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**The Sixth International Summer Academy
on Local Economic Development in Germany:
25-30 July 2010**

In July 2010 mesopartner will organize the sixth Summer Academy on LED, again in Duisburg (Germany). The event targets at experienced LED practitioners and offers inputs on current topics and opportunity for exchange of experience. For more information, please see our website: <http://events.mesopartner.com>

Editorial

Editorial PACA News 17 – Special edition Jörg Meyer-Stamer

"The King is dead. Long live the King."

Dr. Jörg Meyer-Stamer, the founder of the PACA methodology, sadly passed away on the 1st of May 2009. Development practitioners and researchers from all over the world have expressed their grief over recent months in the virtual condolence book:

www.mesopartner.com/nc/dr-joerg-meyer-stamer.



Dr. Jörg Meyer-Stamer

* 30.10.1958 † 1.5.2009

The entries are full of gratitude for Jörg, not only for his brilliant academic contributions like the concept of systemic competitiveness

and innovations around private sector promotion, but also for his influence on the development of the personal career paths of so many individuals. Many of those paying tribute to Jörg are PACA practitioners who are determined to continue with his work.

The aim of this special edition of the PACA news is to commemorate Jörg Meyer-Stamer's contribution to the PACA community. We invited four colleagues to share what they have learned by directly interacting with Jörg. We asked them to respond to the following questions:

1. What was your most memorable experience conducting PACA with Jörg Meyer-Stamer?
2. What was the most important development principle that you have discovered during the practical application of the PACA methodology?
3. Is there a specific add-on from your side to the PACA methodology?
4. Where do you think the future of PACA lies?

This newsletter starts with an article by José Murgueytio, who joined the first PACA training in Spanish in Bolivia in 2003. This training provided instruction for a first generation of Latin American PACA practitioners, who later spread the methodology all over the region. In his article, José emphasises that the introduction to the PACA methodology had a providential significance for the participants and helped them to see the complicated topic of LED in a simple and very organized way.

Paul Kester, a Dutch development worker based in Nicaragua for two decades, refers to systemic competitiveness as a conceptual background for the PACA approach and describes PACA as an "acid test" for measuring the willingness of a community to introduce change. Paul has also used the systemic framework as a benchmarking tool on local competitiveness.

From Sri Lanka, Ratty (Deepabandhu Ratnayake) recalls Jörg's ability to identify local competitive advantages in a swift and precise way, as in the case of the floriculture sector in the District of Kandi, which was identified during a PACA exercise and is now a substantially developed value chain.

Finally, Rainer Müller-Glodde, who collaborated with Jörg in Brazil at the end of the 1990s during the very first PACA pilots, describes the similarities between the nucleus approach - developed by him - and PACA. He states that "stakeholders" of capacitated business chambers are able to contribute in a more qualified way to a PACA process. He also points out that the PACA methodology needs to be more explicit in the institutionalization of LED processes.



Jörg during a mission in South Africa, in 2007

PACA was only the starting point for a new series of participatory approaches to territorial competitiveness. Over the years and jointly with his clients, colleagues and the mesopartners, Jörg developed a series of additional methods and instruments to bring together a complete LED approach. Examples are the Hexagon to structure thinking on LED, RALIS to analyse and foster local innovations systems, GENESIS to envision future LED prospects, the LED Café to work with large stakeholder groups and the COMPASS of Competitiveness to strategize, monitor and evaluate LED initiatives. Today PACA is part of an ample methodological toolbox on LED.

In spite of the diversification of LED methods, the PACA approach is still valid and alive. For newcomers to the field, PACA is still fresh and different to traditional approaches. In countries all over the world, PACA practitioners offer trainings and support rapid appraisals of local economies. World Vision, globally the largest NGO, adopted the PACA approach in 2009 to make their community development activities more effective and market-oriented. The innovative variation Pro-Poor-PACA was developed by the mesopartner Christian Schoen for GTZ Vietnam and later applied by Anke Kaulard in Peru with *ded*.

mesopartner, the knowledge-intensive firm co-founded by Dr. Jörg Meyer-Stamer, is committed to continuing to support the PACA community and further develop the PACA approach. To accelerate the dissemination of PACA, mesopartner decided (already when Jörg was still alive) to set PACA "free". All the manuals and materials are now freely available on the Internet and a printed version can be ordered at a reasonable price (see: <http://stores.lulu.com/mesopartner>).

