

«BLAGO - Bettering Livelihood of vulnerable and low income communities in Siberia, through enhancement of capabilities and role of grassroots CSOs and groups»

How to assess the economic endogenous potential, for territorial competitive and sustainable development

The RESCO methodology

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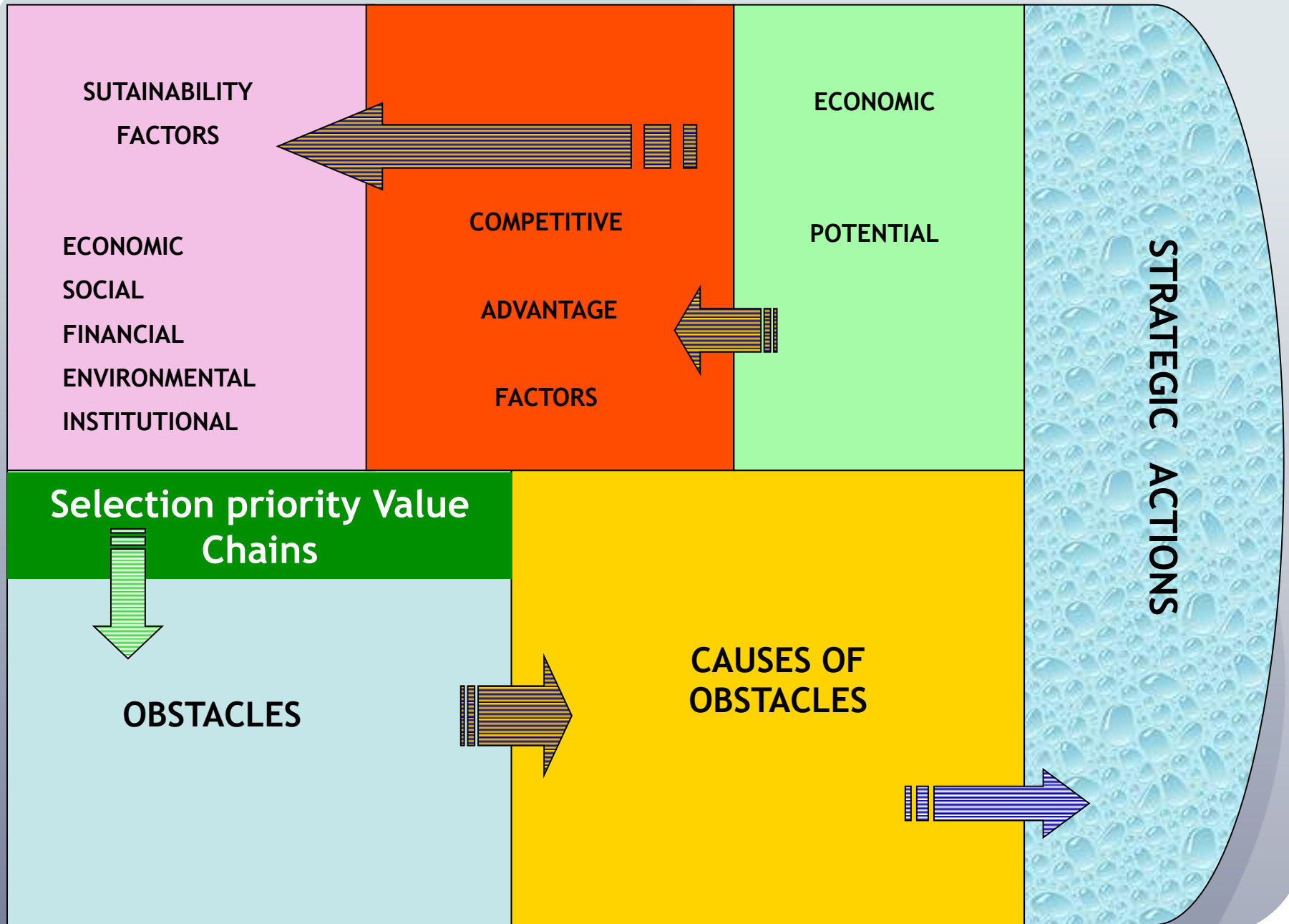
AIMS OF THE RESCO METHODOLOGY

To provide an analytical method for assessing, prioritising the local economic potentialities, and drafting territorial development strategies

It is carried on through various steps, as shown in the next slide

It is carried on through a participatory approach, including all the local actors that are involved, in a way or another, in the economic development, such as producers, local administrations, universities, service providers, NGOs', and social groups

HOW TO BUILD DEVELOPMENT STRATEGIES: RESCO METHOD



THE RESCO METHOD ADDED VALUE

1. It is not only analytical (like SWOT), but decisional (about strategies)

2. It participatory, and it provides several benefits, such as

- it uses the spread knowledge of the people of the place
- it facilitates the dialogue among the local actors
- it facilitates the sense of belonging of the local actors to the territory
- It strengthens the interest of the local actors to implement the strategies they have contributed to elaborate

3. It is mostly based on qualitative information (although few quantitative data are requested)

THE RESCO METHOD: WHAT DO YOU NEED

1. A Resco analyst

2. Organising Value chain FOCUS GROUPS

3. Sectoral experts

4. Few statistical data for each value chain

Let's look at the competitive advantage



We have:

Tourism
Fruit
Shoes
Milk
Beekeeping
Mechanics
Minery

THE VALUE CHAINS FOCUS GOUPS

1 Step: competitive potential

The Focus Group could be supported by a value chain expert, in order to validate competitiveness and competitive advantages



