

# ASSESSING THE BOTTOM-UP APPROACH TOWARDS LOCAL ECONOMIC DEVELOPMENT (LED) IN MEXICO, 1990-2005

Iván Palavicini, LSE Geography and Environment Department



e.i.palavicini-corona@lse.ac.uk



THE LONDON SCHOOL OF ECONOMICS AND POLITICAL SCIENCE

Policy actions of different levels of government can have an impact on the economic and social development of localities and their neighbourhoods and communities. However, **since 1990 a great number of case studies highlight the positive role of bottom-up strategies in the development of places.** The knowledge of localities' characteristics make local agents the best fitted for balancing local interests, designing, implementing and evaluating development actions. **This research presents the first ever approximation towards assessing quantitatively the impact of the LED bottom-up approach key elements on the development of Mexican municipalities.**

## KEY FEATURES

Embeddedness and sustainability.

The presence of attitudes and aptitudes that favour participation and entrepreneurship.

The existence of formal and quasi-formal institutions that facilitate development processes and outcomes.

## KEY POLICY INSTRUMENTS

Empowerment, capacity building and entrepreneurship promotion policies.

The promotion of mechanisms for public, social and private sectors' coordination and cooperation.

Complementary traditional-type economic development tools.

## THE MODEL

**RESPONSE VARIABLE:** The difference between Municipal Development Indexes (MDI) calculated for 1990 and 2005.

### INDEPENDENT VARIABLES:

**Bottom-up LED variables:** Dummy and semi-categorical variables indicating if the following was identified or not in each municipality during the period of analysis:

*Development plan with long term perspective*

*Sustainability characteristics*

*Entrepreneurship promotion*

*Empowerment and capacity building policies*

*Participation mechanisms*

*Collaborative links and networks within and outside the locality*

**A LED DATABASE FOR MEXICAN MUNICIPALITIES WAS BUILT WITH THE PARTICIPATION OF 40 ACADEMICS ALL OVER MEXICO.**

**Control variables:** Municipal characteristics in 1990 based in the National Census 1990, and dummy geographical and regional (state) variables.

## MAIN RESULTS

The expected improvement in the MDI was lower for the municipalities where none of the LED bottom-up elements was found than for the ones where any number of them was identified.

The municipalities that designed a *strategic development plan*, implemented *empowerment and capacity building policies*, and built *internal and external links or networks* improved more than the ones that did not.

## FURTHER RESEARCH

The widespread presence of this approach around the world makes relevant the application of similar exercises incorporating interval scale related variables when possible.

The quantitative analysis is being complemented by digging deeper in the development processes of two municipalities in Tlaxcala, as this Mexican state presents special characteristics in relation to citizens' proximity to the decision making process.