Nevertheless, we still recommend a proper PACA basic training before applying the

methodology in the field. You can find acknowledged PACA practitioners from different regions of the world on the PACA-website www.paca-online.org. Their support is crucial to maintaining the high quality of the methodology created and consistently stipulated by Jörg Meyer-Stamer.

We would like to invite all experienced LED practitioners as well as newcomers to contribute to the constant improvement and innovative variations of the Participatory Appraisal of Competitive Advantage approach. Please share your insights with us and propose ideas for further development of LED. The future of PACA is based on the intelligence of the crowd!

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Ulrich and Jörg in Duisburg

With Jörg in Camiri

Six years ago, in April 2003, in the city of Camiri (Bolivia) I came to know Jörg Meyer-Stamer. I was participating in a workshop on the PACA methodology, which had been declared useful by our program director of the GTZ-PROMODE program in Ecuador, Janos Zimerman. Janos was the first person to translate the PACA book of concepts into Spanish. Back then, the concept of 'local territorial development' had only just been heard of for the first time in the country and GTZ took up the challenge of implementing PACA, proving its efficiency and entering onto the path of economic growth.



One stage of the journey to Camiri: taking the bus

The journey to Camiri had been long and full of new impressions. Our pleasant company Harald Landauer and Vladimir Albornoz, representing the Council Consortium of Provinces in Ecuador (CONCOPE), were on a mission to find a formula to convert local and regional governments into efficient promoters of territorial economic development, always bearing in mind that during the past decades all consecutive governments had failed to accomplish this goal. After the obligatory stopovers in Lima, La Paz and Santa Cruz, the intention was to take a Bus to Camiri which was said to get us there in 12 hours, if the weather conditions did not impede the trip. In this latter city, we decided to rent a small single-motor plane from the Bolivian Air force, in order to arrive on time. While we were

flying above the freeway crossing the Chaco Boliviana (huge agricultural territories in Bolivia), a compulsory aviation route in case of emergency landings, I began to wonder whether it would not have been better to hold the workshop in a closer and more accessible location.

The little hotel in Camiri where all participants were accommodated was excited about the arrival of delegations from various countries. In

the dining room it was merely impossible not to sense the presence of Europeans, animatedly conversing and discussing. These were Jörg Meyer-Stamer and Ulrich Harmes-Liedtke who only recently had started the diffusion of their PACA methodology in Latin America with a facilitation workshop. Our activity lasted ten days and, as result of the training, led to a multi-sectoral PACA Exercise in the City of Camiri.

The principal instructor had been Ulrich Harmes-Liedtke. After a short while it was clear that Ulrich presented himself as the PACA facilitator, being monitored by Jörg, whose interventions were sporadic and very substantial. With his rather restrained and highly analytic character, Jörg managed to ease any doubts, and responded to the participants' questions and uncertainties. I remember him as having a thoughtful expression, which gave a relief and depth to his reflections, and using a mixture of Spanish-Portuguese, but still always making himself understood.



The group of facilitators and participants in Camiri, Bolivia, in 2003

Later I learned that Jörg had spent a couple of years in Brazil, dedicating himself to the promotion of LED, to theoretical reflections, scientific investigations, operative applications of concepts and the creation of methods and formulas which were eventually turned into a product called PACA. If Michael Porter is considered to be the prominent figure in private or micro competitiveness, it isn't exaggerated to say the same about Jörg: in respect to territorial or systemic competitiveness at the meso level. His contribution to the subject is rich and versatile, and can be found in innumerable publications to which we all have access.

