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A resilient meso space to enable an adaptive Systemic Competitiveness landscape

Over the past few years, Mesopartner has been working on different topics in its meso research theme. We have collaborated closely with our clients, fellow researchers and policy makers to develop and experiment with different ideas in an iterative way, constantly switching between research, application and reflection. The theme has settled around four thematic areas that build upon each other.

Under each area we have been developing, piloting and adapting different approaches, frameworks and tools. Our entry point was an attempt to better understand and improve the dynamics in the meso space of an economy. The result, however, goes beyond the meso space, and the logic, as well as the approaches, frameworks and tools can be used with other objectives in mind. At the same time we see the meso space as a systemic entry point to improve the resilience and competitiveness of an economy. Even though that is where we start, changes are likely to be required on other levels as well, reflecting the systemic nature of the Systemic Competitiveness framework. In accordance with our Mesopartner approach, we blend process consulting with sense making and a strong bias towards a bottom-up perspective.

In this article we briefly describe the four areas and give a provisional list of tools and sense-making frameworks for each of them. Over the next year we will be documenting the tools, frameworks, instruments and their application on the Meso Resilience Research page on www.mesopartner.com.

Strengthening the system awareness and dynamics

In this area, the intention is to improve the awareness of the actors in the system, the coordination and collaboration among the system actors, and the feedback loops in the meso space that help the actors to evaluate their performance in a systemic context. This includes organisations realising that they are part of a system and that other actors are targeting the same issues. Most issues addressed by meso organisations are complex, which means that multiple hypotheses could explain each of these issues. This therefore requires people to be more aware of other actors and their activities, and of the feedback they receive on the effectiveness of their own activities. At the

same time, the awareness of the dynamic relations with other connected socio-cultural, political and entrepreneurial systems must be improved. This is not a step to get past; it is a continuous process of creating situational awareness. Whenever organisations start to work collaboratively with others, there are elements of collective learning and adjustment.

We have been piloting and developing instruments to:

- Map organisations, programmes, functions and resources at all levels of Systemic Competitiveness, but in particular in the meso sub-system

- Make the dynamics and shifts in the system more visible (big data, trend analysis, system visualisation)

- Clarify mutual expectations between organisations and programmes

- Improve coordination and collaboration to exploit synergies

- Foster the development of common knowledge domains in the network, especially regarding technological challenges, patterns and shifts in the system

- Improve the awareness by meso organisations of patterns and the link to stakeholder groups at the micro level

- Reconceptualise the relationship between the meso level and stakeholders in other levels in the Systemic Competitiveness framework.

See Article 3: Improving the resolution of the meso layer for a case study on how this was done in South Africa.

Deepening of the capabilities in the system to respond to change

As the stakeholders in the system become more aware of their role and the roles of others in the system, persistent patterns of underperformance and recurring themes in the system usually become visible. Compared to area one, however, where the actors come together to develop a shared understanding of general problems, patterns, capabilities, resources, mandates and learning in a given system, this area looks at specific capabilities that have been identified as underperforming or

missing. For example, there could be a particular research capability missing in a region, which could be brought in from outside the area.

In this area, the intention is to find and strengthen specific capabilities that should exist in the meso space (in a given local context) to continuously deliver high-value and effective services and infrastructure that address market failures, reduce coordination costs and supply lacking public goods. The essence of this area is about learning which capabilities matter and are needed in the system. We often find that these capabilities and resources already exist in the system but are not widely known or leveraged. What is needed then is for key actors working together or alone to understand better, and explore or intervene around critical capabilities.

We have been piloting and developing instruments to:

- Build coalitions for change between the public and the private sector

- Promote public sector innovation in the network to catalyse change, modernisation and investment while also improving value for money and impact

- Jointly diagnose patterns, market failures and the effects of structural failure between different stakeholders to strengthen a shared mental map of the system and its patterns

- Form policy and advocacy networks to improve policy evaluation and effectiveness

- Measure what matters so that changes in the system health and dynamic can be better understood and interventions can be adjusted if need be

- Enable organisational transparency and good governance

- Enable inter-organisational knowledge transfer and learning.

