure 6.1 CCLC main features
Source: Author, July 2015

From left to right: Landscape from Pijao, town of Salamina, coffee beans, process of drying coffee beans

In terms of jurisdictions, a cooperation process such as CCLC highlights the inefficiency of legal frontiers between administrative regions to address common problems. The Coffee Region does not only share cultural features and its economic history, but also problems and concerns that are better addressed from a regional rather than local scale. Yet, each city and department is limited by its jurisdictional borders. Although CCLC scope is not enough to address all regional problems, it gives insights on how the territories can be better managed by following a geographical rather than legal-administrative perspective.

Colombian subsidiary cases support those arguments. Pijao *Citta-slow* and ARMA have opened negotiation spaces where themes of local interest can be debated outside the city council and administrative frontiers are challenged. Regional cooperation between local and

public actors creates alternative spaces of negotiation and enhance local governance. Processes of regional cooperation in the Coffee Region are, therefore, an expression of flexible and multilevel governance where the citizens are served by the local and national governments, and alternative organisations in which actors from different levels take part. However, the establishment of a fully developed multilevel and flexible local governance is far from being complete, as the region remains highly dependent on the national government and local agency remains limited by territorial borders.

On the other hand, when local authorities do not participate in cooperative process, those alternative spaces for negotiation become diffuse, and only regional cooperation process with particular characteristics can effectively influence regional governance, as these have to reach upper levels of government. Coopeumo founders, and some of its members, have had an active public activity as political opposition leaders during the agrarian reform and the dictatorship period and as local leaders since 1990. Some of them have been mayors, city councillors and representatives in the regional branches of national agencies` discussion boards, where they have represented the local *campesinos* community. However, this is very particular of Coopeumo and hardly replicable in other similar organisations (although this does not imply that cooperatives are not part of public discussions in other regions).

In opposition to CCLC, in Coopeumo the separation between the internal decisions and the regional level are more evident. The negotiations and decisions made inside the cooperative and initially, do not interfere with the public sector or local authorities. Additionally, given the legal limitation of the Chilean local governments to design economic development policies, the role that Coopeumo can accomplish as an alternative negotiation space for local governance is limited, although not inexistent. A cooperative process with the characteristics developed by Coopeumo, this is, with a long tradition, a high number of members, and with a stronger relationship with the regional and national level, is able to bring attention on subjects that are out of the local competence (rural economic development and agriculture in this case) to upper levels of governments. However, contrary to the Colombian public structure, where the municipalities are the administrative forms with more resources and influence over the territories, these territorial powers are exerted by the Chilean regions (even if that influence is

translated in applying policies and programs designed at the national level). This prevents regional cooperation processes from effectively influencing local governance at the municipal level, especially when the cooperative process aims for economic development and the municipalities have no kind of competence on that regard.

However, in the cases where regional cooperation depends on the direct intervention of the local level in areas of their competence, cooperative agreements have the capacity to partially influence local governments by exerting accountability and creating links between economic sectors and the local government, as Chilean subsidiary cases suggest:

‘Roads improvement, waste collection services, public space maintenance (...) we must try to influence local and regional government on those matters (...). We are part of the landscape, we are not just a group of vineyards concerned for our business but we belong to a community. (...) we can create temporary agreements to, for example, fix the health centre where our workers and their families receive their medical attention. The local government contributes with some funding and we contribute with the engineers, architects, or the paint and construction materials. At the end what we do is to establish a communication bridge between the communities, the local government and the wine industry’ (Int31- Wineries association manager, Santa Cruz, Chile 2016)

In terms of the administrative borders, Coopeumo provides some insights into how local problems are better addressed by creating networks based on shared characteristics, affiliations and problems. This is already acknowledged by the provincial government:

‘Next to the Road number 5 south we have all the municipalities located in the Central Valley. They understand development in a different way (...); more focused on the urban areas (...) what we try to do is to work in micro-areas, like the one on the Fruit Road, where Coopeumo is (...). If we look at the province as a whole, we can ignore the real needs. Also, we have noticed that in some cases, we have much more in common with municipalities located in the adjacent regions’ (Int23- Provincial government representative, Rancagua, Chile 2016)

O’Higgins is far from being a successful example of flexible and multilevel governance in which the citizens are served by different and multi-scalar organisations, and where the local

government is accountable and closer to them. Regional governing holds a traditional model where jurisdictions are determined by territories rather than functions or common problems.

However, an argument for horizontal and multilevel governance does not reject the coexistence of diverse forms of regional governance (Hooghe & Marks, 2003). National states remain in charge of regulating property rights, territorial boundaries, provide infrastructure, macroeconomic control (MacKinnon and Cumbers, 2011), and incentivise processes of regional cooperation for local economic development. The governments cannot be replaced by technical or cooperative organisations, particularly in countries like Chile and Colombia where the discussion about development is accompanied by how to strengthen democracy and their institutions. Processes of regional cooperation help to understand how regions adapt and simultaneously reinvent, trying to move towards a more flexible forms of interaction between the governments, its agencies, regions, and citizens, while recognising the role of the state in regulating economic and political life. The Coffee Region and O'Higgins are going through processes and challenges related to public safety, rapid urbanisation, democratisation, economic adaptation and development. However, the existence of regional cooperation as enhancer of regional governance systems are processes occurring along the Global North and South (see for example Lizhu *et al*, 2014). As Jones (2011:1186), points out, 'The national scale is being challenged by the local and, more recently, the regional scale as the breeding ground for regulatory experiments in the governance of economic development', regardless of geographical locations.

6.3.2. Path dependant cooperation

From a new economic geography perspective, regional unevenness in both regions could be explained, amongst other set of variables, by their inability to create and retain wealth. In this sense, uneven regional development results from the absence of economies of scale created 'through urbanisation, agglomeration and proximity to existent markets' (Monasterio, 2010:52). It is true that the Coffee Region has limited economy, low levels of industrialisation, and unsuccessful attempts of clustering (Int6- Regional competitiveness advisor, Armenia, Col. 2015). O'Higgins shows more industrial development and good

potential for clustering and agglomeration (Ortega-Melo, 2006), yet both regions retain high levels of inequality and are still trying to catch up with other economically successful regions in their respective countries. The Coffee Region and O'Higgins have an institutional context that reproduces processes of path dependency, from where regional cooperation has not escaped. Despite the innovative and tailored forms of regional cooperation, the economic processes they aim to encourage remain rooted in the regional economic 'know how', this is, extractive activities and agricultural production, with a sight of renewal towards tourism. However, tourism aims to exploit the existent infrastructure, natural diversity, and historical and cultural legacy rather than to incentive innovation, and is mainly developed by the regional economic elites, restricting entrepreneurship to a small group of people.

Regional cooperation processes show little interest in introducing economic activities that are different from the traditional. Conversely, cooperation processes aim for a joint work where diverse actors push the development of economic activities already established in the region, contributing to reproduce the status quo. These are regions reproduce path dependent processes, in which the choice of the path is hardly identifiable as long because neither region has reached industrialisation. 'There is no industrial logic here. We keep following an agricultural and commercial economic logic, and it's been always like that' (Int16- CCLC board member 2, Armenia Col. 2015). Indeed, path dependency in the Coffee Region and O'Higgins is quite peculiar. The regions have not had a substantial change in its economic activities since colonial times. Extractive activities and soil exploitation continue as the main sources of income (see context chapter), situation that is maintained and reproduced by the regional economic elites. The regions are locked in with extractive institutions (see Acemoglu *et al*, 2002) inherited from the Spanish colony (Ibid.). These institutions are preserved and vulnerable to be captured by economic and political elites, discouraging investment and economic diversification. Although the problem with the path dependency approach is that of infinite regression (Scherrer, 2005), and establishing colonial times as a departure point might be capricious and methodologically inaccurate for this research, empirical data does demonstrate that extractive institutions are reproduced. However, the role that regional cooperation plays in both regions is different in this regard.

Except from ARMA (which exists to provide a public service demanded by law, therefore it is hardly reproducing unevenness), regional cooperation processes in the Coffee Region are susceptible to reproduce patterns of extractive institutions. Pijao *Citta*-slow maintains a struggle with the local political leaders and landowners that oppose the project and has little capacity to introduce a change that democratises economic activities (Int13- Pijao *Citta*-slow leader, Pijao, Col. 2016). CCLC, despite its goals on improving wellbeing for campesinos and the rural area, to promote sustainable tourism, and to protect natural resources, is vulnerable to be captured by economic elites whom use the project as a trademark to capitalise and obtain individual profits. None of the cases is introducing significant changes for economic diversification.

On the other hand, Coopeumo is not reproducing extractive institutions but resisting them, although it does aim for continuing traditional economic activities. Same as the Coffee Region, O'Higgins remain highly dependent on extractive industries and agricultural production, a pattern that can be traced all along the Chilean independent era. The economic and political power of Chilean elites has been so strong that when changes in terms of equality, labours' rights, and poverty reduction were being introduced, a military coup occurred introducing the country in a dictatorship that lasted 17 years (see chapter 4). Today a good number of the economic elites hold a picture of Augusto Pinochet in their homes' living room (fieldwork notes). However, the cooperative as a whole organisation challenges extractive institutions by maintaining the same economic activities but avoiding elites to capture all the benefits. In other words, Coopeumo allows *campesinos*, who might produce the same products as economic elites, to access more markets and improve their production, therefore their income. Still, they do not represent a direct challenge to the regional economic elites, as they will not compete for the same markets, nor internally or externally.

‘What we do, and the government is not doing, is to promote production and added value processes. That's the key for *campesinos* to increase their income and profit, taking them out of their traditional commercialisation route, like the town fair, and helping them to transform their products (...) we have started, and is going well’ (Int25- Coopeumo manager, Peumo, Chile 2016).

There is not a foreseeable effort to diversify economic activities in O'Higgins. The tourist industry is developing slowly and has not reached a significant advance. It is not a priority for

regional economic development, nor for the local and national government either. Same as the Coffee Region, tourism in O'Higgins is not aiming to introduce a major change in the economic activities, but to exploit the existent assets, as it could be expected. In this sense, Colchagua Valley`s tourism goal is to promote the wineries as places to visit in order to know better the wine production system; while San Vicente Chamber of Tourism offers the town and its surrounding area as a place to rest from the busy Santiago (Int32- Chamber of Tourism president, San Vicente, Chile, 2016). As economic diversification is not a regional public policy priority, it prevents it to happen from within. From an external point of view, O'Higgins proximity with Santiago and the Metropolitan Region discourages the creation of strategies to incentive economic activities other than agriculture and copper extraction, intensifying the regional dependence on primary resources exploitation.

“O'Higgins is so close to Santiago (...) that there is no difference or improvement for a firm to establish there (...) I remember when I was working in CORFO, lot of financial resources were allocated for O'Higgins, all of them for agriculture though” (Int38-Associations and cooperatives division professional, Ministry of Economy, Santiago, Chile 2016)

Although processes of regional cooperation, such as metropolitan areas, are acknowledged as favourable for path renewal and path creation (Brekke, 2017), regional cooperation processes in the Coffee Region and O'Higgins are more restricted in terms of their scope. They have a smaller size in terms of resources and enforcement capabilities if compared with metropolitan areas, therefore its potential impact on path renewal or creation is limited. Regional cooperation in O'Higgins and the Coffee Region are not enough to start path renewal or creation by themselves, especially when the discussion about the economic development path in these regions needs to transcend the discussions on industrialisation or non-industrialisation, and include the perspective of historically marginalised communities. Yet, due to the focus of path dependency scholarship on either the Global North regions, or economic paths inspired in Global North experiences, to identify if the regions have reached a lock-in situation using the existent frameworks is not simple. The historical peculiarities which include colonisation, extractive institutions, and political violence (and others that are

not being accounted in this research for exceeding its aim, as those related to politics and power); greatly difficult to claim that the regions are in a lock-in situation due to their inability to retain wealth, or the inexistence of agglomeration economies alone. 'Path dependence and lock-in are place-dependent processes' (Martin & Sunley, 2006:395), the more complex the region, the more complex its path. Both regions have reproduce path dependant economic processes, and regional cooperation is not doing much in stopping its reproduction, but this is not necessarily a critique. Except for the reproduction of extractive institutions, the region's persistence on agriculture and tourism under definitions and aims of projects such as Coopeumo, CCLC or Pijao *Citta-slow*, beyond a path dependence analysis, could be also interpreted as a rejection over an imposed model of development (this point is matter of the following chapter).

6.4. Conclusions

This chapter explained the role of institutions in regional cooperation (systems of internal governance, decentralisation, local agency, and soft institutions), and the role of regional cooperation in institutional processes of regional scale (regional governance and path dependency).

Regional cooperation adapts to devolution policies. Lack or excess of decentralisation policies do not necessarily impede regional cooperation, but determines the form it takes and the actors who participate. For regional cooperation, lack of local agency and territorial boundaries are stronger limitations. While the legislation is ambiguous or contradictory, regional cooperation will require innovative forms that cannot be disregarded for unfitting common types, as long as these are tailored in accordance to the resources available. Regional cooperation, therefore, raise awareness on the need to adjust territorial boundaries. It represents local autonomy when decentralisation policies have reached more advanced levels, as in Colombia, but also a challenge to strongly centralised governments, as Chile. In terms of soft institutions, regional cooperation is vulnerable to unwritten codes. Its implementation can be limited by individual characteristics such as conservatism, egoism, and distrust, and collective features such as competition, the tendency to carry out development strategies in chambers, administrative culture and socio-economic heterogeneity.

Regional governance can be enhanced from regional cooperation processes, as it can create alternative spaces of negotiation and decision-making at the local level (indistinctly of the active participation of the local government), and is able to raise awareness on local needs and potentials. In this sense, regional cooperation is beneficial for regions. However, when contrasted with processes of path dependency, the outcome is less positive: The cases demonstrate that the regions are embedded and tend to reproduce extractive institutions, preventing economic diversification, and regional cooperation is not enough to create or renew those regional patterns. However, as Coopeumo shows, regional cooperation might not create new paths but it can resist processes of uneven capital accumulation, at least at a small scale.

Chapter 7: Regional Cooperation and Local and Regional Development

7.1. Introduction

Once the relationship between regional cooperation and the local context is unfolded, the following analysis focuses on how local and regional development is influenced by regional cooperation. This relationship is normally addressed as one of impact, emphasising the benefits of economies of scale, lower transaction costs and spillover effects on measurable variables. However, there is one type of relationship that remains less explored. Regional cooperation plays a role in shaping local and regional development models, serving as strategies of adaptation and contestation of top-down economic policies. This chapter focuses on those aspects, by explaining how regional cooperation helps to construct a holistic understanding of local and regional development, while adapting top-down economic policies implemented under the influence of neoliberalism. The chapter is organised as follows:

Section 7.2 explains how the cases have contributed to the bottom-up conceptualisation of local and regional development. Section 7.3 analyses how regional cooperation emerged as forms of adaptations and contestations to neoliberal economic policies. Due to the differences found in each region, unlike the previous chapters, this section divides the analysis per region. The Coffee Region's experience illustrates the emerging tensions between confrontations and resistance to the neoliberal model, while O'Higgins illustrates how neoliberalism is locally adapted and contested to solve specific problems of inequality, access to land, and distribution of resources. Section 7.4 addresses the conflicts and limits of conceptualising local and regional development through regional cooperation. Finally, the concluding remarks are explained in section 7.5.

7.2. Local and regional development for whom?

As it has been argued along this thesis, regional cooperation is often recognised as efficient and beneficial for local and regional development (Lin & Liu, 2012). It is attributed for improving the local environment and quality of life (Hulst and Van Montfort 2007), and allowing regions to take advantage of economies of scale, reduced spillover effects and

transaction costs (Hophmayer-Tokich, 2008) to increase their economic competitiveness. However, beyond those benefits, regional cooperation plays a role in shaping the understandings of local and regional development at the local level. In this chapter, the relationship between regional cooperation and local and regional development is analysed as qualitative influence rather than quantitative impact. Here is argued that regional cooperation has the potential to reshape and conceptualise local and regional development. With this approach, private, public and mixed regional cooperation is acknowledged as a local strategy that reflects the growing need for bottom-up approaches to development, and the different understandings of local and regional development that can coexist in a region. Although cooperation processes, where the public sector is directly involved, has greater influence on local and regional development, the role that the private sector can fulfil in this regard cannot be overlooked. Each cooperation process is designed and established according to the local needs and available resources.

