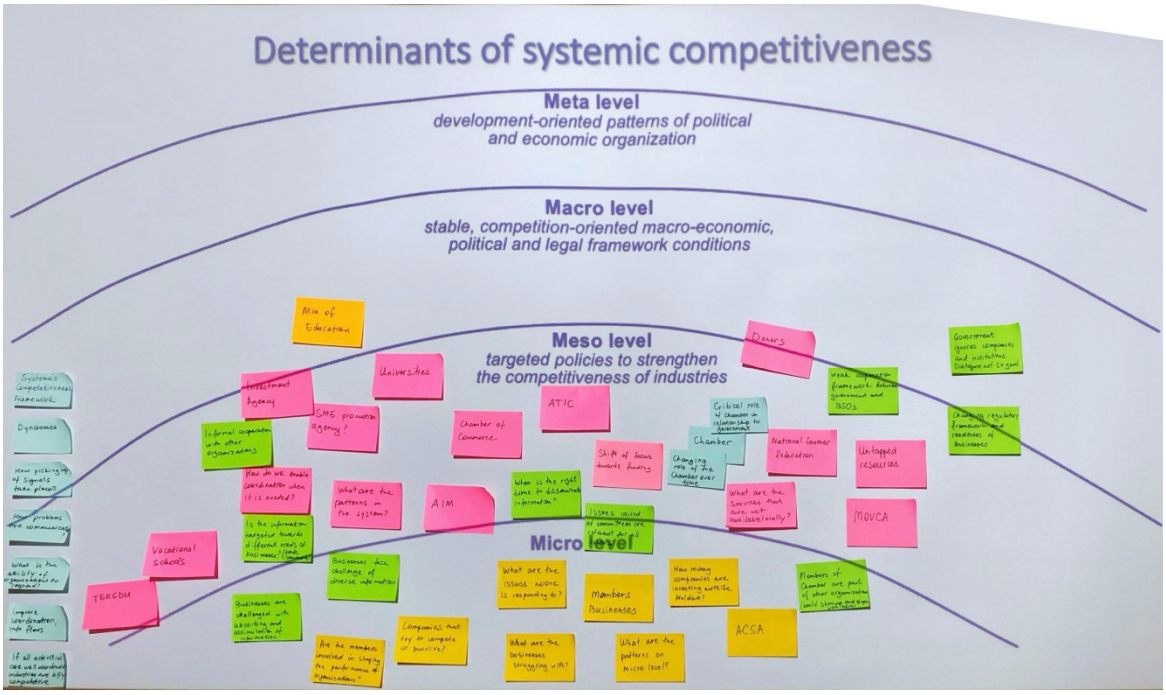
mesopartner
connect the dots

Making dynamism in the Systemic Competitiveness framework explicit

Dr Shawn Cunningham
Christian Schoen

Annual Reflection 2023/24

The Mesopartner approach is centred around the Systemic Competitiveness framework, characterised by its four spheres: meta, macro, meso and micro. As a canvas with four layers, it is a valuable method for identifying and categorising different types of stakeholders and features of an economic system. Therefore it is often used to plan diagnostic work or map analysis results by visualising stakeholders, relations, and persistent patterns of underperformance. By comparing the current map with a past map, it is possible to express how apparent features of the system have changed over time or how certain features may have stubbornly resisted change. It has also been used to project and discuss how a possible intervention might play out on other economic system features located at different spheres of the framework.



In the map depicted, the Optim project in Moldova supported a chamber of commerce network to persistent patterns in the economy using the Systemic Competitiveness canvas. The different colours of post-notes represent different kinds of actors, patterns and dynamics.

In an evolutionary system, such as an economy, location or industry, the different elements of the system co-evolve. Small changes in organisations (public, private and civil), industries, technologies, institutions and physical spaces enable or constrain opportunities for change elsewhere. In other words, these elements co-evolve in a particular systemic context. Furthermore, open systems co-evolve with other related systems as information flows over the boundaries of the systems. Changes in any element affect how much energy it will take to make subsequent changes in the system, either later in time or simultaneously elsewhere. An innovation in one area could directly or indirectly shape the co-evolutionary possibilities of other elements in the system.

The system's dynamism captures the stakeholders' ability to perceive the system's changing possibilities and to adjust the stakeholders' strategies. Simply put, dynamism describes the actors' ability to change how they change.

