

## INNOVATING IN TIMES OF CRISIS

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What began as a financial crisis has already had a major effect on the real economy and has evolved into a global development crisis, affecting people's living conditions, generating unemployment, deepening poverty and creating insecurity. It is especially true in poor countries and in sub-Saharan Africa in particular, where falling commodity prices are affecting small producers and especially women, and where efforts for diversifying the economy are facing new difficulties. This situation is being recognized *even* by the main international financial and development institutions such as the World Bank. In fact, according to Obiageli Ezekwesili, World Bank Vice President for the Africa Region, "Even before the crisis affects Africa's relatively sound financial sector, it already dangles the specter of political instability, social unrest, and could unleash a major humanitarian disaster on the "world's last development frontier."<sup>1</sup>

As aid budgets are being slashed, international development cooperation institutions are being called upon to respond. Themselves in crisis, these institutions are in the midst of redefining their approaches and instruments for delivering "aid". The present situation increases the urgency for innovation and could be an opportunity to widen the scope of this rethinking beyond mere changes in the *form* of aid modalities to a new conceptualization of development and development cooperation itself, based on the notion of agency, on the protagonism of local territories and their many public and private actors.

Indeed, a "territory" is not only a geographical or administrative space; it is also and above all, a complex relational fabric and increasingly, a new model of local governance. This model is influencing approaches to development cooperation which, in many cases, is promoting international networks of territories through what are often referred to as "territorial partnerships". These partnerships and their networks of local economies suggest that an alternative to the globalized economy as it is generally conceived is possible and that international development cooperation has a catalyzing role to play.

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<sup>1</sup> From the keynote address delivered at the inauguration of the 2009 Annual Conference organized by the Washington-based Society for International Development on the theme "Finding Common Ground on Foreign Aid". See: <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/0,,contentMDK:22172239~menuPK:258659~pagePK:2865106~piPK:2865128~theSitePK:258644,00.html>

Each of the contributors to this second issue of *Universitas Forum* has put forward elements of a possible strategy for addressing the present crisis, drawing on her/his particular experiences and analyses: the experience of women's movements and their transnational networks; that of local economic development and international networks of local economic development agencies; the certified Fair Trade movement; networks of decentralized cooperation and territorial partnerships; the movements for biodiversity and organic food production where regional and local governments are playing a leading role; to the work being done to integrate traditional practices in public health systems through regional networks and south-south cooperation.

As Vandana Shiva puts it her interview for *Universitas Forum*, only through strong local economies, with the possibility of “the quick adaptation of the small”, can we emerge from the current crisis. Not only do local economies permit people to choose their development priorities and channel investments, they tend to stimulate innovation, invest in its human and natural resources and generate territorial networks which bring together all the public and private players in a given territory and promote value chains. This, in turn, enhances the unique qualities of each specific area, increases its productivity and competitive advantage in a global scenario.

But focusing on the “local”, Shiva continues, does not mean isolation, it means networking. Global networking of these local economies, especially developing economies, without “giant” corporate intermediaries, could facilitate more direct and high-quality technological and knowledge exchanges, encourage joint ventures for accessing global markets as well as social and economic solidarity chains. Fair Trade, for example, offers a vehicle for pursuing a strategy of endogenous local development in several ways, including by providing a social economy economic base and by strengthening local-global links that reflect shared values and allow for alternative commodity chains, including through South-South Fair Trade networks.

In the “Reviews” section, as well as a summary of the 2008 report of the International Food Policy Research Institute on global hunger, we publish a review of a book describing the Local Human Development Programme (PDHL) in Cuba, a programme which has generated a great deal of international interest. Readers will find a link to the PDF full text of this publication, which merits being made widely accessible.

Finally, in the “Viewpoint” section of this issue, we continue the discussion on the articulation of traditional knowledge and practices with public health systems launched during the international seminar on this theme, about which we reported in the first issue. The editors would like to encourage *Universitas Forum* readers to contribute to this section with their views and experiences related to the topics addressed in past issues, to keep the debate going.