From the analysis of the empirical evidence, it is clear that local and regional development is a holistic concept that embraces the socio-cultural, economic, historical and institutional conditions of each region. Although regional cooperation alone does not fully reflect the variety of strategies and understandings of development at the local scale, when compared with regional and local understandings of development (materialised through local development plans), it is clear that there is an agreement on local and regional development multi-dimensional nature. In both the regions and regional cooperation, development has with various dimensions that include social, cultural, economic, environmental and institutional conditions. However, development plans have very vague definitions (despite their length), becoming in compilations of very specific programs without establishing a clear standpoint about what local and regional development means for the region. This should not be strange, however, as Chilean local authorities do not have competences to establish a position on development other than the one promoted from the national government, and the Coffee Region still has not had a radical local government that dares to challenge the national government's views. Regional cooperation, on the other hand, does not face this limitation. Local and regional development, from the point of view of regional cooperation strategies, is

a holistic concept that needs to include bottom-up strategies and local autonomy recognition, wellbeing, and, in the case of the Coffee Region, sustainable development.

Therefore, local and regional development is a social and political construct. The different understandings of it are reflected in the local development plans, which are built from political debate and democratic processes, but and perhaps more relevant, in the different strategies of wellbeing, economic growth, social welfare and environmental care that are taking place in the regions. These strategies, where regional cooperation is accounted, evolve from social processes of deliberation that may be more inclusive of diverse sectors of the society and account for grassroots needs or priorities. These strategies do not depend on political processes or national policies, but can evolve as responses or challenges to top-down development policies. An approach to development where questions of wellbeing, the environment, culture and landscape are placed alongside or above economic growth because of regional cooperation, suggests that development is a locally and regionally embedded process where deliberation and wider participation is key. If, as argued, regional cooperation is a process that evolves from social constructs with the aim of improving local and regional development, local and regional development should also be socially constructed. The generalized idea of development to be achieved through standardised policies of industrialisation, investment, savings and productivity is defied (Escobar, 1995).

Before explaining the components of local and regional development for the Coffee Region and O'Higgins, there is one consideration to be made. The demand for bottom-up, wellbeing-centred and sustainable development has left aside one main aspect of Colombian and Chilean cultural and racial diversity, concerning indigenous communities. Indigenous communities have a larger presence in the Coffee Region than in O'Higgins. In Chile, most of the indigenous population is concentrated in central-southern regions of the country, just below O'Higgins, yet their presence should not be neglected. The case of the Coffee Region is more complex; CCLC area and Pijao do have indigenous population. There are four different communities inhabiting the area²⁸. Failing to recognise them could lead to future conflicts, as these communities are granted with protected territories and have the right to practice their

²⁸ Embera Chamí, Embera, Cañamomo, and Embera Katío

traditional modes of living, according to the Colombian National Constitution. CCLC documentation acknowledges indigenous presence, but beyond describing the location and traditions of each community, there are no plans or projects to either integrate or conciliate potential clashes over shared territories. When asked about indigenous communities in CCLC area, one of the interviewees referred to them as ‘great for farming, they are quite hardworking people’ (CCLC board member 2. Interview 15th August 2015). Conceptualising local and regional development through regional cooperation processes has a great weakness. It depends on regional cooperation actors’ perceptions and knowledge. Yet, indigenous communities also have their own understanding of development, and it should be accounted within local and regional development conceptualisations.

7.2.1. Bottom-up development and local autonomy

Local autonomy’s claims differ in each region. The Coffee Region’s authorities demand more financial resources, denounce the strict conditionality of the national transfers and the rigid territorial jurisdictions. In O’Higgins, the private sector is the one that demands greater autonomy for local and regional authorities to design and implement their own strategies and programs related to economic development. The extent of dissatisfaction between the regions differs, yet have led to a similar outcome: an increased demand for autonomy to decide their development needs and strategies, and more resources to implement them. As a consequence, regional cooperation processes have appeared as local initiatives of joint work in which the gaps left by the lack of local autonomy try to be fulfilled by establishing a regional agenda of needs, goals and potentialities, and creating projects and strategies to cover them.

Under this scenario, regional cooperation can represent both a challenge to centralist forms of government, and a consequence of the granted autonomy, in the sense of being an answer to unresolved regional problems or a strategy to cover local demands and needs of initially public competence. CCLC emerges as an innovative strategy to protect certain local assets highly valued in the region, such as the landscape, water and traditional coffee farming, challenging some national state economic policies. Yet it exists, and its continuity depends on the local governments’ competence to decide and execute their development plans.

Coopeumo, however, challenges the excessive centralism of economic development policies but, given these same limitations, it is not enough to represent a consequence of local autonomy unless the local governments could be actively involved, which is unlikely to happen (as argued in chapter 6). The question on local autonomy does not end on whether regional cooperation is provoked by or provokes it, but also how it influences bottom-up approaches to development by using regional cooperation as a tool for it. When local autonomy is insufficient, or when top-down development policies do not represent the local context, needs and priorities, regional cooperation serves to raise those concerns, and creates spaces for them to be addressed. CCLC has raised a local agenda for environmental protection, while Coopeumo has solved the issue of small landowners' limited access to financial resources.

The existence of cooperative processes of these kind, challenges the neoliberal paradigm where prosperous regions are those 'able to respond effectively to the opportunities generated by the workings of the global economy' (Cochrane, 2011:97), by highlighting the existence of smaller scale success stories, where economic, cultural, environmental and social approaches to development raised by local initiative coexist. Regional cooperation has served to address what local actors consider their most urgent local development needs. The fact that both core cooperation cases were originated amongst a locally defined crisis indicate that local needs can reach urgent levels and cannot wait for national government attention, even less the claimed self-corrective mechanisms of the market. Whether regional cooperation has emerged in the middle of a socio-economic crisis as an attempt to solve it (core cases), or as strategies to cover particular needs or diversify regional economic activities (subsidiary cases), the growing discontent with top-down approaches and the need for a stronger voice in deciding local and regional development is evident.

'We can't allow this situation to prolong. The big economic groups, namely Bogotá's energy company, or mining multinationals, backed by the national government, are taken decisions over our territory while being kilometres away from here. They are taking decisions about our own lives without even asking. This is not an empty land, people live here!' (Local environmental activist's intervention during the Congress Fifth Commission debate, Armenia, 20th August 2015)

Regional cooperation by itself is not enough to build a bottom-up approach to development, but it has started a conversation that, in O'Higgins, permeates the discourse of local leaders which still needs to be strengthened; in the Coffee Region, has opened debate spaces between the national level with local leaders, activists and local authorities. However, a purely bottom-up approach to local and regional development does not seem plausible, nor desirable, as long as those local leaders recognise and value the influence of different scales in shaping local and regional development. From the commercial relationships with China, which are of particular importance for O'Higgins (Rehner *et al*, 2015, Int36- National trade public organisation, professional1, Rancagua, Chile 2016), to the role that FNC plays and have played in the Coffee Region, local and regional development is understood as a continuous process where the local actors claim an active voice while applying and adapting national level regulations, international markets trends, and neoliberal policies.

7.2.2. Wellbeing and subjectivities

‘Chile has good economic indicators. It has been like that for years now but that doesn't mean that all the benefits are evenly distributed. Coastal towns, Peumo itself, is a small town with great agricultural potential, no one here should have any problem, but you just need to walk to the centre, or by *La Esperanza*, poverty there is striking’ (Int24- Civic leader and Coopeumo founder, Peumo, Chile 2016)

Regional cooperation processes in both regions support the idea of local and regional development where people's wellbeing is both the focus and purpose of their strategies. Local actors are conscious and denounce the unequal conditions and opportunities available. Issues of poverty, housing, income, entrepreneurialism, access to markets and healthcare are constantly debated and prioritised by regional cooperation actors. However, the strategies they have chosen to contribute in the solution are not necessarily to create new sources of income but to open paths for wealth distribution mechanisms and a wider participation in the regional economy. In other words, the idea that uneven development can be solved through economic growth is, in these cases, challenged by cooperation processes that with joint and concerted work are opening spaces for more people to participate in the existing local economy and obtain benefits from it.

‘Economic growth is one thing; a fair distribution of that growth is another. Economic growth is useless if the population, especially the most vulnerable, the *campesinos*, are not seeing any benefit. It means nothing that the country is trying to join the OECD if inequality keeps growing’ (Int2- Campesino and civic leader, Armenia, Col. 2015)

The way in which regional cooperation cases have placed wellbeing as a local and regional development priority is materialised through discursive and pragmatic approaches. Discursive in the sense of allowing a different set of actors, apart from the national and local authorities, to engage in the debate about wellbeing and inequality. Pragmatic in the sense of applying specific projects, strategies and programs to improve wellbeing of the people in its area of influence. CCLC has a predominantly discursive approach as it aims to influence public policy, still implementing and promoting specific projects. Coopeumo has a predominantly pragmatic approach where its communitarian programs and member’s benefits are the core of the cooperative mission, still questioning the uneven opportunities given to *campesinos* and the importance of rural development policies.

CCLC was granted with the cultural landscape category due to certain attributes qualified as unique by UNESCO. To preserve and reproduce those attributes (see chapter 4) is the main task that CCLC must accomplish, and to do so, local and national authorities, and the private sector have been involved. However, on top of the role that the public and private sectors play in maintaining the region in the heritage list, the documents produced by CCLC, as well as the interviewees, give special attention to the role that communities play in shaping and preserving the landscape. Even if the communities and people who live in the CCLC area not active participants of the project itself, they are recognised as its core. In practice, this means that all the projects and strategies designed to preserve CCLC attributes must promote wellbeing (Int16- CCLC board member 2, Armenia Col. 2015):

‘CCCL is the product of the joint work of diverse organisations, but its people and *campesinos* are its most important social agents, they have formed the landscape and contributed in its protection (...). People’s understanding of development, their needs and priorities, as well as their activism in defending those concepts, have allowed CCLC to be shaped and recognised’ (Saldarriaga-Ramírez and Duis 2010:20)

The more tangible contributions to local and regional development that CCLC brings are its influence in everyday local life, regional and national public policy, and local and national media. A regional identity around the CCLC region and a stronger sense of belonging is starting to permeate its inhabitants' discourse, making of CCLC a regional trademark that needs to be preserved (Int6- Regional competitiveness advisor, Armenia, Col. 2015). Several public reports and research are being produced, and academic and technical programs delivered by local universities and institutes are addressing and teaching themes directly related to the cultural landscape (such as specialty coffee production, tourism, and territorial planning). Public policy guidelines, municipal and departmental development plans, and public commitments and declarations from the national government, in which CCLC is recognised of national relevance, validate it and provide it with a certain form of formal hierarchy over development policies that contradict or endanger CCLC attributes. Finally, local and national media have actively publicised and debated CCLC, exerting pressure on local authorities to prioritise CCLC over contradictory economic development policies (particularly those with a significant impact on natural resources) and promoting the development of a tourist industry in the region. However, amongst CCLC official documents there is not specific reference to economic diversification, nonetheless to tourism. These activities have developed in parallel, partly due to the existence of CCLC. Tourism in particular has permeated public debates and, informally, has become part of the regional agenda. The tourist sector is also where CCLC most quantifiable impact can be found in measurable terms (CCLC Routes program closing event, June 2015). However, developing the tourist sector has proven to be tremendously controversial. One of the members of the CCLC board and *campesinos* interviewed did not find any value in increasing the tourist offer. Their reasons vary from tourism not being part of the initial motivators of the project to contribute to the landscape destruction, to argue that it only benefits people with more financial resources located in the lower parts of the mountains. The other member of the CCLC board and interviewees from the public sector agreed that tourism is an inevitable and positive effect of being part of UNESCO list, also necessary because it diversifies the economy.

‘It is just the tourist sector, I have not seen any other tangible benefit [of CCLC] (...) there are of course some projects with the Ministry that have positively impacted Salamina, but related to tourism only’ (Int19- Local culture manager, Salamina, Col. 2015)

Indeed, tourism attracted firms that are capitalising from the region’s reputation, but there are no proven benefits for the wider populations. It has also attracted most of the capital investment. The project *‘Rutas del Paisaje Cultural Cafetero’* is the one that has received the most attention and financial investment from the IMF (as explained in chapter 5). There are, however, clues of corrupt practices amongst local governments’ officials that are obtaining financial benefits in exchange of changing land use regulations (this remains under authorities’ investigation). This highlights one of the difficulties related to regional cooperation continuity, especially in a large project as CCLC. The great number of actors involved hinder decision-making processes, makes difficult exerting control over their actions, and providing solutions to satisfy all the stakeholders.

Coopeumo has little involvement in the local and regional development public debate, which occurs mostly at the national level due to the Chilean public structure. However, a major contribution Coopeumo has done for local and regional development is to allow *campesinos* to participate in the regional economy while preserving their landowners’ status. Along its existence, the cooperative has maintained an invariable position on the key role that the *campesinos* play in the local economy, and the need to break inequality and poverty cycles through communitarian and collaborative work in order to increase income. However, they have sustained this position not necessarily by engaging in public debate or influencing public policy, but providing tools they consider adequate for the purpose. Consequently, the cooperative provides a series of varied services aimed to increase agricultural production, easy access and low interest loans, innovation, technical support, shared barns that fulfill technical standards, a petrol station located nearer the farms and shops specialized in agricultural supplies, amongst others.

‘Our work aims to increase wellbeing but, especially, to bring *campesinos*’ dignity back. In the past, they were no more than poor workers, poor tenants on big farms. What we always wanted was to help them to become entrepreneurs, owners of their

land and production, trust me, they live 100 times better today (...) you just need to come to one of the general assembly meetings, no one comes by riding a horse anymore.’ (Int27- Coopeumo social director, Peumo, Chile 2016)

On the other hand, Coopeumo’s engagement with wellbeing is materialised through a series of benefits and programs directed to its members and the communities where they live (see table 4.3 in chapter 4). Apart from the strong belief that wellbeing can be achieved through increasing income and attending particular needs, there is not a unique way the cooperative conceptualises wellbeing, nonetheless local and regional development. Their approach is to respond to the members’ needs and requests, and get actively involved with the communities in their area of influence. Wellbeing is not a static concept, but adaptable to people’s needs and appraisals. In the case of Coopeumo members, having secured an adequate funeral sums up to their general wellbeing (it is the most valued social services in the cooperative, according to Coopeumo’s Social Director). Certainly, wellbeing is understood differently in both regions’ cooperation processes. In the Coffee Region wellbeing is linked to sustainable development, in O’Higgins is linked to economic growth.

7.2.3. Sustainable development and climate change

Climate change is a concern in both regions, but it is addressed more directly in the Coffee Region, where references to sustainable development were not scarce. O’Higgins interviewees recognise campesinos as the most vulnerable population when it comes to climate change, but so far, the concerns have remained as only vague declarations. On the other hand, the Coffee Region has taken a more active role. Sustainability and environmental care were not part of the initial discussion for neither CCLC nor Pijao *Citta-slow*, which are the processes that advocate strongly for sustainable development, but it was during their implementation stages when the term gained stronger echo. Empirical data suggest that, for the Coffee Region, sustainable development can be achieved through environmental protection and care of water resources. These are, in turn, the most valued assets that regional cooperation actors acknowledge from the Coffee Region. Here, sustainable development takes a regional focus where the debate is not based on environmental justice, but in preserving

nature and water for future generations. The concern on natural resources also has an economic component. It is valued as a strong asset that can position the region as a worldwide reserve of biodiversity, attracting sustainable and green tourism. It is also assessed as crucial to produce high standard coffee. This is because one of the attributes of CCLC is the production of coffee under certain climate conditions, which are only guaranteed by the diversity of ecosystems that diverse altitudes provide. If climate temperatures keep increasing, coffee production will require higher altitudes with fresher climate.