Even though it is not essential that changes be sensed or responded to in a coordinated way: coordinating with others often makes it possible to compress or harness time (see **Textbox *1***) or conserve energy to make specific changes by coordinating co-investments and developing complementary capabilities beyond the capacity of one or a few firms.

> We often think of time chronologically or linearly: past, present, future. As one thing changes, something else follows. Dynamism refers to change over time. However, it does not treat time as a passive feature of the system, nor does it treat change as an event or intervention. Dynamism is about intentionally learning in time and even using the characteristics of time as an object or a strategic resource. For example, it is possible to optimise time by sequencing activities, synchronising resources or co-investing at the right moment. Time can be saved by connecting events or shaping how information flows or synchronising things to happen in parallel. Planning allows the effects or side-effects of surprises to be contained. Lastly, imagining the future makes it possible to take decisive actions in the present to avoid undesired states or achieve desired future states.

Textbox 1: Harnessing the characteristics of time

There are three reasons why this dynamism is challenging to visualise on the systemic competitiveness canvas:

1. It is easier to detect and visualise how the map's adjoining levels interact. For example, it is easier to show how micro and meso, or meso and macro interact, than to determine how the distant spheres might influence each other. Also, it is easier to show how elements within a sphere, for instance, a value chain at the micro level or a group of meso organisations, relate to each other.
2. While it is possible to illustrate the causal relations or information flow relations between direct effects, showing indirect or invisible (or unmapped) influences is much harder.
3. It is difficult to show how the system's multiple histories (see Textbox 2) shape current strategies. A Systemic Competitiveness map typically shows a particular moment in time. The history of the system and the stakeholders are captured in the present through the current strategies and the stock of competencies and resources available for innovation or taking a direction going forward.

Following this list of reasons, there are three ways we can use Systemic Competitiveness to explore the system's dynamics.

1. We must treat the different spheres (meta, macro, meso and micro) as a typology and not as a taxonomy based on the behaviour of the elements. In other words, we must explore how the different spheres interact with every other dimension.
2. We must acknowledge that the system's different histories are still present and, given that, how much energy it will take to change its emergent future. (See **Textbox *2***)
3. We must acknowledge how the pressure to confront new or contentious problems shapes the priorities of stakeholders to adjust their behaviours or strategies. The pressure fuels and shapes the direction of searching for alternative solutions. Ignoring this pressure increases the costs of changing direction later, especially if

this pressure is a strategic priority of other related systems. By implication, we must include the pressure to change as a dimension in the systemic competitiveness framework, as paying attention to the pressures to change can shape the behaviour and strategies of stakeholders going forward.

To visualise dynamism in the Systemic Competitiveness framework, we placed each of these six dimensions on the sides of a cube: meta, macro, meso and micro, history & emergence, and pressure. The volume inside the cube describes the dynamism connecting each side of the cube with every other side.

By looking at the cube from any given dimension, we can explore how each dimension affects the other dimensions and, in turn, how it is affected or responds to changes elsewhere. In other words, we investigate how each side is interconnected to all the other dimensions of the cube and what kind of dynamic shapes the information flows between the sides.

The exploration of dynamism allows us to explore how actors respond to new possibilities that may have been unforeseen a short while ago, in other words, how resilient the networks are and how strategic the leading actors are. It enables us to explore how new ideas are explored and seized upon and who the individual or organisational innovators are already confronting the emerging future despite the system's features or stable trajectory. The dynamism in the system is about a strategic orientation towards the future and recognising and seizing emergent possibilities that arise as a result of the co-evolution in the system and with the broader environment.

The six histories of evolutionary systems proposed by Chris Freeman:

1. History of science, which is primarily concerned with the advancement of knowledge about the natural world.
2. History of technology: the design, development and improvement of artefacts and techniques, and the dissemination of the knowledge of how to apply these.
3. Economic history of institutions and sub-systems primarily concerned with production, distribution and consumption of goods and services in a society.
4. Political history of individuals, institutions and sub-systems.
5. Cultural history of those ideas, values, artistic creations, traditions, religions and customs which influence the behavioural norms of society and the actors that promote these.
6. Historical relationship with nature and the environment

Textbox 2: Chris Freeman's six histories of evolutionary systems (Freeman, C 2019)

References

Esser, K., Hillebrand, W., Messner, D. & Meyer-Stamer, J. 1996. *Systemic Competitiveness: New governance patterns for industrial development*. London: Frank Cass.

Freeman, C. 2019. History, co-evolution and economic growth. *Industrial and Corporate Change* Vol. 28(1) pp. 1-44.