Exercise n° 1 : Competitive advantage - TOURISM

BEACHES

There are many similar beaches in many other countries

WILD MOUNTAIN

It is not characteristic only of our places

TYPICAL HANDICRAFTS

That's it, other ones do not have it

FOOD

That's it, other ones do not have it

TROPICAL CLIMAT

It's possible to find it other places

LENCA CULTURE

Absolutly LENCAS live only here: their dance, music, poetry and feelings are unique

5 STARS HOTELES

Similar hotels exist everywhere

FINALLY THE ACCTRACTIVE FACTOR, WHICH MAKES THE
DIFEFRECE FOR TOURISM IS

THE LENCA CULTURE

With its characteristics of MUSIC, DANCE, LITERATURE, FOOD,
HANDICRAFTS, FEELINGS, AND BEHAVIOUR

Exercise n° 2 : Competitive advantage - MILK

QUALITY

Quality is important, but all the world may say and or achieve quality certification standards

FRUITY RAST OF THE MILK

This makes the difference

IMPORTED GOOD COW RACE

This can be achieved easlily

KNOW HOW - SPECIAL QUESILLO

This makes the difference

SPECIFIC LAND

This makes the difference

TROPICAL CLIMATE

There are many tropics in the world

FINALLY THE COMPETITIVE ADVANTAGES, WHICH MAKES THE
DIFFERENCE FOR MILK VALUE CHAIN ARE

**THE LOCAL MICRO CLIMATE, WITH RIVERS
AND MOUNTAINS, AND THE KNOW HOW**

WITH THE CHARACTERISTICS OF LAND AND PASTURE, WHICH
PROVIDED MILK OF SPECIAL TASTE, AND ARTISANS WHICH PRODUCE
CHEESE

It's OK: taste, density, vitamin

Nevertheless all these characteristics would depend on something else?

The last one is the deep reason for competitive advantage !

As matter of fact, bees feed on 100 different species of flowers within a uncontaminated environment

I think of the queen bee



¿ WHAT DID WE LEARN?

In the case of Tourism, the LENCA culture, traditional food, typical handicrafts for tourists, and they depend on the *culture of the territory*.

COMPETITIVE ADVANTAGE

In the case of differences on the territory and

ADVANTAGES ARE BASED ON CHARACTERISTICS THAT MAKE THE DIFFERENCE

In the case of differences that make the *different unincultivated species of flowers*

DIFFERENCES ARE RELATED TO THE TERRITORY



HOW TO ASSESS

COMPETITIVENESS



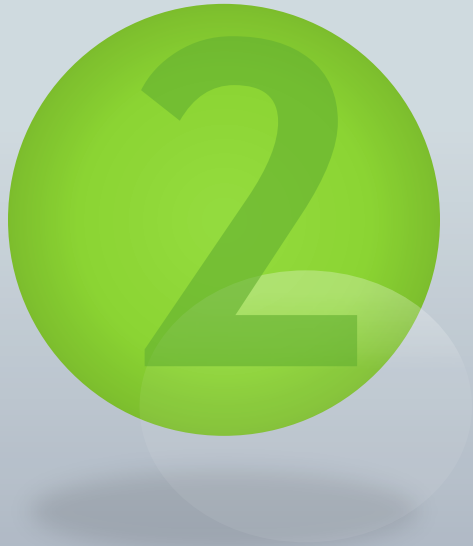
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Competitiveness

WHAT do we want to know?

What are the real competitive differential advantages of the territorial resources

What are the causes of this competitiveness



HOW TO ASSESS

SUSTAINABILITY

Economic
Financial
Social
Institutional
Environmental

Economic Sustainability: The Value Chains

WHAT do we want to know?

- ① What are the value chain in the area, and what is their state?
- ② Has the value chain development a positive impact on territorial economy (multiplier effect) and on the jobs?
- ③ What the potential for new enterprises in the same sector, and in other sectors
- ④ How many people are currently working in the value chains' activities, and what activites?
- ⑤ What the current and further markets for the value chain?

WHAT do we want to know?

- 1. What is the social impact in term of jobs, social inclusion, and social equality?*
- 2. What is the environmental impact?*

WHAT do we want to know?

- 1. What are the financial constraints and opportunities?*
- 2. What are the public policies that can represent obstacles or constraints?*



HOW TO ASSESS

OBSTACLES

WHAT do we want to know?

- 1. What are the main obstacles to the full valorisation of the value chain?*
- 2. How to prioritize them?*
- 3. What are the causes of these obstacles*
- 4. How to prioritize them?*

WHY do we want to know them?

The critical problem is not just knowing the obstacles, but understanding what is the deep reason of each obstacle

Exercise n° 3 : CAUSES OF OBSTACLES

In a territory, infrastructure for energy are lacking

What the possible causes could be?

Lack of capital

Lack of
implementation
capacity

Lack of capacity in
collective lobbying
towards entities which
decide about it

Right answer

Lack of capacity in
collective lobbying towards
entities which decide about
it



HOW TO ASSESS

STRATEGIC GUIDELINES

WHAT do we want to know?

What the strategies for valorising the competitive and sustainable potential, and for eliminating the obstacles (or better the causes of the obstacles), and the local territorial value chains weaknesses?

Strategic Guideliens

WHAT instruments do we use?

- 1. Information from the causes of competitiveness*
- 2. Information from the value chain assessment for identifying products*
- 3. Causes of obstacles for identifying problematic areas and strategic elements to be introduced or strengthened*
- 4. Information about social weaknesses*
- 5. Information about environmental constrains*
- 6. Benchmark and experience for identifying strategic actions*