‘One of the things we are proudest of is that UNESCO recognise our region as a biodiversity global reserve. It is about our environmental heritage and the wealth that our water represents, and this is just extraordinary. If it wasn’t for this [recognisance] our region will be plagued with mining companies. It is not that we are mining free, but at least is harder for the firms to enter’ (Int16- CCLC board member 2, Armenia Col. 2015)

The call for sustainable development in the terms defined for the Coffee Region has been backed by regional cooperation processes, local politicians, some local authorities and environmental activist groups. Their actions have been mainly focused on banning mining from the CCLC area, and the achievements in this regard are not futile. This point will be explained with more detail below. For now it should be noted that due to the strong opposition to mining, the national government regulated the areas where mining is not going to be permitted (national parks and fragile ecosystems), and the Constitutional Court (see figure 4.3 in chapter 4) recognised municipalities’ right to allow or prohibit the activities in their territories. Regional cooperation, therefore, can advocate for implementing sustainable development models.

7.3. Contesting and adapting neoliberalism

All the cases have developed during the Globalism period (McMichael, 2012), when neoliberal policies were being installed and exported to Global South countries. Colombia and Chile have followed different paths to privatise and open their markets (see chapter 4). However, both are countries with a historically resource-based economy, and the effects of

neoliberalism have been more profound in rural areas. This pattern is reflected in the core cooperation processes, which target the rural population. Here is argued that regional cooperation became a strategy of contestation and adaptation of top-down development models, neoliberal policies in particular. Adapting and contesting neoliberalism and building a local and regional development model cannot be taken as separate phenomena, despite their different scope. The former is referred to the locally designed actions taken in order to adapt and handle top-down economic policies, whether aiming to correct their distributive failures, or resist them in order to protect local economy and assets. Building a local and regional development model takes a wider approach in which social, economic and political conditions are accounted and challenged, including neoliberal economic policies. As stated by Escobar (1995:98), conceptualising development means to ‘investigat[e] how external forces –capital and modernity, generally speaking- are processed, expressed and refashioned by local communities’.

This research does not take neoliberalism as the starting point from where regional cooperation strategies are studied. Although neoliberalism provides a contextual framework that deepened uneven development in Latin America, which in turn constitutes one of the contextual drivers of regional cooperation (see chapter 5), the aim here is to articulate it with regional cooperation as a form of contestation and adaptation. Post-development and local and regional development theories suggest that it is necessary to imagine alternative spaces for local and regional development by challenging mainstream economies. Setting neoliberalism as the starting point might reduce the possibility to recognise that diversity, as it fix existent and diverse economies already in place under the same approach, and narrows the kinds of economies that can be imagined, recognised, and created (Gibson-Graham, 2008). Therefore, the relationship between neoliberalism and regional cooperation is of intersections. Resistance and adaptation reshape neoliberalism at the local scale, as contestations can also be reshaped by neoliberal policies, reaching points where neither of those are easily recognisable anymore (Leitner *et al*, 2007). Certainly, as the empirical data showed, regional cooperation processes can take advantage of certain principles or conditions created by neoliberal policies, i.e. liberalised markets to increase profits, and plainly reject some others, such as natural resources exploitation. Hence, in this thesis, neoliberalism is not taken as a hegemonic force

that shape local and regional development, but as a series of top-down economic policies that are contested and adapted.

The relationship between a geographically sensitive neoliberalism and regional cooperation has been unfolded through the analysis of public-private partnerships. This type of cooperation agreements are understood as locally specific strategies used to create new arrangements between the states and the markets (Birch and Siemiatycki, 2016; Siemiatycki, 2010). However, as it has been argued here, regional cooperation studies should not be limited to the analysis of specific forms, but be aware of the social constructions from where cooperation emerges. Regional cooperation in the Coffee Region and O'Higgins is not necessarily creating new arrangements between the states and the markets, but shaping and contesting top-down mainstream economic policies according to the local political, economic, social, geographical and cultural circumstances. Beyond all the critiques, moral, and ethical issues that could be raised when analysing neoliberal installation in Latin American countries, what matters the most for this research is the recognisance of neoliberalism adaptation and contestation in each place. Each country, and within each country, regions found their own ways to adapt and resist neoliberal economic and social policies. Despite the simplicity (or normalisation) with which it is presented –state downsizing and open markets–, the neoliberal model has found diverse forms and applications determined by path dependency and local contexts (Brenner & Theodore, 2002). Its implementation depends on a vast series of political, economic, social, geographical and cultural circumstances. In the same way as each country has followed different paths, and reached different outcomes when transforming their economic and development models, each region and their cooperation processes have reacted differently to neoliberal policies, leading to different adaptive measures or contestations. The Coffee Region has had a more subversive reaction, but conflicts between those opposing neoliberalism through cooperation, and those appealing to take advantage of it, are frequent. O'Higgins has taken a more traditional approach in which economic neoliberal policies are celebrated but reshaped through regional cooperation.

7.3.1. The Coffee Region: contestations and conflicts

‘We want our own identity; not to become the new Disney World!’ (Int12- Pijao *Citta*-slow leader, Pijao, Col. 2015)

Local contestations and adaptations to neoliberalism are tailored to the local context. The call for greater geographical sensitivity to understand neoliberalism and its implication at the local level (Peck, 2004), implies that contestation in the form of subversive arguments, policies and demands are part of the local construction of local and regional development rather than plain rejection to hegemonic forces, and the Coffee Region’s cooperation processes are good examples to evidence it. Coffee Region’s cooperation processes are subversive as its agenda includes concerns that would not normally fit in a neoliberal market logic, still recognising the need to promote competitive advantage to participate in national and global markets. The conflicts between those who oppose and those who evoke neoliberalism are not scarce. The Coffee Region was strongly affected by the shift to neoliberalism, when the Coffee Pact was dissolved in 1989, and when Colombia established free trade agreements amongst other national policies to ensure its path into the neoliberal agenda (see chapter 4). For this reason, neoliberalism is often associated with a perverse economic and social policy that have deepened poverty and inequality in the region, especially in the rural areas.

‘Socio-economic situation in the Coffee Region is chaotic, and it is worst here, up in the mountains. All [rural population], *campesinos* and landowners, are facing a severe crisis, and is all because of the free trade agreements. Now all the food is imported and that’s not fair, because those other countries subsidise agriculture, so it really doesn’t matter if they sell maize below production costs’. (Int4- Campesino1, Córdoba, Col. 2015)

CCLC leaders, Pijao *Citta*-slow leader and local politicians replicate this perception in their discourses. This explains why the ‘actually existing neoliberalism’ (Brenner & Theodore, 2002) that regional cooperation is trying to contest is defiant and reproduced with a very critical approach. In other words, the existence of regional cooperation as contestations is explained by a growing discontent and criticism with the neoliberal project to which the regions are trying to adapt.

‘We have to recognise our competitive advantages, we can be a competitive region but we have to invest in rural and agricultural development. [To do so] we must protect our nature, our water (...). By using CCLC we managed to include the need to regulate mining activities in the National Development Plan because it is urgent to delimitate the areas where extractive activities must be forbidden.’ (Int10-Congressman, Armenia, Col. 2015)

The case on mining is relevant for two reasons. First, mining activities conflict with the region’s economic vocation and the attributes that regional cooperation advocates for. Although mining has not been historically significant in the region, its potential for gold extraction has been already acknowledged. Several exploration permits have been granted to multinationals, under the national government economic policy known as *la locomotora minero-energética* (energy-mining locomotive) and other economic policies implemented in previous presidential periods (Int13- Pijao *Citta*-slow leader, Pijao, Col. 2016; Plan Nacional de Desarrollo, 2010-2014). This type of extractive activity is not only an obstacle for agriculture (and coffee production in particular), but also contradicts the call for environment and landscape protection, one of the main concerns of CCLC, local politicians, and activists. Environmental sustainability is also a major regional concern, as the Pijao *Citta*-slow leader states (Interview 25th February 2016):

‘We must aim for environmental sustainability (...). This is becoming more and more important today that we know resources are limited, we are more conscious of the consequences of this neoliberal model that ruthlessly demands resources and makes people to consume, consume and consume.’ (Int13- Pijao *Citta*-slow leader, Pijao, Col. 2016)

Second, because the legal and political achievements gained against large-scale mining in the region are not minor and transcended the regional level. CCLC was used as an excuse to promote mining activities’ regulation at a national scale, forcing a debate in the national congress on how to regulate mining and the land where that activity should be banned (Int10-Congressman, Armenia, Col. 2015). Pijao *Citta*-slow had a greater achievement. By using a legal tool known as *Acción de Tutela*²⁹ (August 19th 2016), the Colombian Constitutional

²⁹ Legal claim that seeks instant protection of constitutional rights that are being or are under imminent violation.

Court opened a debate about sustainable development and the constitutional right to economic development versus the constitutional right to enjoy a clean and healthy environment. The high Court recognised the right of local governments to decide on the uses of the land under their jurisdiction, even if that regulation implies the prohibition of mining activities (Corte Constitucional, 2016). This is of great relevance as the Colombian Constitution mandates that the subsoil is owned by the national state, therefore any decision on that matter was taken at the national level. The 9th of July 2017, Pijao's population massively rejected mining in the area through a local referendum with a 97.76% of voters in favour of forbidding mining. These local referendums are rapidly spreading along CCLC area and in the country in general. However, it is uncertain that CCLC as a trademark against mining will be enough to achieve the goal of a mining free region.

Environmental sustainability over economic growth is not the only aspect in which the Coffee Region's cooperative processes divert from mainstream neoliberalism. In terms of sources of income, there is a more pragmatic approach. CCLC and Pijao *Citta-slow* also aim for traditional production modes, cultural preservation and rural land use and planning, contrary to the call for innovation, industrialisation, urbanisation and free market, yet recognising the need to add value to agricultural production and introduce environmentally friendly technologies. As some interviewees stated, neither economic growth nor technological advances must be demonised, but adapted and sustained.

'We can't develop if we are still looking our own belly button, we must be open to the global market. We are one step forward now though, because we have understood that we must compete in the external market and not between ourselves, so cooperation projects are starting to emerge' (Int6- Regional competitiveness advisor, Armenia, Col. 2015)

So far, cooperation processes in the Coffee Region have a strong anti-neoliberal agenda. Claims for sustainability over economic growth, stronger regulations on land use, and traditional modes of coffee production occupy most of the actions developed by CCLC and Pijao *Citta-slow*. However, maintaining the opposing agenda is not free of conflict within the region itself. Either CCLC or Pijao *Citta-slow* have sufficient scope, resources, or democratic legitimation to become a regional project that propose an alternative economic model,

therefore these must operate within neoliberal agendas. Each case impacts a reduced part of the population when regarding the entire region, and their influence in public policy depend on the local governments and the national state (See chapter 6).

While CCLC has used legal tools and persuasive skills to validate its agenda in face of the national government and top-down economic policies, the case is less fruitful at the local level. This because local autonomy limitations and dependence on local authorities agency (as described chapter 6), and because part of the regional private sector has been using CCLC as a trademark to profit. The cultural landscape recognition is given to a territory; it is not exclusive of certain segment of the public or private sector. To regulate its use as a trademark has proven to be a monumental task with ambiguous reach and unclear validity. The tourist sector and real estate agents have taken the most advantage in terms of economic and financial investment, by using CCLC to sell their services and products. Processes of segregating urbanisation and gentrification are each time more common in the capital cities and the most traditional towns. While CCLC advocates for *campesinos*' wellbeing, sustainability and landscape protection, the cities are becoming containers of luxury apartments and condominiums. Some of the towns are becoming into containers of expensive hotels, hostels and expensive land out of reach for most of its inhabitants. Yet, the levels of inequality and unemployment have shown little positive changes.

‘We always wanted to use CCLC for people’s wellbeing, but with those bastards of the tourist sector is getting impossible!’ (Int16- CCLC board member 2, Armenia Col. 2015).

Some mayors have tried to hold back the negative impact of increasing number of tourists with weak measures, for example, forbidding the entrance of buses bigger than certain dimensions³⁰. However, the main concern of CCLC and some public officials is the landscape disruption, the negative impact of construction and mass tourism on the ecosystems, the impoverishment of locals and *campesinos* that cannot afford the increasing living expenses, and that the number of visitors exceed the tourist carrying capacity (Int12- Pijao *Citta-slow*

³⁰ These towns are located in the middle of the Andes Range, and are normally connected with just one or two tight main roads.

leader, Pijao, Col. 2015; Int15- Artisans association president, Salamina Col. 2015; Int19- Local culture manager, Salamina, Col. 2015).

However, these conflicts do not necessarily diminish the role of regional cooperation in shaping and contesting neoliberalism. CCLC and Pijao *Citta-slow* actions towards locally valued economic, social and cultural assets demonstrate that regional cooperation aids the Coffee Region to challenge and adapt top-down economic policies. However, it should be noted that regional cooperation is limited by its own scope and the nature of cooperative processes themselves.

7.3.2. O'Higgins: contesting adaptations

'DM: Do you believe that O'Higgins is a winner of the Chilean economic model?

Interviewee 37: Yes of course. This is a region based on exports. We must be the fourth or fifth exporting region in the country, out of 15. Open market and export policies have done well for us.

Interviewee 26: Yes, we [Chileans] have a low per capita consume. We don't consume our products, we export them. It is thanks to the markets opening and exports model that our agriculture has developed (...) now, the problem is who gets the benefits, but it is there were we [Coopeumo] can help.' (Int37- National trade public organisation, professional2, Rancagua, Chile 2016, Int26- Coopeumo manager, Peumo, Chile 2016-2)

In O'Higgins, neoliberalism is much less challenged when regarded in relation with economic policies. Interviewees often referred to open markets and privatisation as the 'exports model' rather than neoliberal policies. The discourse changes when neoliberalism is regarded as political project, an 'individualistic policy that was imposed (...) damaging our history of cooperativism and work for the common good' (Int23- Provincial government representative, Rancagua, Chile 2016). Neoliberalism is directly linked with Pinochet, establishing a positive link between the dictatorship and economic growth is tremendously controversial. However, beyond the macroeconomic data, the extent to that economic growth has benefited the population should be questioned.

That twofold interpretation is not a rejection of neoliberalism adapted and contested through regional cooperation at a regional scale. The main concern of regional cooperation in O'Higgins is to ensure that the 'exports model' benefits are distributed amongst a larger part of the population, by promoting innovation, economic diversification, and aiding smaller producers to access international markets without being forced to use and pay for intermediaries. All cases (core and subsidiary) have one thing in common, their aim to increase members' profit. Coopeumo was created to help campesinos benefited with the agrarian reform to retain and produce the land that was allotted to them. This is in the early 1970's, when the economic and political model was based on state's intervention in the economy and the use of distributive mechanisms (Taylor, 2002). During the dictatorship, although the cooperative was not closed, it was seized and the new designated managerial team took advantage of it for their individual benefit. It is in the late 1980's and early 1990's when the cooperative was re-established to its initial purpose, and in the early 2000's when its goals were redirected, making direct exports and the search for new global markets one of its priorities. The cooperative recognises the financial limitations they face, as well as the slow pace with which that purpose can be achieved. The main actions taken are to facilitate discussion and knowledge exchange spaces amongst the members, to sign alliances with the academic sector to develop agricultural machinery adapted to small fields, and to participate in international commercial fairs. Most of these actions have been financed by public funds distributed through national level agencies, which, as Coopeumo members' interviewed recognise, could not be obtained if participating as individuals, and competing with big firms and landowners.

'Now we are exporting did you know? I humbly tell you, this Chilean *campesinos* cooperative is exporting.' (Int27- Coopeumo social director, Peumo, Chile 2016)

The cooperative model is highly valued in Chile again. Its promotion was included in the 2014-2018 National Government Plan (Programa de Gobierno Michelle Bachelet, 2014-2018). From the national level perspective, it is regarded as the best tool with which *campesinos* can insert themselves in the exports model (Int38-Associations and cooperatives division professional, Ministry of Economy, Santiago, Chile 2016; Int39- Head of

associations and cooperatives division, Santiago, Chile 2016). Looking back to the region, Coopeumo represents a cooperative process that, at a small scale, counterweights the market's inability to reduce inequality and distribute income, and the state's failure to guarantee equal access to resources.