To those grouped together in the dark in 2003 with the common keys to economic development promotion, knowledge of the PACA methodology had an almost provincial character. PACA seemed to resolve the present complex problems in the most simple and orderly manner. The focus on beginning an LED process not with large strategies but with very simple steps, creating public-private networks to give an impetus to territorial competition, the powerful ingredient of learning under

competitive conditions which should characterise initial phases in LED, the value of self-diagnosis by all actors involved, and the use of ad hoc tools applied to economic development: these are some of the central keys which we gratefully owe to Jörg's drive for detection and perfection.

On their return to Quito, the PROMODE-GTZ and CONCOPE teams initiated nourishing, guided and continuous PACA applications in various provinces in Ecuador. We can now affirm that PACA was the turning point in local economic development, which played a huge role in the current efforts to help the country achieve its development goals and, that PACA has made a significant difference to our initiatives. For this reason, the early passing away of Jörg has saddened us and brings us to pay tribute to him and his memory. The fruits of his work have generously multiplied throughout Latin America.

*José Murgueytio, LED Expert
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Jörg, Harald Landauer, José Murgueytio and others in the PACA training in Camiri

The Systemic Competitiveness Debate with Jörg

In September 2006 Jörg sent an e-mail to a group of persons stating that he wanted a debate on the practical implementation of the Systemic Competitiveness (SC) concept over the internet. I had been waiting some time for this to occur so I was very pleased with Jörg's initiative. The SC concept is implicitly present in the PACA exercise, but so far it had not been fully developed as an analytical tool for local economic policy making. At least two issues were to be worked out: 1) how to define the meta-level and 2) how to link the four systemic levels to have them re-enforcing or affecting each other so as to obtain a dynamic structure with loops, creating what Shawn Cunningham referred to as "virtuous circles".

Unfortunately, the debate did not find much echo in the group that Jörg had virtually invited, so we decided to call it off after a few weeks and wait for a more appropriate moment to define the practical implementation formula of systemic competitiveness. Reading again the material that has been sent around on the issue and specifically Jörg's contributions, it strikes me again how pragmatic and non-conventional Jörg was in his statements. Just two examples: 1) "...models are inherently technocratic and "expertocratic", and I am personally far too sceptical of experts to trust them and their models too much. I very much prefer tools like the Paper Computer", 2) "...and I am constantly amazed by development practitioners who seem to genuinely believe that they can fundamentally change the way people think, by exposing them to a two-day workshop that involves Important Foreign Speakers".

Can PACA as a methodological model fundamentally change the way people think? I don't think so, but my experience is that the exercise can be considered an "acid test" for measuring the willingness of a community to introduce change. It brings together local actors operating at different systemic levels and invites them to undertake combined short-term actions to improve the business climate without a big bag of donor money behind the curtains. In this aspect lies the spirit of Jörg; it is up to the local actors to decide whether they want changes or not. If so and if these local stakeholders manage to successfully implement the short term "post-PACA actions", then later on other participative instruments can be introduced to elaborate more long-term strategic actions to reach higher levels of territorial competitiveness.



Paul Kester during a PACA training in Somoto, Nicaragua, in 2007

The main conditions for effectively introducing change among the local actors are trust building and, based on this, the willingness to undertake collective action. Local economic development is not only business promotion. I would rather consider the business setups as

an outcome of previous processes of change in the community culture.

Changing the meta-level, which means people internalizing individually and collectively new attitudes and values towards development, is definitively the biggest challenge for a community. But once the wheels are turning, a point-of-no-return might be reached and an endogenous development will have started. This was Jörg's dream. I am very thankful to have been able to share views with him on this beautiful issue of local development and its conditions. Jörg will be missed as an analytic but at the same time pragmatic expert and especially as a wonderful person, approaching life as something curious and with a lot of optimism and humour.