Improving the design of programmes and functions to enable innovation

Area two above focuses mainly on things that are well known to be needed in well-functioning systems. Area three is about enabling actors to face uncertainties. This requires exploring together, jointly making sense, and innovating in the face of change. This is where complex and persistent patterns of underperformance are tackled that individual actors are not able to overcome. Actors
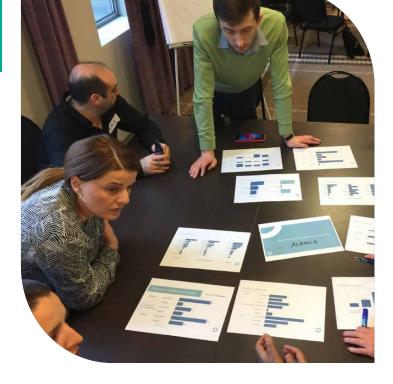
are facing competing hypotheses about what should be done, which is why exploration and continuous learning are required.

We have been piloting and developing instruments to:

- Improve the search and discovery process to improve joint sense making and exploration

- Identify safe-to-fail portfolios to enable experimentation and learning

- Improve the culture of innovation, risk taking and openness

- Improve the design key functions, programmes and teams within meso organisations and programmes to focus on meeting their users' needs while addressing the market or structural failures that the meso organisation sets out to address

- Promote the improved use of feedback from users to improve services, coordination and investment in additional capability.

Catalyse future orientation

In this area the attention shifts from using past and current data to developing an orientation towards what is emerging in the future. A common mistake is to extrapolate past and present data into the future without considering alternatives and challenging predominant paradigms. Instead, meso organisations need to be aware of adjacent possibilities that are within reach, yet have not been exploited by the system. These adjacent possibilities offer potential alternative pathways to the prevailing paradigms and developmental

trajectories that may require few resources to explore. Simultaneously, they must track technological developments beyond the local attention span to identify early warning signs of potential developments that may disrupt the local system if appropriate investments and decisions are not made in a timely manner.

Stakeholders have to explore alternative development paradigms and numerous potential futures. The various and varying implications of these alternative paradigms must be considered. This will allow them to consider which plans may have to change and which capabilities may be needed in the near future. At the same time, the actors must avoid jumping on global trends and throwing out existing capabilities that might still be required.

We have been piloting and developing instruments to:

- Assist leadership to shift their focus into the emerging future

- Build distributed sensing and scanning capabilities in the network

- Identify and pay attention to actors who are already imagining and creating the future

- Encourage exploration and experimentation of promising or creating potentially disruptive technologies

- Reducing the costs and difficulty of scenario thinking, technology road mapping and tracking technological change that may affect the local context

- Strengthen the role of think tanks and research centres that can formulate alternative paradigms to challenge narrow thinking.

The key question in all four areas remains how to decide whom to include in these processes. Our practical experience is that starting with a small group of committed stakeholders works best, as it allows the network to be grown as we progress. We are also often asked whether these processes work best when they are initiated by stakeholders within a context, or whether an international development organisation can initiate these processes. We lean towards working with local decision makers who are deeply embedded in the social context and who can adapt measurement systems, resource allocation and priorities based on an evolving local context. Whether these decision makers work for an international aid project or a local NGO or government programme is less important. Instead, it is their ability to make locally informed decisions about priorities, resource allocation and appropriate measurements that matters the most.

The stakeholders in the system must be able to prioritise building the resilience and continued adaptation in their system, and then reconfigure their areas of influence to contribute to this aim of making the system healthier, more inclusive, more future oriented, and more responsive to changing needs.

Another important consideration is to decide with stakeholders which tools and instruments to use. While using the generic Systemic Insight process instrument as a guide to the learning and adaptation process, we prefer to choose particular instruments with our clients based on their specific context and situation.

We will continue to work with a network of development partners, academics and clients to develop the conceptual frameworks, instruments and specific tools within these four areas.

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