Less attention was given to the negative effects that the strong dependence on exports might imply to the region's economic development. From all the interviewees, only one acknowledged that this dependence is translated into a cyclical and instable regional economy, in terms of not only income and distribution, but also temporary jobs and internal migration (Int23- Provincial government representative, Rancagua, Chile 2016). However, subsidiary cases, without directly recognising these weaknesses, have acknowledged the importance of diversifying their economic activities. Colchagua Valley aims for building a regional denomination of origin for its members' wine, and enhance their tourist potential by promoting the *Ruta del Vino* (wine route) as a main tourist destination in Chile. San Vicente Chamber of Commerce aims to enhance the region's rural areas and its proximity to Santiago to promote San Vicente and its surroundings as a new tourist spot in the centre of Chile. None of these activities poses a challenge to the existing ones and they do not overlap. On the contrary, the tourist services sector as conceived by them, can take advantage of the landscape created by the large agro-industry (especially by the wineries), and create an additional source of income for the urban settlements located near the wineries and fields.

Neoliberalism is often defined as an economic and political project (see Jessop, 2002). An economic project of liberalisation and deregulation of economic transactions inside and across national borders, and privatisation of state owned enterprises and state provided services. A political project that aims to 'roll back' forms of state intervention towards new forms of governance in which local governments and regional cooperation, particularly in the form of partnerships, are gaining more importance (Jessop, 2002:454). Seen from the regional and local level, neoliberalism is both an economic and political project, valued in accordance to the local experience with its policies. The cases demonstrate that the type of local adaptations and contestations of neoliberalism are influenced by the local context, its institutions, and the assessment and discourse with which it is reproduced.

7.4. Contradictions and limitations

To contest and adapt neoliberalism is part of the local construction of local and regional development. Regional cooperation aids for local and regional conceptualisations to evolve. However, when analysing the role of regional cooperation in adapting and contesting neoliberalism and constructing a local approach to development at a regional scale, a series of limitations and conflicts hinder its impact potential. It is not just because of the limited scope regional cooperation can reach, but also because of the existence of opposing economic interests and path dependency.

7.4.1. Exclusion and discriminatory practices

In the Coffee Region, especially in Quindío, economic activities have been dependant on agriculture production, mainly raw coffee. Despite the surplus that resulted from the high prices of coffee in the international market (as explained in context 4), the profit was used for increasing raw coffee production, rather than in its transformation (Int16- CCLC board member 2, Armenia Col. 2015). The case is slightly different for Risaralda and Caldas, where elite entrepreneurship did occur. In other words, economic elites did establish medium size industries (Int8- CCLC board member 1, Pereira, Col. 2015). Yet, the three departments' rural population are dependent on coffee and other agricultural products, while the urban population depend on the public sector as one of the most important employers. The region lags behind other regions despite of the economic bonanzas of the past (UNDP, 2004). More recently, economic diversification and innovation related to the existent economic structure, is starting to develop (whether these changes are a result of a path renewal or adaptation to a lock-in situation is matter of further research). *Campesinos* and entrepreneurs have started to process their coffee production to sell as organic or specialty coffee, but their commercialisation and export capacity is very low:

‘Well, I just obtained the certificate that allows me to call my coffee [processed at the farm] specialty coffee, but I mostly sell it tourists who come [to the farm] to see me. Producing this type of coffee is too expensive; I cannot produce lots of it, and take it to the town just doubles its price, who will buy it then?’ Int14- Campesino2, Pijao, Col. 2015

On the other hand, there is a growing tourist industry, particularly in Quindío, that takes advantage of the connection infrastructure and the attributes of the landscape and coffee farms to sell 'rural tourism'. However, this emerging sector is still due to prove its positive impact in local and regional development. So far, regional economic elites and international tourism agencies have been the main winners. Unemployment is still one of the highest in the country, and inequality persists (see chapter 4).

'(...) who has got the benefits from tourism? Not the towns, or the rural areas and its *campesinos*, small coffee producers, maybe, but just a little. The big coffee farms, they do see the money from tourism. So we are going backwards, all again through the same debates, who has the capacity to take advantage of this new situation, about inequality, and poverty. Do not get me wrong I am not a leftist, but something has to be done because how is that we are the first or second best tourist region yet the first or second in unemployment?' (Int12- Pijao *Citta*-slow leader, Pijao, Col. 2015)

The tourist industry is reproducing patterns of inequality in the region. People with stronger financial capacity, whom are in turn the owners of the biggest and prettiest coffee farms, take advantage of the reputation the Coffee Region has gained as a 'green paradise' (fieldwork notes), partly encouraged by the UNESCO recognition, to sell new services and products based on the existent infrastructure and landscape attributes. These exclusionary practices already existed in the region. Indeed, research conducted by local academics have suggested that the coffee economy and institutional arrangements (FNC) have not been able to avoid discriminatory practices, where opportunities are taken only by those with greater financial capacity, leaving *campesinos* in precarious conditions of poverty and unequal competition (Toro-Zuluaga, 2004).

Most of the Chilean regions, O'Higgins included, are economically dependent on the national level and the exploitation of traditional natural resources, a situation that is being accentuated by the Chilean development model based on exports and international trade (Rehner *et al*, 2015). Industrial development in O'Higgins has reached higher levels when compared with the Coffee Region, but not if compared with other Chilean regions, such as the Metropolitan region (Int36- National trade public organisation, professional1, Rancagua, Chile 2016). After copper extraction, the strongest industry in the region is wine, followed by food processing (Int37- National trade public organisation, professional2, Rancagua Chile, 2016), but these

industries are owned by the economic elites, whom historically have had the biggest economic and political power in the region, if not by multinationals (Int24- Civic leader and Coopeumo founder, Peumo, Chile 2016). This means that the majority of the population that is not employed in those firms are still dependent on the public sector or agriculture as their main source of income, and inequality remains high. When taken individually, none of the Coopeumo members have the financial or technical capacity to transform their product. Their best chance is to sell it to intermediaries (Int25- Coopeumo manager, Peumo, Chile 2016). Both regions seem to be embedded in path dependent processes in which poorer and rural population must rely upon agricultural production and extractive activities risking to, at best, maintaining already alarming levels of inequality.

7.4.2. Opposing interests and ideologies

It is rather improbable that regional cooperation could become a fully comprehensive process in which all aspects related to local and regional development are encompassed. It is not a process of territorial re-scaling either, as these processes require of sophisticated levels of formal institutionalisation, autonomy and independent agency (Egermann, 2009; Brenner, 2003). It should not be the purpose, nor the ideal, of regional cooperation to supersede the government (local, regional, or national depending on the devolution levels), not to mention the problems of legitimacy and some more practical ones such as budgetary or bureaucratic limitations. Not even CCLC being a broad process in which economic, cultural, and environmental issues are included, aims to ‘offer a solution to all urban and rural problems, we must focus on the landscape’s agro-productive problems, but never pretend to solve all regional needs’ (Int16- CCLC board member 2, Armenia Col. 2015). Regional cooperation cannot be regarded as a unique strategy of local and regional development or of adaptation to top-down economic policies neither, but as a part of the adaptation and contestation process. It is here where conflicting interests and ideology arise. During the interviews several of these conflicts were highlighted, for example the end of the housing programs for *campesinos* employed in the larger wineries in order to expand arable land (Int34- Campesina, Peumo, Chile 2016), or the use of violence and economic influence to change land use for individual profit (Int13- Pijao *Citta*-slow leader, Pijao, Col. 2016).

Although the case in O'Higgins is less challenging of neoliberal policies than the Coffee Region, different issues are starting to raise and to permeate the public local debate. From the empirical data, three main conflicts or issues were identified as the major obstacles for a future local and regional development approach. First, the vulnerability of campesinos to climate change. 'We [Coopeumo] had to stop exporting fruit a couple of years ago, temperatures went too low, to freezing levels, as they never do. Most of the production was destroyed, and it took at least two years to recover the soil's health' (Int28- Coopeumo social director, Peumo, Chile 2016-2). Coopeumo has started to discuss the impact of climate change amongst its members. However, most of them do not have financial capacity to invest in adaptive technologies. Second, and attached to the previous point, the impact on health and the environment of fertilizers and chemical products use to increase production and meet exports standards. Some of the interviewees recognised that they do not consume any of the products intended to exports due to the great amount of chemicals used in its production (Int36- National trade public organisation, professional1, Rancagua, Chile 2016; fieldwork notes). Finally, the rooted belief that entrepreneurialism is part of a right wing agenda, and an intimately link with the dictatorship (Int39- Head of associations and cooperatives division, Santiago, Chile 2016).

In the Coffee Region, conflict appears amongst three type of agents. First, those who demand stronger land use regulations, environmental conservation and cultural protection, and that have found in regional cooperation an effective tool. Second, those who promote tourist entrepreneurs and artisan coffee production as alternative sources of income (Chambers of Commerce, Pijao *Citta-slow*, some mayors). Third, the neoliberalism carriers who, making use of the protected values and CCLC trademark, are developing a mass tourism and luxury construction industry. More recently (August 2017), Colombian National Prosecutor opened formal investigation on the grounds of corrupt practices to Armenia's local government representatives. There is a suspicion that land uses have been unlawfully altered in exchange of vast amounts of money, to allow real estate agents and tourism developers to build projects that are evidently damaging ecosystems, affecting CCLC landscape, and exceeding the city's energy and water supply capacity.

7.5. Conclusions

This chapter explores the relationship between regional cooperation and local and regional development, arguing that regional cooperation has the potential to raise a local and regional development agenda. The cases demonstrate that, even with the limitations of the cooperation schemes (scope, opposing interests, and path dependency), it has helped to build a local and regional development model where top-down and bottom-up approaches come together. A binary conception of regions as either successfully adapting and taking advantage of the global economy, or openly rejecting and separating from it, is defied by the cases analysed here. A balanced approach that respects local needs and priorities, yet finding ways to adapt and contest new economic conditions, appears as more desirable. Regional cooperation is part of the local contestations of neoliberalism, and it shapes part of the adaptive measures to be implemented. Local and regional development is conceptualised as a social construct that is necessarily spatial and political. Concerns of wellbeing, sustainability and bottom-up approaches are not exclusive from the Coffee Region or O'Higgins, but the value those concerns have in conceptualising development at the local scale does vary. In the same lines, local contestations of neoliberalism can take place using diverse forms, and regional cooperation in its diverse forms is playing a role. As the regions demonstrate, diverse understandings and approaches to local and regional development can coexist within the same place. This explains why local and regional development conceptualisation and practice is not free of conflict. This process entails confrontation between actors whose interests are threatened and those whom have been historically marginalised.

Regional cooperation is a wide spread strategy, but its context dependent nature have led some scholars to recognise the limitations of its multiples definitions (Ling 2000:8 cited in Larner & Craig, 2005:403). Hence, the analysis is forced to move towards the different contexts in which it occurs. The relationship between neoliberalism and regional cooperation might not be found in all the cases, therefore, it is important to understand the specificities (Larner, 2000). However, most of the literature about partnerships, inter-local cooperation and metropolitan areas will normally address the issue as emerging forms of horizontal

governance (see chapter 6), or alternate problem solving strategies where either the states or the markets have not provided a better -or any- solution. This left the relationship between regional cooperation and neoliberalism with the need of further exploration.

Regional cooperation's definitional multiplicity stops being problematic by understanding it as processes of joint work that pursues a common goal of local and regional development, regardless of the actors involved or the tools with which the agreement is formalised, and paying more attention to the socio-economic institutional context in which it occurs. Once the historical, economic, institutional and socio political context in which regional cooperation originates are analysed, it can be argued that regional cooperation contests and adapts neoliberalism at the local scale, as the Coffee Region and O'Higgins cases demonstrate.

Neoliberalism has a twofold facet in the cases. It is not just referred to the forms in which the top-down economic policies are deployed in the regions, or the locally designed strategies to challenge and adapt those policies, but also to the understanding of the term itself. Coffee Region cooperative processes' actors understand neoliberalism as a perverse economic strategy implemented by the national government without any consideration on the local needs or context, jeopardising the region's economic vocation and natural resources. O'Higgins cooperative processes' actors understand neoliberalism as a political project installed in the dictatorship, in which individual interests were prioritised over the common good, erasing the country's brief history of syndicalism, cooperativism, and social movements. However, economic neoliberalism is translated into an exports model from which the region has obtained positive economic growth. Regional experience shapes the discourse with which the neoliberal model is reproduced or contested, and influences the nature of the adaptations fostered by cooperative processes (Larner and Craig, 2005).

Chapter 8: Conclusions

8.1. Introduction

This thesis aimed to contribute theoretically and empirically to the studies of regional cooperation strategies for local and regional development, using a process based approach to regional cooperation, and intending a balance between Global North and Global South contributions. The study approached regional cooperation as a process shaped by its context and multilevel institutions, introducing the contributions of economic geography to local and regional development and institutions whilst using empirical data and theoretical contributions from Latin American experiences and research, provoking a conversation with diverse geographical knowledge other than the Global North (see Pollard *et al*, 2009).

Regional cooperation is a widely studied subject. Several disciplines have approached it, yet gaps remained under-explored. Economic geography, economics, public administration and law recognise the need to examine empirically regional cooperation origin, evolution and peculiarities, as well as its implications on local and regional development (or local economies) (Feiock 2007; Larner, 2000). Regional cooperation has been acknowledged as an effective strategy for local and regional development used by local governments and private actors (Haughwout, 1999; Blume and Blume, 2007, Lin J.-J. and Liu Y.-H., 2012). However, the spread of terms such as metropolitan areas, polycentric regions, city-regions and partnerships, amongst others, amongst city planners, urban developments and local governments; calls for further research. This research demonstrates that regional cooperation is a phenomenon that cannot be fixed to specific forms or actors. According to the context, regional cooperation needs to overcome legal and territorial limitations, it is enabled and constrained by multilevel institutions and engages in wider institutional processes at the regional scale. Therefore, a high level of innovation and creativity is required. Regional cooperation is a geographical phenomenon not fixed to disciplinary frameworks but spatially and socially shaped.

This thesis revisits the question of regional cooperation focusing on the contextual features that help to explain its origin and evolution. It introduced geographical sensitivity to questions

of time, space, and scalar and relational issues, while extracting generalizable characteristics to contribute to theory development. To achieve those objectives, the research was addressed using an intensive research design and a comparative case study approach, where core and subsidiary cases informed the research questions, providing solid evidence to explain the relationship between regional cooperation and its context:

1. Why regional actors engage in regional cooperation processes?
2. How is regional cooperation defined and conceptualised?
3. What kind of regional cooperation has been established, how and why it has evolved and what is it shaped by?
4. In what way institutional conditions and contexts have influenced regional cooperation?
5. What are the implications of regional cooperation in local and regional development, how and why have these occurred?

This research argued that the rationales to cooperate find their roots in uneven development, inequality and segregation in regional cooperation diverse actors, Both the local context and multilevel institutions play a key role in the form that regional cooperation can take, and the kind of actors that get involved. Finally, this thesis argued that regional cooperation plays an active role in introducing locally valued themes to the local conceptualisation of development, while representing forms of local contestations and adaptations of neoliberal policies (see Larner and Craig, 2005). Now, in this final chapter, I will delve into these arguments. Section 8.2. presents the main empirical findings, and section 8.3. explains the contributions to wider literature and debates. The following sections reflect on public policy recommendations that can derive from this research (section 8.4.), the limitations and reflections on the study (section 8.5.) and a future research agenda (section 8.6.).

8.2. Main empirical findings: The process of regional cooperation

To compare the Coffee Region and O'Higgins was not an attempt to find stories of success and failure, but to explain how and why regional cooperation processes originated and evolved, the contextual features that influence them, and the implications on local and regional development. The cases were selected using a most similar approach (Gerring, 2007; George and Bennett, 2005; Seawright and Gerring, 2008). Their location in Latin America, in

countries with a centralised form of government and with a historical dependence on agriculture are their main similarities. The existence of diverse kinds of cooperation processes is their main differential aspect. Indeed, despite both countries' legislation on regional cooperation covering similar strategies (such as inter-municipal cooperation or metropolitan areas), each region developed cooperation strategies quite different from each other. Both regions have a strong rural composition, and the regional cooperation cases are focused on rural economies and rural population as responses to historical processes of marginalisation and global economic processes, taking different approaches and innovative forms that are under-studied in related research.

Regional cooperation is a socially constructed process shaped by the local institutional conditions and context. It may or not reflect pre-determined forms, and can evolve and expand to more sophisticated and institutionalised arrangements where multilevel actors interact. The social and geographical side of regional cooperation has been acknowledged by cross-border and territorial governance research, where regional cooperation is acknowledged as a social and evolving phenomena (see Anderson and O'Dowd, 1999; Perkmann 2003; Nelles and Durand, 2012). However, its focus on urban areas located between countries left gaps when studying regions of the Global South with a strong rural component. The following segment explains the main empirical findings in relation to the process based approach used, and the implications of regional cooperation in local and regional development.