Paul Kester in 2008

*Paul Kester, Managua, Nicaragua
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Introducing PACA with Jörg in Sri Lanka

In 2004 we were conducting a LOCA (PACA) exercise in a location in the Kandy District of Sri Lanka. We hypothesized about seven economic sectors as important sectors for the area. At the time of the hypothesis workshop, two PACA facilitators, including me, mentioned the floriculture sector as one of the important sectors for the location. As the majority disagreed, this did not lead into any hypothesis. At one point Jörg mentioned that



Ratty (Deepabandhu Ratnayake)
in Sri Lanka, in 2009

he thoroughly believed the floriculture sector could have a much better future as he had observed the amount of supporting evidence in the roadside vegetation. His observation skills always were so precious! Even though he couldn't follow many of our local discussions, he used his other senses to perceive realities. In the kick-off workshops on the following day, the floriculture sector was again proposed by the stakeholders and later on it was identified as one of best competitive economic sectors. Now it is a substantially developed value chain.

The most important development initiative that I have seen in almost all PACA exercises was the willingness of local stakeholders to start off competitive quick wins just after presentation events.

Though we mainly focus on stakeholders' attention to the quick wins, the other subsidiary proposals at the three criteria stage may play important roles in the local economy. Some of those proposals are particularly attracted by the public sectors in the area. Arranging special discussions with them and handing over relevant diagnoses would be helpful for organizing their activities more effectively.

To further strengthen PACA proposals, I think PACA will be applied in a large number of cross-cutting issues such as gender, among others.



*Ratty
(Deepabandhu Ratnayake)
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PACA and the Nucleus Approach

The Nucleus Approach and PACA both started in the nineties in a partnership project between German and Brazilian business chambers.

The Nucleus Approach aims on the one hand at mobilising individual enterprises, especially SMEs, and on the other hand at stimulating organizational development processes in business chambers in order to improve their performance as service and lobby institutions.

The Nucleus – a working group of entrepreneurs organised by a Nucleus counsellor – serves as a platform to identify the entrepreneurs' common and individual problems in the enterprises and with their entrepreneurial environment, to search for solutions in the Nucleus – entrepreneurs counsel entrepreneurs –, and outside through a myriad of activities.

The strategy is identical in both approaches:

- Improvement of the quality of the participants' communication through moderation and moderation techniques; breaking down tunnel thinking through questioning, training, comparisons, experiences, etc.
- Stimulation of short sequences of problem identification, activity, evaluation – “Quick and Dirty” – instead of complex and costly research and reports by external specialists. Successes, an increasing feeling, that one is able to influence and change something, lead to more self confidence, ownership and further undertakings.
- Creation of networks among the entrepreneurs and other private and public institutions in reference to “Systemic Competitiveness”: those who

talk to others stimulate new ideas and activities, which leads to enterprises and framework conditions improving and consequently to more competitiveness.

Entrepreneurs want to discuss only those problems and needs they **perceive / identify** in a **subjective** manner.

The identification of problems, needs and demand is the **final outcome of a communication process** of the entrepreneurs with others, **and not the beginning**.

PACA brings together local / regional stakeholders from public and private institutions, among them entrepreneurs and their business chambers. What do the entrepreneurs need concerning their framework conditions? What do they want? What can be changed? We moderated and counselled in AL, AF and AS quite a number of workshops with the board of directors of chambers and members. There tended to be a great deal of confusion about the tasks of a chamber, the factors which define the framework conditions and the chamber's objectives concerning local / regional development. Consequently the contributions of such "stakeholders" in a PACA process remain very limited.

The organisation of chamber members in Nuclei forces a chamber to professionalize its organisation. Based on their internal discussions Nuclei confront the chamber's leaders with concrete and operational proposals concerning their framework conditions. Therefore, the chamber "stakeholders" are able to contribute in a more qualified way in a PACA process.



Jörg in the year 2000: in Blumenau, Brazil
One of the first activities which lead to PACA

When PACA started as "Marketing Municipal" in Brazil, the preconditions set by the partnership project team were always, first: active Nuclei, second: elaboration of a plan of objectives and goals of the chamber – the discussion of all aspects of a chamber always proved to be more important than the final plan – and then third: PACA. This worked successfully in most, but not all, cases¹.

In the interior of Sri Lanka, a development program applied both methodologies. Due to different reasons they did not fit very well together: extremely weak chambers, very few entrepreneurs with leadership qualities and a PACA (there called LOCA) team which turned PACA into an instrument for the continuation

¹ Tomate, leite, feijão e paleontologia. Projeto Marketing Municipal – Estudo de caso Mafra: Fomento econômico numa região caracterizada por agropecuária em Santa Catarina. Joinville: Fundação Empreender, 1999

of the traditional policy of development by subsidies.