8.2.1. The process of regional cooperation and its institutional conditions

Regional cooperation is a process where time and space intervenes. It is not an isolated strategy, and its existence and evolution cannot be explained outside the context in which it occurs. However, empirical evidence based on a comparative case study suggested that generalizable features are identifiable; the local context has a major influence on how regional cooperation evolves, while generalizable features explain its origin and sustainability. In other words, aspects such as the contextual drivers and the minimum characteristics needed to guarantee the process to endure were consistent in all the cases. Aspects such as the form

regional cooperation took, the strategies and tools used to create bonds, and the type of actors involved (as its extent of engagement), varied from case to case (see table 8.1 below).

Table 8.1 Process of regional cooperation, summary

Establishment		Actors and institutional arrangements/environment		Sustainability
Contextual drivers	Uneven development and persistent processes of marginalisation and segregation	Actors	Leaders	Adaptability
			Local government	Strong self-governing systems
	Regional competition and the role of the global economy		National government	Financial stability
			International organisations	
Territorial conceptualisations	Territorial flexibility	Forms	Forms of regional cooperation	Trust and reputation
	Multilevel networks		Strategies to create agreements and divide responsibilities	
Generalizable		Context dependant		Generalizable

Source: Author

For both regions, uneven development and regional competition were the main contextual drivers of regional cooperation. It can be argued that struggle and crisis are cohesive and critical for regional cooperation to begin. For both regions, an uneven distribution of development benefits, that reached critical levels in the terms described by the interviewees, were caused by top-down development policies, the shift to economic neoliberalism, and the intensification of regional competition. These circumstances reproduced patterns of marginalisation of *campesinos*, preparing the ground for regional cooperation to be established later. In the same line, leadership, a favourable or neutral political environment, the existence of common problems, and the need to solve them regardless of territorial boundaries were consistently relevant for all the cases. Regional cooperation is locally conceptualised, but the cases showed that local institutions, multilevel networks and territorial

flexibility are key to understand and define how the territoriality of cooperation is defined. Therefore, the question on why regional actors engage in regional cooperation is answered by attending the contextual drivers that prepare the ground for cooperative agreements to be created. This resonates with the debates on why alternative economies have emerged in Latin America. It is argued that unevenness and persistent marginalisation trigger cooperative and anti-capitalistic movements (Sarria, 2002), or that those ‘alternative’ models are subject to repetitive patterns of segregation (Escobar, 1995; 2010). The Coffee Region and O’Higgins confront historical and repetitive patterns of marginalisation and segregation of their rural population, while facing the challenges of a globalised economy. These challenges transcend jurisdictional borders, and require of an institutional capacity and resources that none of the territorial units possess alone. In other words, uneven development, regional competition and the acknowledged limits of individual action triggered regional cooperation.

As table 8.1 shows, the territorial conceptualisation of regional cooperation is another constant feature in all cases. The question on how regional cooperation is locally conceptualised can be answered by looking at the socio-economic composition of the regions. Regional cooperation is understood as a process of shared and joint work that aims to solve common problems that transcend territorial boundaries, and it is territorially defined according to the social, economic or environmental issues it aims to solve. These issues can or cannot belong to the same jurisdictions, hence the flexibility of regional cooperation territoriality. It is different, however, when defining the forms and strategies required for regional cooperation agreements (see line ‘forms’ in table 8.1). To answer the question on what kind of regional cooperation has been established and how it has evolved, the local institutional context and needs have to be regarded. The comparison shows that the Coffee Region used a more innovative approach in terms of institutional arrangements. Of the three cases studied, only one used a predefined form of regional cooperation. The others used innovative forms and agreements aiming to influence public policy. Apart from the Andes Range Municipalities Association (ARMA), the core case and the other subsidiary case used regional labels or trademarks to foster concerted and coordinated work amongst a variety of actors. Whilst ARMA is a typical case of inter-municipal cooperation, an agreement between five mayors to provide a public service (gas), CCLC and Pijao *Citta-slow* use a variety of

tools to engage public and private actors from the local, regional, national and international level. O'Higgins, on the other hand, shows a more conventional approach to regional cooperation. Conventional in the sense of more commonly studied forms from the solidarity and trade sector; however, non-conventional according to the legal and academic lists of regional cooperation strategies. Subsidiary cases are established as trade organisations where only the private sector is directly involved, while Coopeumo is an almost perfect example of a cooperative as seen in the solidarity economy. These variations do not necessarily contradict either the conceptualisations given by public administration literature and post-development theories (e.g Hulst et. al, 2007; Gibson-Graham, 2006)), or economic geography approaches to agglomerative economies (e.g. MacLeod, 2001), but call for a more flexible approach where regional cooperation can take diverse forms according to the available resources, and can aim to wider objectives beyond local economic growth. Subsidiary cases demonstrate that trade organisations are also cases of regional cooperation between public and private actors. There is a two-way relationship; the organisation's origin and evolution depends on the public sector investment, while it creates networks between the public sector, communities and local economic actors. Coopeumo is an 'almost perfect' example of an organisation from the solidarity economy, as it matches the requirements expected from a cooperative, except that its objectives have mutated towards a agenda of open markets mixed with social justice and equal income distribution, instead of being solely an anti-capitalist organisation. In each region, regional cooperation took the form it did influenced by the actors with capacities to get actively involved, the local agency of local governments, the needs of each cooperative process, and the normative tools that were available.

To answer the question on the institutional conditions that play a role in regional cooperation, it should be noted that hard institutions of decentralisation and local autonomy and their effects on local agency; as well as regional cooperation regulations, have an impact on what kind of actors get involved in regional cooperation and how these processes evolve. The institutional limitations and enablers that each region have experienced, particularly regarding the role of the local and national governments, resonate with the resurgence of regions and call for greater autonomy debates (e.g Martin and Sunley, 2007), where the national state is still recognised as a key actor in regional life (Jessop, 2011; Jones and McLeod, 2011). The

institutional differences between the regions explain their differences in this regard. Despite the centralised nature of the Colombian and Chilean governments, the former has reached a more advanced stage of decentralisation. However, the centralisation and conditionality of public budget posed a limitation for regional cooperation in the Coffee Region, harming the local agency. Even if local governments can invest in development strategies, the lack of resources or the conditions attached to those transferred, limited their possibility to participate more actively in the processes. On the other hand, Chilean local governments have no say in terms of design or investment in local and regional development. Their faculties are reduced to implement national policies; therefore, it is understandable that local governments are secondary actors in O'Higgins regional cooperation processes. Local agency is also diminished by territorial-administrative constraints. Coffee Region's cooperative processes (CCLC and Pijao *Citta-slow*) experience more limitations in this regard, due to the larger scale of the agreements, their aim to influence public local development policies and their dependence on the local governments. Even if regional cooperation was established to solve common problems by conciliating territorial boundaries and sharing resources, the use of non-normative forms leaves the processes in the same initial stage, limited by territorial jurisdictions. The region is locked in a sort of legal loop. Legislation on regional cooperation cannot be used because the region do not fulfil the requirements, yet common problems persist and innovative cooperation processes are established; but because those processes are not listed as regional cooperation, they cannot benefit from the tools granted to overcome jurisdictional constrains. CCLC has attempted to solve this legal dilemma by using a variety of contracts, agreements, public policy documents, persuasion, and by guaranteeing the active support of the national government, which was achieved due to the involvement of international organisations. Pijao *Citta-slow* has used persuasion with local politicians, media pressure and an international trademark. ARMA, on the other hand, faces no issues in this regard.

8.2.2. Implications in local and regional development

The final research question related to the influence that regional cooperation has on local and regional development. Regional cooperation influences three major aspects of local and regional development: It creates new spaces for regional governance, introduces a local development agenda and serves to contest and adapt neoliberalism. In terms of how regional governance and regional cooperation are related, it is argued that regional governance in the regions is enlarged and took a horizontal rather than vertical scheme as result of the processes of regional cooperation. The regions demonstrate that diverse forms of regional governance can take place (Hooghe & Marks, 2003), and that these originate because of the growing need to gain greater autonomy and the changing relationship between the national and local levels (Crescenzi and Rodríguez-Pose, 201; Rodríguez –Pose and Gill, 2003). Despite the low autonomy of O’Higgins’ local governments, regional cooperation proved to be effective in opening spaces of negotiation and decision-making in both regions. Regional cooperation in O’Higgins has created networks between the governments (local and regional), the communities and local economic actors. These spaces rarely serve for decision-making but for debate and negotiation. However, due to the strict centralisation of Chilean public structure, creating those bridges is indeed a great achievement for relatively small processes. The impact is greater in the Coffee Region. Regional cooperation has served not only to create encounters between the public, the private and the civic sector, but it has also effectively influenced public policy, and has raised awareness on themes that are ignored by the national, and undermined by the local level. Themes such as organic coffee, specialty coffee production as strategies to increase *campesinos*’ income, or nature and cultural preservation, are part of the local development agenda and were introduced due to these new spaces of deliberation and decision-making. Regional cooperation in the Coffee Region and O’Higgins influenced different actors from different levels, to get involved in the cooperation process, altering traditional regional governance systems. The national level, represented in either ministries or national agencies, got involved as regional cooperation processes enhance the national presence in the regions, while organisations such as the national congress or high courts were involved by the active demand of regional actors. International organisations, on the other hand, got involved as part of their commercial goals or international aid policies. Themes of

regional relevance, as decided by regional cooperation actors, are debated and decided in spaces where multilevel actors participate, leaving aside traditional hierarchical governance systems and transcending the local scope.

The second major impact of regional cooperation on local and regional development is the introduction of a local agenda in the development model. As it has been argued by post-development theorists, diverse, alternative and mainstream development models not only stand but coexist (Escobar, 1995; 2011), which can be verified when analysing the cooperation processes in both regions. O'Higgins regional cooperation processes have little possibilities to influence development programs, not to mention the development model. However, using a pragmatic approach, they have identified aspects in which an impact can be made. Regional cooperation has served to diversify economic activities by exploiting existing assets and expand the possibilities of local inhabitants to participate in those to reduce income and property concentration. To influence a local development agenda also includes contesting and adapting top-down economic and development policies. In the regions, those top-down policies are related to a neoliberal framework for the recent period. The relationship between neoliberalism and regional cooperation can be unfolded in two moments. First, the context that prepared the ground for regional cooperation, as neoliberal policies intensified unevenness in the regions and brought new challenges in terms of economic growth. Second, the local contestations and adaptations of neoliberal policies thorough regional cooperation (see Larner and Craig, 2005). Indeed, regional cooperation is part of the local measures through which neoliberal policies are contested and adapted. It allowed demanding stronger regulations to protect regional assets, or a local and sustainable development agenda, as argued for the Coffee Region, or introducing strategies to correct the market's distributive failures and state's ineffectiveness to guarantee a fair distribution of development benefits, as argued for O'Higgins.

The process of contesting and adapting neoliberalism includes numerous strategies and confrontations, and its results are as varied as the contexts in which it is applied, as the regions demonstrate. O'Higgins cooperation strategies attempt to replicate some neoliberal principles in their economic strategies: innovation, increased production, access to

international markets, and increased income. However, their goal is to increase people's income and wellbeing by ensuring that the exports model's benefits are distributed amongst a larger part of the population, straying from mainstream neoliberal principles. What regional cooperation does in O'Higgins is to create routes for more people to access neoliberal spaces. On the other hand, Coffee Region's cooperation processes took a contesting approach while recognising the need to insert *campesinos* in the global markets. Their aim to influence public policy includes stronger regulations on land use, protection of environmental resources and preservation of local culture, achievements that have been gained through demonstrations and political debate. The objective is to build a development model that is sustainable and protective of local assets, while introducing innovation on coffee production, expanding international markets for coffee, and helping to diversify regional economy. This last point, however, is controversial amongst regional cooperation actors. Some argue that economic diversification, mainly through strengthening the tourism industry, was not part of the regional cooperation's objectives. Other actors recognise the development of a stronger tourist industry as a positive consequence of CCLC and Pijao *Citta-slow*, and some others claim for a stronger regulation to make it sustainable and environmentally sensitive. Coffee Region's actors showed a permanent conflict between balancing free market economic policies and reinforcing protective measures for environmental and cultural conservation. While neoliberalism seems to be openly rejected, it is also acknowledged as necessary for economic growth. Debates on variegated neoliberalism recognise the multiple variations neoliberal approaches can take depending on the place where those are applied, arguing that neoliberalism is not one hegemonic and unique force but has diverse local manifestations (Brenner and Theodore, 2002; Peck and Tickell, 2002; Tickell and Peck, 2003). The cases demonstrate that neoliberalism's understandings are different in each region, and even within each region, it is assessed differently as an economic and a political ideology.

It should be noted that despite the achievements in building a local and regional development agenda, none of the cooperation processes are interested in economic activities different from the traditional agricultural and extractive activities. It can be said that regional cooperation falls into the same path dependency processes in which the regions might be embedded. Although it was not the aim of this research to explain if, why and to what extent the regions

are in a lock-in situation, the data provided some insights on the reproduction of path dependent processes (a deeper exploration can be part of further research). Part of the most vulnerable population remain dependant on extractive or agricultural activities, while small economic elites take greater advantage of resource exploitation and increased trade. Regional cooperation is, by no means, a comprehensive strategy of local and regional development or a process of territorial re-scaling (Brenner, 1997; 2000; 2003; Johnson, 2009). It is limited by its own objectives, resources, and other economic development strategies already in place. This implies that its impact on local and regional development, in the terms described above, is also limited, and that it confronts different interests. In these cases, opposing interests occur between those whom serve as neoliberalism carriers and those who propose a local development agenda through regional cooperation. In the Coffee Region, the conflict exists between CCLC and Pijao *Citta*-slow leaders and civic sector representatives, and the real estate and mass tourism industries. In O'Higgins, the conflict exists between *campesinos*, a growing agro-industry and export intermediaries.

8.3. Contributions to analysing regional cooperation from a geographical perspective.

Regional cooperation has a long theoretical and empirical tradition in different disciplines such as economics, law, public administration and economic geography. However, regional cooperation is a complex social phenomenon that cannot be fully explained by law, rational choice and economics perspective alone. Its existence goes beyond legislation, spillover effects, surplus and transaction costs. This complexity can be better unfolded if studying regional cooperation from a geographical perspective and complemented with different disciplines. Economic geography offers a wider view to regional cooperation, approaching it as a process that cannot be isolated from the regional history, economy and the context in which it occurs. The cases have demonstrated that the local context and socio-economic trajectories are determinant to shape regional cooperation. However, contributions from public administration research were crucial to understand the diversity of definitions and identify the actors playing important roles in cooperation strategies, while post-development approaches provided the foundations to understand development centred in the human being rather than the regional economy, as from a purely economic geography perspective, regional cooperation remained too economic-centred. In addition, the contributions of post-

development theories allowed understanding regional cooperation happening in diverse geographical spaces, as most of the economic geography and public administration literature is based on the Global North experiences or Global South experiences that have followed a ‘Global North model’. Using economic geography as the main disciplinary approach, and complementing the research with the contributions of other fields, helped to fill in the mentioned gaps that a mostly Global North and urban centred literature has created. In addition, this thesis contributes in some other areas. First, it contributes with evidence to highlight the socio-economic side of regional cooperation (Perkmann, 2003; Nelles and Durand, 2012). Second, to understand how regional cooperation reflects the social and spatial constructions of regions (Paassi, 2004; Jones and McLeod, 2011). Third, the relationship between regional cooperation and multilevel institutions (Feiock, 2001; Hulst *et al*, 2009; Perkmann, 2003a) and its interaction with wider institutional and regional processes such as regional governance and path dependency, and fifth, the influence that regional cooperation has in shaping local development models.

8.3.1. Regional cooperation as a socio-economic process.

Current debates about the conceptualisation of regional cooperation can be found in public administration research. Although comprehensive in terms of forms and rationales, these debates are often restricted to certain types of cooperative agreements and participating actors (Rodríguez-Oreggia and Tuirán-Gutiérrez, 2006; Feiock, 2004; Hulst *et al*, 2007), and tend to explain the origins of regional cooperation in collective action frameworks, leaving a gap regarding the changing roles of the local and national governments and the influence of the local socio-economic context (Feiock 2007a; Rodríguez-Pose and Gill, 2003). This section explains how this thesis can contribute to the debates about the conceptualisations of regional cooperation, and the general approaches to the role of collaborative/agglomerative strategies at the local level.

Regional cooperation can be found under different names, most commonly as inter-local or inter-municipal cooperation in Global North based literature, *asociativismo municipal* in Latin American based literature, or partnerships and alliances in a general-geographically embracing literature. On the other hand, cooperatives such as private sector solidarity

economy organisations seem to be a more exclusive theme of geography, development studies and economy fields. They are analysed separately from the general phenomena of regional cooperation, usually as small scale experiences with few bigger scale successful examples such as the Basque Country experience (see Foote-Whyte, 1995) in the Global North. This geographical, conceptual and theoretical separation, which can be partly explained by the empirical evidence over which each approach is constructed, posed different challenges for this research and highlighted some gaps when confronted with the empirical data. Research on cross-border cooperation has advanced the most in recognising the socio-economic evolution of regional cooperation. These strategies emerge from regions divided by national borders, and were not necessarily framed within previous regional cooperation schemes or regulations (Perkmann 2003, 2007). However, its proliferation and popularity amongst the European Union fostered its social and formal recognition and a shift in spatial policies as response to neoliberal economic agendas (Brenner, 2003; Egermann, 2009). However, the cases studied are not crossing national borders, are occurring in a context that is completely different from the integration that the European Union can represent, and did not emerge as intermediary institutions between the states and the markets to fix a neoliberal economic agenda, but as responses to persistent uneven development and a challenge to top-down economic policies, combined with global economy challenges to regions.

The empirical work done for this research demonstrates that regional cooperation is not just one tool amongst a variety of strategies to promote local and regional development, or exclusive of local governments, but a complex process that changes, adapts, and responds to contextual needs and available resources. Therefore, most appropriate way to define regional cooperation is using a generic conceptualisation, in which its common features are captured while recognising that each set of actors, in its own context, will establish their form of cooperative agreement according to the available possibilities. This implies that regional cooperation existence cannot be conditioned to the participation of a given actor (local government for instance), or the use of pre-established types or the creation of new territorial units (such as metropolitan areas). As this research demonstrates, regional cooperation can emerge from public or private initiatives and involve different kind of actors with diverse degrees of compromise. In addition, regional cooperation can remain mostly in the private

sector, still impacting territories beyond this private arena and influencing the public sector to get involved along the process. Regional cooperation can be better understood if taken as a process rather than a strategy, contract or agreement, as it allows analysing how regional cooperation interacts with regional geographies and actors through time and space.

Regional cooperation responds to the local needs and context, and its evolution is influenced by those conditions. Different sets of research explain regional cooperation as a concept in which either the local public sector is an active partner of the agreement, or whether it occurs at a private scale, where local and regional development is left out of any consideration. However, in the Colombian and Chilean context, where ‘the government intervention is expected in all sort of fields and issues’ (Int39- Head of associations and cooperatives division, Santiago, Chile 2016), regional cooperation cannot be constructed through a binary understanding of public and private. In other words, if the national state intervenes and is expected to intervene in several aspects of the regional life, or if local governments have little autonomy or financial capacity, the role of both the national level and the private sector cannot be relegated from the effective existence of cooperative processes with an impact on local and regional development. Economic geography literature has emphasised the changing roles of local and national public actors, ascribing regions with a growing local agency or demanding greater autonomy (Crescenzi and Rodríguez-Pose, 2011; McLeod, 2011; Rodríguez-Pose and Gill, 2003). For the regions analysed here, it can be observed that both are demanding greater autonomy by challenging the roles usually reserved to the public and private actors and that there is a change in the relationship between the national and the local levels, yet the national government remains as a crucial actor in the regional life.

A process based approach and the acknowledgement of a context dependent nature does not impede to capture regional cooperation’s common features. Indeed, unlike most of the definitions available for regional cooperation, from the outcomes and for the purpose of this research, it is understood as the process in which diverse actors work collectively and concertedly in pursuing a common goal, whether it follows a single or (multiple) several objectives. The process becomes regional when its actors’ territorial origin is multi-scalar, and its effects are broader than predefined territorial borders. Regional cooperation is a process of

a voluntary nature, voluntary agreements formalised through contracts between actors and organisations that are legally and economically independent otherwise (Buhalis and Schertler, 1999). The emerging relationships are varied, these depend on the nature and purpose of the agreement and the actors involved. Vertical relationships based on hierarchical schemes, or horizontal governing systems in which the partners maintain the same level in the organisation and management of the agreement can develop. These relationships are bilateral or multilateral, and aim for a common goal, the solution of a shared problem or the achievement of a strategic advantage that is hardly reached by individual action.

8.3.2. Territorial and relational composition of regional cooperation

Using the contributions of economic geography, this section explains how territorial and relational approaches to define regions (MacKinnon, 2011; Bunnell and Coe, 2001; Amin, 2004) are crucial to understand the territorial flexibility of regional cooperation and the regions where it occurs. Indeed, one of the first questions that emerges when talking about the spatial aspect of regional cooperation is that of how to define the regions. Initially, regions were taken as sub-national territories whose boundaries, competences and administrative structure are predefined by the state. However, the existence of other aspects that shaped regions and not necessarily fit within the state's delimitations rapidly appear when trying to understand how regional cooperation was conceptualised. The regions reflected by regional cooperation processes are comprised by shared economic activities, social and cultural features and natural resources that provide for several communities, but not by jurisdictional borders. However, territorial and socio-economic approaches to define regions are not exclusive from each other (see Paassi, 2004; Jones and McLeod, 2011). Sub-national divisions cannot be ignored as these determine the relationships between the regions and other regions, the national scale and international institutions (Jessop, 2011). Likewise, socio-economic and relational approaches cannot be ignored as those reflect the diversity of scales and levels with which regional processes, such as regional cooperation, interact. Therefore, a better approach to understand the regions reflected by regional cooperation was to start by nationally defined jurisdictions, accompanied by the acknowledgement of cultural, economic, social and institutional relationships that occur regardless of those borders

The regions that are reflected by regional cooperation processes respond to socio-economic conditions, and are limited by jurisdictional borders. This echoes the arguments regarding the inconvenience of taking either a relational or territorial definition, as when contrasted with the cases it is clear that both approaches to define a region are not exclusive but complementary (see MacKinnon, 2011). Regions, are comprised by shared economic activities, cultural features, and ecosystem services (such as water sources or arable land), and divided by administrative borders that, initially, obstruct common solutions or projects. However, rigid territorial boundaries are not an absolute obstacle for regional cooperation. As this research demonstrates, innovative forms can be developed in order to overcome these types of limitations.

The process of regional cooperation is influenced by territorial, scalar and relational networks. These networks and multilevel interactions will change the form of regional cooperation and the type of actors that get involved. Indeed, the national, local and international levels are determinant for regional cooperation. The national level, in this case the national state, sets the political and legal framework in which regional cooperation processes are established, and its participation is vital to the processes' sustainability when low levels of local autonomy and agency diminish the possibilities to cooperate. The local level, in this case the private sector, was crucial to start the process and design it in accordance to the local needs, assets and aims, while the local governments remained as secondary actors. It should be noticed that there is a contradiction in regional cooperation nature. It emerges as a response to the local governments' inability to solve regional problems or fulfil common needs, but their participation can be essential to sustain the processes, or at least to ease its evolution. Finally, international organisations have played a key role in regional cooperation. From a international level perspective, the neoliberalisation of markets and production set the conditions for a socio economic crisis and a change on production relations. These changes prepared the ground to create alternative strategies to cope with the crisis (amongst which, regional cooperation is accounted) and served as incentive for cooperation strategies. In addition, international organisations have become crucial actors for regional cooperation, whether investing financial resources or creating categories to label regions (such as cultural landscape); while international markets serve to establish commercial relationships that can

benefit regional cooperation processes. Therefore, the process of regional cooperation is variable and can evolve according to time and space circumstances, as literature on cross border cooperation in the European Union has already acknowledged (Nelles and Durand, 2012, Perkmann 2003a; 2007)

8.3.3. The Colombian and Chilean legislation conceptualise forms of regional cooperation where the administrative landscape is formally altered as an answer to issues of urbanisation; or forms of inter-municipal agreements as strategies to solve common problems. While cooperation processes of the first kind respond to evident and natural changes in the territorial organisation (rapid urbanisation processes or joint urban areas), issues of regional economy, wellbeing and environment, appear to pass unnoticed for regions where the conditions for metropolitan areas are not fulfilled. This gap is not completely solved by other territorial approaches given by literature on city planning or urban development, at least not for regions where the rural maintains a key role in the regional economy, as those definitions create artificial separations between the urban and the rural (see Brenner and Schmid, 2013). As a result, some regions are unable to apply the current formal strategies despite of their potential benefits to solve regional problems or enhance regional economy.

Institutions and regional cooperation

This section explains the contributions of this thesis on existing debates about the role of institutions in local and regional development in general (Rodríguez-Pose, 2013; Pike et al, 2015; martin, 2002), and in regional cooperation in particular (Hulst et al, 2007). Indeed, using an economic geography approach to hard and soft institutions (see Rodríguez-Pose, 2013), it is argued that institutions influence and create the environment in which development processes, strategies and policies are created and implemented, and regional cooperation is not an exception. Regional cooperation is shaped, incentivised and constrained by institutions that explain how it is organised and the set of relationships that emerge with local and national institutions and actors.

From an economic geography perspective, the institutional analysis comprises a macro-level of institutions (international and national), plus the local structures that shape and are shaped by those, in which the local economic activity is embedded (see Gertler, 2010 Crescenzi and Rodríguez-Pose, 2011). Taken to the analysis of regional cooperation, this approach allowed the examination of different set of institutions and institutional arrangements that shaped the rationales and conditions to cooperate, analysing different institutional levels and recognising the multiplicity of relationships that emerge. Therefore, hard institutions that regulate economic relationships, decentralisation, local agency and governance are enhancers or constrainers of regional cooperation. However, an economic geography perspective remains focused on institutions that are relevant for economic growth and local and regional development, leaving a gap on the hard institutions that are relevant for regional cooperation itself. When comparing the institutions highlighted in the regional cooperation literature (Feiock, 2007; Clingermayer and Feiock, 2001; Hulst *et al.*, 2009) with the empirical data, hard institutions related to regional cooperation regulations at the national level and soft institutions related to social behavioural patterns are able to enhance or constrain regional cooperation processes (see table 8.2).

Table 8.2 Relevant institutions for regional cooperation. Summary

Institution	Main role
Economic policies/neoliberalism	Created conditions of unevenness and competition
Decentralisation	Provided the structure and regulations for local governments
Cooperation laws	Provided the framework to be used by cooperation leaders
Local autonomy and agency	Determined local governments' capacity to participate in the processes
Soft institutions	Constrain and enhance regional cooperation at an individual scale
Self-management	Established the rules in which cooperation processes run

Source: Author

An institutional analysis involves the recognition of multiple scales that interact to shape economic activities or, in this case, regional cooperation. The local scale is normally accounted as crucial for regional cooperation processes; and it is normally represented by local governments (Feiock, 2007; Hulst *et al.*, 2009). However, this research demonstrates that the role attributed to the local scale is better represented by private actors. If local

governments lack agency and hold limited fiscal autonomy, the role expected from them as initiators of regional cooperation is replaced by local private actors, while the role in funding and sustaining the processes is replaced by national governments. The national government can be involved directly or indirectly. Directly, if regional cooperation represents a form to reinforce its regional presence. Indirectly, when its participation does not reinforce its regional presence in the regions but obeys to political decisions directed to fund and support alternative spaces for local economic development. Additionally, if neither the local or the national government can or are willing to support and get involved in regional cooperation, international organisations can become active partners, whether funding the initiatives or providing frameworks and movements (such as *Citta-slow*) from where regional cooperation processes can develop (Perkmann, 2003).

Literature on regional cooperation have stressed as crucial the role of decentralisation and the state's structure for regional cooperation (Hulst *et al.* 2009). Here is argued that decentralisation policies and the state's structure are indeed fundamental to enhance and incentive regional cooperation, but when those frameworks are not favourable, regional cooperation can still occur. The rules on decentralisation determine which level of the state in its different scales gets involved in regional cooperation. Political decentralisation, as occurred in Chile, which is not accompanied by substantial reforms to devolve powers, competences and resources to the local governments, provoked regional cooperation driven by private actors with minimal participation of the local governments, but high dependence on the national government resources. Political and administrative decentralisation, accompanied by strict conditionality on the local budget, as occurred in Colombia, provoked local governments involved in regional cooperation, but unable to provide financial investment. Consequently, regional cooperation is left dependant on local governments' agency and national government investment.

Regional cooperation adapts to the devolution policies. Beyond levels or types of decentralisation, the real constraint is local autonomy and territorial boundaries. While the legislation is ambiguous or contradictory, regional cooperation acquires innovative forms that cannot be disregarded for unfitting common types, as these are tailored to the available

resources. Regional cooperation, therefore, raises awareness on the need to have flexible boundaries. It is a manifestation of the granted autonomy when decentralisation policies have reached a certain level of advancement, as in the Coffee Region, but also a challenge to highly centralised governments, as in O'Higgins, where it is demanding greater autonomy to decide over local economic development.

Global North based literature recognised a shift in the role of the national state and its regions, due to the challenges of globalisation (Martin and Sunley, 1997). It is argued that the ways in which different levels of the state relate to each other, to the society and economic actors are changing towards a multi-agent and multilevel governance systems (Storper, 1997; Scott and Storper 2007). Regional cooperation, as demonstrated in this research, highlights the existence and the need for this shift. However, there is not enough evidence to affirm that this shift is occurring only because of economic globalisation in the Coffee Region and O'Higgins, and the empirical data suggests that those shifts, prompted partly by regional cooperation, also resulted from reproductive patterns of inequality. Latin American based literature (regarding the role and shifts of the state), focuses more on the strengthening of institutions and the consolidation of democracy (O'Donnell and Wolfson, 1993; Kaplan, 1996), than on multi-agent or multilevel governance systems, still recognising its existence. There is no clear separation between consolidating the state and transforming it and, even if the aim of this research was not to find an answer in this regard, seen through regional cooperation, that pattern can be found on a smaller scale. Regional cooperation proved efficient to create spaces for negotiation and decision-making, that are different from traditional vertical governance systems. It highlights the inefficiency of traditional jurisdictional schemes and the need to integrate a local agenda in the public debate. However, at the same time, it proved its dependency on the public sector. None of the cases analysed here would have been established or have continued if the government had not provide financial resources or the required institutional environment; and, apart from CCLC, all the cooperation processes used mostly traditional ways to approach the national state (through public calls for funding).

Alongside the international, national and local scales, an additional set of institutions capable of incentivising or restraining regional cooperation were identified. Individual and collective behavioural codes influenced the creation and sustainability of cooperation processes. Behavioural patterns of resistance to change (or conservatism as called in public administration research, see Gillette, 2005; Clingermayer and Feiock, 2001), poses a challenge to regional cooperation when the changes that are aimed do not bring tangible benefits to certain parts of the population. That resistance can be displayed by the local inhabitants or local politicians that wish to protect their electoral potential. Short term planning as an informal practice of local governments is also a challenge for regional cooperation as local governments have little incentives to participate and fund projects that last longer than their own administrative periods. A final aspect is related to the existence of common socio-economic characteristics amongst the communities where regional cooperation is established. This social homogeneity, as called in public administration research, facilitates regional cooperation (Clingermayer and Feiock, 2001).

Literature related to cooperatives and solidarity economy organisations, attributes the likelihood to cooperate to the existence of ‘a cooperative culture’ (Whyte, 1995). However, evidence suggested its relevance might be not that significant. The cooperative culture refers to the existence of associative beliefs that makes people more likely to establish collective and cooperative organisations. However, it is true for both Colombia and Chile, that this ‘cooperation bug’ (Civic leader and Coopeumo founder. Interview, 1st April 2016) was forgotten during the Chilean dictatorship period and blurred by the Colombian internal conflict, then put aside by the open market and neoliberal economic policies implemented in both countries. This did not stop the establishment of regional cooperation, but influenced a shift in the rationales to cooperate. Cooperation processes have an economic and social purpose, rather than an ideological motivation.