One of the success criteria for development projects is organisational sustainability. Eight years after the end of the partnership project in Santa Catarina in most chambers Nuclei still exist. This is not because the respective chamber leaders wanted them to continue; it is because the power structures in the chambers changed. They are now more member institutions, more democratic, continuing the stimulated learning and action processes.



Rainer Mueller-Glodde

Concerning PACA, the respective teams dissolved. Their institutionalization was not considered and planned. And seen from today's perspective it remains rather unclear how institutionalization would have had been possible. PACA and

sustainability – an open question?

More about the Nucleus Approach:
www.Nucleus-International.net

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→ Newsletter in Spanish:

Please keep in mind that normally the content of the Spanish and the English Newsletters are different. Therefore we recommend taking a look at both: '*Sharing Experience on LED*' and '*Compartir Experiencias sobre el DEL*'. This Special Edition though marks an exception, as both versions are identical.

↓ Events & Announcements ↓

- ◆ **All Downloads are free!** mesopartner is committed to share its knowledge. By passing on our experience in facilitations, consulting missions and in trainings, we enable a broad access to our know-how. At the same time we are acknowledging our creative contribution, and therefore decided to provide free access to all our materials, using the Creative Commons licenses. For those who prefer printed material, we use a print-on-demand service provider that charges a small print, bind and delivery fee to deliver books to your doorstep. For free downloads and book orders, please visit our store: <http://stores.lulu.com/mesopartner>.

- ◆ We are happy to announce the date of the **6th International Summer Academy** on LED: **from 25 to 30 July 2010**. As usual the Academy is organized and hosted by mesopartner, again in Duisburg Germany. For more information, please see: <http://events.mesopartner.com>. Inscriptions are open from March 2010 on. If you like to state your interest in participation, please send your email to summer-academy@mesopartner.com, and you will receive early information by the end of February.

- ◆ Ulrich Harmes-Liedtke and Anke Kaulard have published a new book in Spanish language: '*La Brújula de la Competitividad Local*'. This is the completely revised and newly translated version of the COMPASS concept. This book, like many other

mesopartner publications, can be purchased as hardcopy or obtained by free download:

<http://stores.lulu.com/mesopartner>.

- ◆ Relief Appeal for Haiti: Last year mesopartner supported World Vision Haiti in the development of a new methodology. The outcome was the REDLens approach, which tries to make emergency aid more sensitive to the resilience of the local economy and engage entrepreneurs in the response and recovery activities. As we know our client World Vision as one of the most experienced and dedicated aid organizations in the country, we encourage all our clients and business partners to donate. For more information, please go to: www.mesopartner.com/nc/news/news
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Podcast

For the past two years, we have been publishing **LEDcasts** on our website. Please click www.mesopartner.com/nc/ledcast to download any of the podcasts or to subscribe to the service.



⇒ Since sending out the last Newsletter, we have published the following LEDcasts in English language:

"A conversation with Jorg Meyer-Stamer, part 1+2" ◆ "Lessons learnt in value chain promotion" ◆ "Cluster promotion in Western Cape province, South Africa" ◆ "Innovation #3: Analysing an innovation system in South Africa" ◆ "Case #16: The Provincial Competitiveness Index in Vietnam" ◆ "Natascha Walker on Facilitation, Part 1+2" ◆ "LED in post recovery disaster areas" ◆ "Cluster Facilitation vs. Cluster Management"

Did you make any experience which might also be interesting for others?

If you like to share your LED story with us and the community, please send your message to udm@mesopartner.com

PACA® was originally developed by **mesopartner**, a knowledge firm specialised in territorial development and competitiveness.

mesopartner was founded by Dr Ulrich Harmes-Liedtke uhl@mesopartner.com,

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Since 2004 with Frank Wältring fw@mesopartner.com

and since 2008 with Shawn Cunningham sc@mesopartner.com.