8.3.4. Local and regional development and regional cooperation

This section explains how a geographical approach to regional cooperation allows the understanding of diverse local development models and their relationship with regional cooperation. The potential benefits of regional cooperation for local economic development,

growth, innovation and the enhancement of multilevel networks, can be explained with an economic geographical approach (see Lin J.-J. and Liu Y.H., 2012). These debates are complemented with the contributions from post-development approaches, which focus their attention on the understanding of diverse development paths and contested top-down economic policies (Gibson-Graham, 2006; 2011; Sarria, 2002) that are highlighted through regional cooperation. Indeed, regional cooperation had one main objective: to impact local and regional development. For this research, however, these implications were not measured in quantitative terms. There is sufficient research from different disciplines that acknowledged the benefits of cooperation to reduce transaction costs, create economies of scale and spillover effects, with positive contributions to local development. However, to investigate how regional cooperation aids to raise a local agenda for development needs further exploration. This research was focused on this last point.

Regional cooperation partners define and construct their definition for local development. Whether regional cooperation aimed to influence public policy or not, the existence of varied conceptualisations demonstrated that local and national development agendas can differ. Indeed, different conceptualisations of local and regional development coexist and create tensions between the different regional actors and with the national governments. Local and regional development, seeing from regional cooperation processes, can prioritise local resources over economic growth. In the cases analysed here, wellbeing is placed as a base for local development, and it is a social construct that varies accordingly to people's needs and values. The scale that those conceptualisations reached depended on the aims of the cooperation process and the type of actors involved. Regional cooperation with the aim of influencing public policy along with an active participation of the local and/or national government, proved able to influence development conceptualisation beyond the cooperation process at a regional scale. On the other hand, regional cooperation driven mainly by private actors and with aims specifically related to increase income and wellbeing influenced its partners and their immediate communities.

Top-down development policies accompanied by low local autonomy and agency, resulted in uneven local development that is insensitive to local needs, priorities, assets and values. In

this context, regional cooperation helped to address these limitations by defining a local development agenda to be materialised through public policy, or by implementing its own projects and strategies. Regional cooperation partners define development success: it is not necessarily to take advantage of neoliberal economic spaces or to insert themselves in globalised markets. It is about ensuring a fairer distribution of income (even though it is a small scale when compared to the national level); or introducing environmental protection to the local and regional development agenda, even if some regional actors consider that this shift implies a forfeit on industrial development. The existence of multiple approaches to development transcends the local – national scales, as regions also face the challenges of globalised economies. Regional cooperation plays a role not only in enlarging the approaches to development that coexist in a region, but also in contesting neoliberal economic policies and integrating regional economic actors to global markets.

Once the historical, economic, institutional and socio political context in which regional cooperation originates are analysed, it can be argued that regional cooperation contests and adapts neoliberalism at the local scale, as the Coffee Region and O’Higgins cases demonstrate. This process has a twofold facet. It is not just referred to the forms in which the top-down economic policies are deployed in the regions, or the locally designed strategies to challenge and adapt those policies, but also to the understanding of the term itself. Coffee Region cooperative processes’ actors understand neoliberalism as a perverse economic strategy implemented by the national government without any consideration of the local needs or context, jeopardising the region’s economic vocation and natural resources. O’Higgins cooperative processes’ actors understand neoliberalism as a political project installed in the dictatorship, in which individual interests were prioritised over the common good, erasing the country’s brief history of syndicalism, cooperativism and social movements.

Regional cooperation is a form of both contesting and adapting neoliberalism to the local context, yet this aspect is not normally addressed in related research. Literature on social economy and post-development address the role of cooperative work as an anticapitalistic and pro-market model (see Errasti *et.al*, 2003). However, this approach leaves aside forms of regional cooperation that are not organised as cooperatives. Most recent Latin American

based literature on solidarity economies (Chatterton and Gordon, 2004; Perreault, 2006; Escobar, 2010) recognises the emergence of the newest forms of economic organisation where the human being, not the capital, is the top priority. However, these are cases where the mainstream economic model is defined and purposely changed. Although the cases analysed for this research did present aspects identifiable in those sets of literature, some others did not. This research investigated cases of regional cooperation organised as innovative forms that do not always adopt traditional forms of organisation found in the literature or legislation. The cases are not necessarily anticapitalistic, although they did defy established top-down economic models based on neoliberal ideologies, and are pro-market in the sense that they recognise a potential advantage of increasing regional capacity to accede international markets. Regional cooperation are processes shaped by the context and needs, and it is accomplishing a role in regional economy: whether using subversive strategies to contest or adapt, it is helping to reshape the impact of neoliberalism in the regions.

Literature on neoliberalism and regions, local neoliberalism or current existing neoliberalism (Peck and Tickell, 2002; Leitner et. al., 2007), explain how neoliberal policies are locally interpreted and adapted. It has served to understand the nature and outcomes of partnerships in local neoliberalism, mainly in New Zealand and Australia (Larner and Craig, 2005). It has informed the cases of regional cooperation found in the Coffee Region and O'Higgins, with the difference that their regional cooperation processes have taken a more challenging role by redefining local and regional development goals. The discourse with which neoliberalism is interpreted and contested through regional cooperation depends on the local experience with its previous implementation (Larner, 2005), and how the regional economy reacted to it. In other words, regional cooperation responds to negative perceptions of neoliberalism, hence its dual role of contesting and adapting it. Neoliberalism is contested through regional cooperation as a response to a growing economy with uneven results in terms of income distribution and access to property. However, because it is acknowledged that regions should participate in global markets, some basic principles of neoliberalism are maintained (private property, free market, innovation, increased production), but are accompanied by private sector's interventions to solve the problem of unevenness (while expecting the state to intervene in the issue). Direct challenges to neoliberal economic policies are responses from a

region that was hardly hit by neoliberal policies. Here, demands for land use regulations and protection contradict the principles of free market and autonomy over private property. The private and public sector intervene to protect local assets while finding alternatives to increase income and improve agricultural production.

Not all types of regional cooperation will have those outcomes. Traditional forms of regional cooperation might have a greater impact on territorial management, problem solving or horizontal governance systems rather than shaping a top-down economic development model. However, that can be an expectable outcome of uncodified and innovative forms of cooperation, or traditional organisations from the solidarity economy sector that have proved to be an example of regional cooperation developed in regions where the promise of generalized economic growth has not been fulfilled.

Neoliberal policies, beyond its international and national scales, are applied in specific places, therefore they will be represented in multifarious institutional forms and are not be free of contradictions (Ruming, 2005), as regional cooperation has demonstrated here. Regional cooperation is not a whole-embracing approach capable of solving all local problems, neither to set a development model capable of being uniformly applied to the entire region. It was limited by its own objectives and aims and was confronted with different interests. Regional cooperation with the aim to influence public policy faced more resistance than those whose objectives were specifically related to public services provision, increase income and wellbeing. When trying to influence public policy applicable to the entire region, conflicts of interest were not scarce. Neoliberalism carriers, those actors whom have benefited from the cooperation processes by using them as trademarks to increase their own profit, posed the biggest challenges. Even if there was not direct opposition, by using their own rights to private property and economic freedom³¹, they have developed economic activities that were directly harming the values that regional cooperation attempted to protect. On the other hand, private-led regional cooperation faced no opposition but competition for land, production

³¹ In the Coffee Region, some evidence of the use of illegal means to displace campesinos population to develop large-scale agricultural projects was found, but this is matter of further research, and it's due of criminal investigation.

means and financial resources with those other economic actors with greater economic power. All these conflicts, opposition and competition could be partly explained by regional cooperation inability to escape from path dependency that reproduces patterns of extractive institutions. Economic regional elites have been benefiting from extractive economic activities, doing little for economic diversification and democratisation and benefiting, in the Coffee Region case, from regional cooperation as a selling trademark. However, that economic diversification cannot be understood as industrialisation only, but as a fairer access to markets and production means as a recognisance of alternative economies and economic spaces. Even if there is greater industrial development, most *campesinos* have not necessarily seen the benefits promised. Cooperative processes are intending to allow a wider part of the population to benefit from regional economic activities, yet their scope is not sufficient to stop the reproduction of extractive patterns.

To summarise, regional cooperation plays a critical role as intermediary between the local level, the state and the markets, as it is capable of raise local models of local and regional development. The following section will reflect on the limitations of this research.

8.4. Recommendations for public policy and regional cooperation strategies

It was not the purpose of this thesis to offer recommendations. However, the comparative analysis provides a good opportunity to share knowledge and experiences that can result in some conclusions potentially beneficial for public policy design and legislative changes, and to be applied directly by current regional cooperation processes.

In terms of public policy and legislative changes, this research demonstrates that there is a need to diversify the options for local governments to create collaborative agreements. This could only be made by, one, diversifying the regional cooperation strategies that are contained in current legislation, or, second, incrementing local agency. In any case, given the structure of the Colombian and Chilean governments, this is a task for the national level. Localities or regions with low institutional capacity might find in regional cooperation a plausible strategy to overcome their institutional limitations and address common problems. Individual action,

taking the jurisdictional region as a unit, can show limited results for regions with the institutional constraints described in chapter 6 (centralism, conditional budgets and limited agency); particularly when the common problems to be addressed find their roots in historical patterns of unevenness and marginalisation. In other words, regional cooperation can be an effective strategy to address common problems by conciliating territorial borders and sharing resources.

It is needed to diversify the strategies through which local authorities can create collaborative agreements with other local governments, as far as current strategies (e.g. metropolitan areas or mergers) pose great challenges for their implementation. This diversification needs to account for the differences between and the limitations within the regions, as existing legislation in both countries is only applicable to particular cases where neither the Coffee Region nor O'Higgins fit. Initially, it could be argued that intermunicipal agreements could offer a solution, but these are not appropriate tools to solve the issue of low autonomy and limited agency if the municipalities involved are facing the same institutional constraints and lack of resources. In addition, due to the nature of intermunicipal cooperation these kind of agreements are often used to solve one or a few problems of public service delivery, but not to influence public policy or create local development agendas. Concepts such as metropolitan areas or city-regions are inapplicable in the cases of the Coffee Region and O'Higgins, as the rural contains relations of economy and production different from commuters, urban infrastructure or containers of middle class inhabitants. By contrast, in regions such as the Coffee Region and O'Higgins, the rural plays a key role in regional economy, and it is mostly inhabited by vulnerable population.

In terms of regional cooperation processes, two recommendations derive from this research. First, regional cooperation strategies need a strong self-governing system that is representative, allows plural participation and creates sense of belonging amongst the actors involved. Given the institutional constraints of the local governments in the Coffee Region and O'Higgins, the local governments are either just secondary actors, or their participation and commitment vary because of the lack of one main legal tool that guarantees enforcement and commitment (whether a contract, the creation of a formal territorial unit, for example).

Through such conditions, responsibilities and benefits distribution had to be divided and conciliated reaching different degrees of participation and commitment. Having a strong internal governing systems, the negotiations about the distribution of responsibilities and resources can be better managed. In complex and atypical cases of regional cooperation, those internal governing systems should be accompanied by rules that guarantee representativeness, spaces for negotiation at different scales, a rapid response, trust and loyalty. A strong self-governing system is crucial for the sustainability of regional cooperation. The cases demonstrate that regional cooperation processes need to be flexible and adaptable to the changing political and economic environment, and have a strong self-governing system that allows a healthy management, financial stability, trust amongst its members and a good reputation in the community where it is located.

Second, it is key for forms of regional cooperation established to influence or create public policy, to specify their scope and potential outcomes. This because changes in economic and local development policy are not free of conflict, as the Coffee Region demonstrates, and regional cooperation cannot provide appropriate tools to deal with those conflicts. Regional cooperation's role goes as far as persuading national and local governments to regulate some economic activities in certain territories, but it does not have the mechanisms to conciliate development models or clashes between economic actors. It is bounded to specific activities or parts of the population, it cannot embrace or attempt to solve all regional problems, it does not have –or should have- formal enforcement capabilities, and it cannot replace the local governments.

8.5. Reflections and limits on the study

Due to the remarkably varied and complex context in which regional cooperation developed in the Coffee Region and O'Higgins, a complete in depth study would have required much more resources and time investment. Although this research comprised the elements identified as most relevant in the empirical data, some other aspects that were not fully covered in this thesis might have influenced regional cooperation. Firstly, it was argued that regional cooperation depended on the intervention of governments, either local or national. In addition, that local autonomy and agency determined which level of government was involved, and that

autonomy and agency was directly related to fiscal and administrative decentralisation. However, apart from local autonomy and agency, it is possible that local governments did not participate in regional cooperation because of uneven institutional capacity and asymmetrical power amongst the different local governments and levels involved in the process. This unevenness is a product of decentralisation policies. Although to analyse the link between the levels of decentralisation and its outcomes on local institutional unevenness was not part of the research aims, some literature suggests that decentralisation outcomes vary in each region and can worsen local institutional capacities (Rodríguez-pose and Gill, 2003; Armstrong and Taylor, 2000), negatively impacting local and regional development. This negative impact could also reflect on local agency to establish regional cooperation processes and, although such analysis would not change the results of this research, it could indeed provide additional arguments to explain why the local government does not involve more actively in regional cooperation.

Secondly, both regions have experienced political violence. In the Coffee Region this violence has not stopped. Although the Colombian government have signed a peace agreement with the oldest and largest guerrilla group (FARC) and it is negotiating another peace agreement with the remaining guerrilla group (ELN), other criminal bands continue to emerge. It is true that when compared to the rest of the country, the Coffee Region has been one of least impacted by the internal conflict, however some analysis suggest that the region has been more affected than it is usually claimed (Toro-Zuluaga, 2004). The data used in this thesis is insufficient to establish a strong relationship between political violence and regional cooperation, this does not mean, however, that it is inexistent. Due to the presence of illegal armed groups in Colombia since the second half of the Twentieth century³², entrepreneurship was acknowledged as a dangerous activity as long as it puts firms in the orbit of illegal groups to obtain forced financing, discouraging new firms to be established. On the other hand, cooperatives and social organisations alike were regarded as communist and leftist, therefore *guerrilleras*. The case is similar for Chile. The dictatorship posed a threat to the establishment

³² However, there are several materials that explain the relationship between poverty, inequality, and violence in Colombia (e.g. Acemoglu *et al*, 2012a; Robinson, 2015).

of economic and social activities that did not fit the national government's economic policies and created incentives to reproduce traditional economic activities captured by the local and national elites, while cooperation processes were discouraged (Int24- Civic leader and Coopeumo founder, Peumo, Chile 2016; fieldwork notes).

There was a final aspect that represented both a challenge and an objective for this research: The conscious effort to find a balance between Global North and South theory and evidence. This implied not only using Global South case studies to be informed with existing theoretical frameworks, but also to include theoretical progress from Global South scholars and to recognise the need to inform the research with other disciplines. This, however, also implied a double effort for the researcher, and it is possible that the analysis has not engaged in great depth with specific theoretical bodies, given the diversity of approaches able to inform the study. The question on the extent with which theories based on Global North experiences can be abstracted from those contexts to be universally applied (Leitner and Sheppard, 2016) is a monumental task. In the end, a geographical approach means to recognise the influence that each context exerts over social phenomena, and even if economic geography has been mainly informed by Global North experiences, its own geographical nature poses methodological challenges when generalizations for theory development have to be made.

8.6. Future research agenda

From this study, two different types of research could be deduced. To undertake more empirical research to further understand the specificities of regional cooperation in different contexts, and separate themes that emerged while conducting the study. From the first group, using the same analytical framework and research structure used in this research, a following step would be to undertake case studies of regions located in Federal countries (regardless of its location in the Global South or North). This could provide insight to the evolution of regional cooperation with a potentially active participation of local governments. In addition, it could provide additional evidence on the reasons why local governments decide to embark on cooperative projects, beyond rational choice, collective goods and institutional incentives, using the context as part of the explanation but leaving aside problems of scope and

competences. Another interesting step to follow would be to undertake case studies focused on regions that come under the cultural landscape category of the UNESCO World Heritage List. There are, as of today, 88 sites worldwide comprised in this category (UNESCO, no date). To analyse the type of activities and strategies developed for the sites conservation, could give stronger insights on the possibility of a direct relationship between regional cooperation and international recognitions or regional trademarks, to find out how these international recognitions work as incentives for regional cooperation beyond uneven development and regional competition. Finally, to analyse the potential of regional cooperation in reducing rural communities' vulnerability in face of climate change. As stated by interviewees from both regions, *campesinos* are especially vulnerable to climate change, not only because a changing climate affect their traditional economic activities, but also because of their lack of resources to cope with these new problems.

On the other hand, three themes emerged while conducting this research that were not taking into account for being out of its scope. First, researching the potential contribution of regional cooperation in a post conflict context. As mentioned, Colombia is going through a phase of negotiated peace and post conflict, and amongst all the questions that are being asked and raised, two are of particular relevance to studies on regional cooperation for local and regional development. Given the historical marginalisation of *campesinos* in rural Colombia, which is now acknowledged as a cause of the internal conflict, it would be crucial to analyse the role that cooperative processes could achieve in aiding *campesinos*' communities to produce and keep their land to improve their poor socio-economic conditions. Second, the peace agreements with FARC includes the design and implementation of an agrarian reform focused on returning forcibly occupied land to displaced population. *Campesinos* who were forcibly displaced are entitled to return to their occupied land. Those territories were used by illegal groups, or sold to third parties whose direct participation in the forced displacement is due to be proven. In addition, most of ex-combatants are *campesinos*, an extremely vulnerable rural population whom, as part of the peace agreement conditions, can accede to rural property. From Chilean experience with the agrarian reform and Coopeumo, valuable lessons can be learned and adapted. Third, the analysis of new forms of dispossession and displacement of *campesinos* and local communities from their lands, which are taking place due to emerging

economic activities that have increased property value and living conditions to unaffordable prices for most of those communities. Both regions have evidenced cases of non-violent forced displacement due to the need to expand industrial development, or because new economic activities are making living conditions too expensive for locals to afford. The most evident case is the development of mass tourism activities in the Coffee Region, where most traditional houses and farms are highly priced and sold to wealthier people from other regions from Colombia and elsewhere.

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Interviews

Int1 - Planning office director1, Armenia (Colombia) 2015

Int2- Campesino and civic leader, Armenia (Colombia) 2015

Int3 - Mayor1, Salento, (Colombia) 2015

Int4- Campesino1, Córdoba, (Colombia) 2015

Int5- CCLC tourism manager, Armenia (Colombia) 2015

Int6- Regional competitiveness advisor, Armenia (Colombia) 2015

Int7- Professional on local planning1, Pereira (Colombia) 2015

Int8- CCLC board member 1, Pereira (Colombia) 2015

Int9- Research director, Armenia (Colombia) 2015

Int10- Congressman, Armenia (Colombia) 2015

Int11- Mayor2, Pijao (Colombia) 2015

Int12- Pijao *Citta*-slow leader, Pijao (Colombia) 2015

Int13- Pijao *Citta*-slow leader, Pijao (Colombia) 2015

Int14- Campesino2, Pijao (Colombia) 2015

Int15- Artisans association president, Salamina (Colombia) 2015

Int16- CCLC board member 2, Armenia (Colombia) 2015

Int17- Professional on local planning², Manizales (Colombia) 2015

Int18- Campesino³, Pijao (Colombia) 2015

Int19- Local culture manager, Salamina (Colombia) 2015

Int20- Mayor candidate, Armenia (Colombia) 2015

Int21- Planning office director, Armenia (Colombia) 2015

Int22- Local government representative, Peumo (Chile) 2016

Int23- Provincial government representative, Rancagua (Chile) 2016

Int24- Civic leader and Coopeumo founder, Peumo (Chile) 2016

Int25- Coopeumo manager, Peumo (Chile) 2016

Int26- Coopeumo manager, Peumo (Chile) 2016

Int27- Coopeumo social director, Peumo (Chile) 2016

Int28- Coopeumo social director, (Chile) 2016

Int29- Coopeumo Vice-president, Peumo (Chile) 2016

Int30- Campesino⁴, Peumo (Chile) 2016

Int31- Wineries association manager, Santa Cruz (Chile) 2016

Int32- Chamber of Tourism president, San Vicente (Chile) 2016

Int33- Coopeumo member, Peumo (Chile) 2016

Int34- Campesina, Peumo (Chile) 2016

Int35- Campesino⁵, Peumo (Chile) 2016

Int36- National trade public organisation, professional¹, Rancagua (Chile) 2016

Int37- National trade public organisation, professional², Rancagua (Chile) 2016

Int38-Associations and cooperatives division professional, Ministry of Economy, Santiago (Chile) 2016

Int39- Head of associations and cooperatives division, Santiago (Chile) 2016

Colombian laws and policy documents

National Constitution

Law 1454 on land use, 2011

Law 1625 on metropolitan areas, 2013

Law 152 on development plans, 1994

Law 1530 on royalties, 2012

Law 715 on territorial finances, 2001

Colombia development plan 2014-2018

Caldas development plan 2011-2015

Risaralda development plan 2011-2015

Quindío development plan 2011-2015

CONPES 3803, 201313

Acuerdo para la Prosperidad 43, 2011

CCLC-UNESCO report (2010)

CCLC management plan (2009)

CCLC Guide for territorial planning (2014)

Chilean laws and policy documents

National Constitution

Law 19.175 on land use, territorial organisation, and territorial finances

Law 18.695 on territorial organisation

Law 20.026 on territorial finances and royalties

Law 20.469 on territorial finances and royalties

Chile government plan 2014-2018

O'Higgins government plan 2014 – 2018

Presidential discourse No. 14

Private consultant 2007

FAO 2012

Prochile 2006

Appendix

Appendix 1. Observation

Coffee Region		O'Higgins	
Event	Data collected	Event	Data collected
CCLC Routes program	Qualitative data regarding tourism and the impact of <i>Rutas</i> program	Informal gatherings with locals (Peumo and Santiago de Chile)	Deeper understanding of political and social contexts
National Congress` 5th commission debate	CCLC and its relation with environmental protection (especially mining and water), social issues and challenges of the rural areas (mainly coffee growers)		
<i>Paro Agrario Nacional</i> (campesinos demonstrations)	Data regarding the general issues and struggles rural population is facing due to neoliberal and open market policies		

Appendix 2. Consent form

CONSENT FORM

Consent for Participation in Interview Research

1. I volunteer to participate in the research project conducted by Diana Carolina Morales, PhD Student at the school of Geography, Politics and Sociology at Newcastle University.

He decidido participar de forma voluntaria en el proyecto de investigación conducido por Diana Carolina Morales, estudiante de doctorado en el departamento de Geografía, Política y Sociología de la Universidad de Newcastle.

2. I understand that this project is designed to gather information about processes of regional cooperation between public and private actors in the Colombian Coffee Region and Peumo and its surrounding area (Chile).

Entiendo que este Proyecto ha sido diseñado para recoger información acerca de los procesos de cooperación regional entre actores públicos y privados que tienen lugar en el Eje Cafetero Colombiano y Peumo y alrededores (Chile).

3. I understand that my participation is voluntary, and I will not receive any financial or any other kind of compensation.

Entiendo que mi participación es voluntaria y no recibiré ningún tipo de compensación financiera o de otro tipo.

4. I may withdraw my participation at any time without penalty, up to and including the time of completion of the research project.

Podré retirar mi participación en la investigación sin recibir penalidad alguna, en cualquier momento y hasta que finalice el proyecto de investigación.

5. I understand that I can decline to answer any questions asked during the interview session.

Entiendo que podré negarme a contestar alguna de las preguntas formuladas durante la entrevista.

6. I understand that my answers will be recorded in audio and written notes, and transcribed at a later date by Diana Carolina Morales.

Entiendo que mis respuestas serán grabadas en archivo de audio y notas escritas, y posteriormente transcritas por Diana Carolina Morales.

7. I understand that Diana Carolina Morales will not identify me by name in any reports made about our interview, and after transcription the audio recording will be retained for use in potential publications and for further analysis in future projects.

Entiendo que Diana Carolina Morales no utilizará mi nombre propio en los reportes que se hagan respecto a la entrevista, y que los archivos de audio serán almacenados por el tiempo que la investigación lo requiera.

8. I understand that I may request a copy of my transcribed interview.
Entiendo que podré solicitar una copia de la transcripción de mi entrevista.
9. I am not obliged to share information that may be considered illegal. However, if it is indicated that me or another is at risk of harm, or illegal activities were to be committed, it may become necessary to disclose certain information.
No estoy obligado a dar información que considere ilegal. No obstante, ante el riesgo de daño a mí mismo o a un tercero, o ante el riesgo de comisión de un delito, entiendo que será necesario aportar la información.
10. I understand that I may withdraw any statement during the interview, or stop the interview entirely.
Entiendo que podré retractarme de alguna declaración hecha durante la entrevista, o suspenderla en cualquier momento.
11. I understand that this research has been reviewed and approved by an Ethics Panel at Newcastle University.
Entiendo que esta investigación ha sido revisada y aprobada por el Comité de Ética de la Universidad de Newcastle.
12. I have read and understand the explanation of the research project provided to me by Diana Carolina Morales.
He leído y entendido las explicaciones que Diana Carolina Morales me ha dado sobre esa investigación.

Date:

Name:

Signature:

Appendix 3. Participants' information sheet

Documento informativo para participantes

Usted ha sido invitado a hacer parte del estudio denominado: Cooperación Regional para una agenda de desarrollo local y sostenible.

A. Descripción del Proyecto

Este proyecto de investigación pretende analizar estrategias de cooperación regional y su impacto en el desarrollo local, sostenible y acorde a las necesidades de la región en que se implementa.

El principal objetivo es analizar acuerdos de cooperación regional y el rol que ésta cumple en definir e implementar modelos de desarrollo local y regional, y cómo impacta la organización territorial. Para esto, la investigación se soporta en el estudio de dos regiones: El Eje Cafetero Colombiano y la comuna de Cachapoal, en Chile.

El propósito de realizar estudios de caso comparados no es evaluar el éxito y fracaso de una u otra región, sino analizar el impacto y la forma en que los procesos de cooperación impactan el desarrollo local y regional, si estos procesos fomentan posteriores integraciones regionales reconocidas jurídica y socialmente, cuáles son los factores que incentivan o limitan la cooperación y que tipo de instituciones son necesarias para implementar un proceso exitoso.

Los resultados de esta investigación serán incorporados en mi tesis de doctorado y eventualmente serán publicados en conferencias internacionales y revistas académicas.

B. Confidencialidad

La anonimidad de sus respuestas está garantizada. Con su autorización, sus respuestas serán grabadas con el fin de asegurar una mayor precisión en el análisis., permitiéndonos a ambos, usted como entrevistado y yo como investigadora, enfocarnos en la conversación. De cualquier manera, usted podrá interrumpir la entrevista en cualquier momento.

C. Información cifrada

Todos los datos serán cifrados de forma tal que sólo yo pueda hacer un rastreo de su identidad

en las respuestas. Tenga en cuenta que toda la información será almacenada de forma cifrada hasta el final del proyecto. De cualquier manera, si lo desea y me autoriza, usted puede ser identificado en la investigación.

D. Riesgos y beneficios

La publicación y difusión futura de esta investigación no afectará de ninguna manera su confidencialidad (en caso que decida permanecer anónimo), ni afectará su imagen de ninguna manera. Si decide retirarse de la investigación en cualquier momento, no habrá ningún tipo de penalidad ni se afectarán sus beneficios de confidencialidad y anonimato.

El potencial beneficio de este proyecto es profundizar en el entendimiento de los procesos de cooperación regional entre ciudades y municipios, y como éstos aportan a mejorar el desarrollo local.

E. Contacto

Si tiene alguna pregunta respecto a esta investigación, o si desea obtener una copia transcrita de su entrevista, por favor pónganse en contacto conmigo. Si tiene dudas adicionales respecto al proyecto, podrá discutir las a profundidad conmigo y mis supervisores.

Participant Information Sheet

You are invited to take part in a study: Regional cooperation for a local and sustainable development agenda.

A. Project Description

My research project purposes is to analyse how regional cooperation strategies foster regional development that is sustainable and appropriate for the own region.

The overall aim of this study is to determine the role of cooperation between regions (whether public, private, or public-private) for define and implement strategies for local and regional

development, as well as its impact in the territorial organisation. To do so, the research will be supported in the study of two regions: The *Eje Cafetero* (Colombia) and the Peumo and its surrounding area (Chile).

It is important to highlight that the research is not focused on evaluating the success of one region and the failure of the other, but to analyse if and how cooperation strategies impacted local and regional development, if those initiatives involved processes of formal integration (legally and socially recognised), which ones were the main factors that foster or limit these initiatives (institutions, decentralisation policies, stakeholders, governments) and which were the institutional characteristics needed to promote the cooperation strategy.

The results of this study will be incorporated into my PhD thesis. The findings may be presented at international conferences and published in academic journals.

B. Confidentiality

Your answers will remain anonymous, and your identity will be protected. With your authorization, your answers will be recorded. As the interview is being transcript, recording provides accuracy and allows both you as the participant and me as an interviewer to focus on the conversation. You may, however, stop the interview at any point.

C. Data encryption

All data will be encrypted and untraceable back to your person, being me the only person with access. If you are happy to be identified in my research, please let me know and I will waive your anonymity.

All your information will be stored in an encrypted form. You are entitled to change your mind up to publication.

D. Risk and benefits

The potential benefit of the study is a better understanding cooperation between cities and municipalities for improving local and regional development.

Future publication and discussion of this material will not affect your confidentiality (if you choose to be anonymous) or alter your image in any way that is misleading.

You have the right to withdraw your consent or discontinue participation at any time for any reason. Your decision to withdraw will not involve any penalty.

E. Contact

If you have any questions regarding this study, or if you wish to obtain a copy of the transcription of your interview, please contact me. If you have any concerns about this project you are welcome to discuss it further with myself and my supervisors, whose data can be found below.

Appendix 4. Codes for data analysis

RC: Regional Cooperation

Ac: Actors

Ra: Rationales

Ch: Characteristics

Ev: Evolution

Go: Governance

Li: Limits

Po: Potential

LRD: Local and regional development

Ed: Economic diversification

Se: Sustainability and environment

Ip: Indigenous potential

Go: Governance

Ac: Actors

Ra: Rationales

IN: Institutions

Inl: International

Na: National

Lo: Local

Ha: Hard

So: Soft

Ar: Arrangements

En: Environment

Ac: Actors

Li: Limits

Po: Potential

TG: Territories and geography

To: Territorial organisation

De: Decentralisation

La: Local autonomy

Ac: Actors

Go: Governance

Li: Limits

Po: Potential

Appendix 5. List of municipalities

Department	Caldas	Risaralda	Quindío	Valle del Cauca
Coffee Region	Manizales* Norcasia Aguadas Pácora Anserma Palestina Aranzazu Pensilvania Belalcázar Riosucio Chinchiná Risaralda Filadelfia Salamina La Dorada Samaná La Merced San José Manzanares Supía Marmato Victoria Marquetalia Villamaría Marulanda Viterbo Neira	Pereira* Apia Balboa Belén de Umbría Dosquebradas Guática La Celia La Virginia Marsella Mistrató Pueblo Rico Quinchía Santa Rosa de Cabal Santuario	Armenia* Buenavista Calarcá Circasia Córdoba Filandia Génova La Tebaida Montenegro Pijao Quimbaya Salento	Alcalá Ansermanuevo Argelia Bolívar Cartago El Águila El Cairo El Dovio La Unión La Victoria Obando Roldanillo Toro Ulloa Versalles Zarzal
Province	Cachapoal	Colchagua	Cardenal Caro	
O'Higgins	Rancagua* Codegua Coínco Coltauco Doñihue Graneros Las Cabras Machalí Malloa Mostazal Olivar Peumo Pichidegua Quinta de Tilcoco Rengo Requínoa San Vicente de Tagua Tagua	San Fernando* Chépica Chimbarongo Lolol Nancagua Palmilla Peralillo Placilla Pumanque Santa Cruz	Pichilemu* La Estrella Litueche Marchihue Navidad Paredones,	

*Capital cities
 Source: Author