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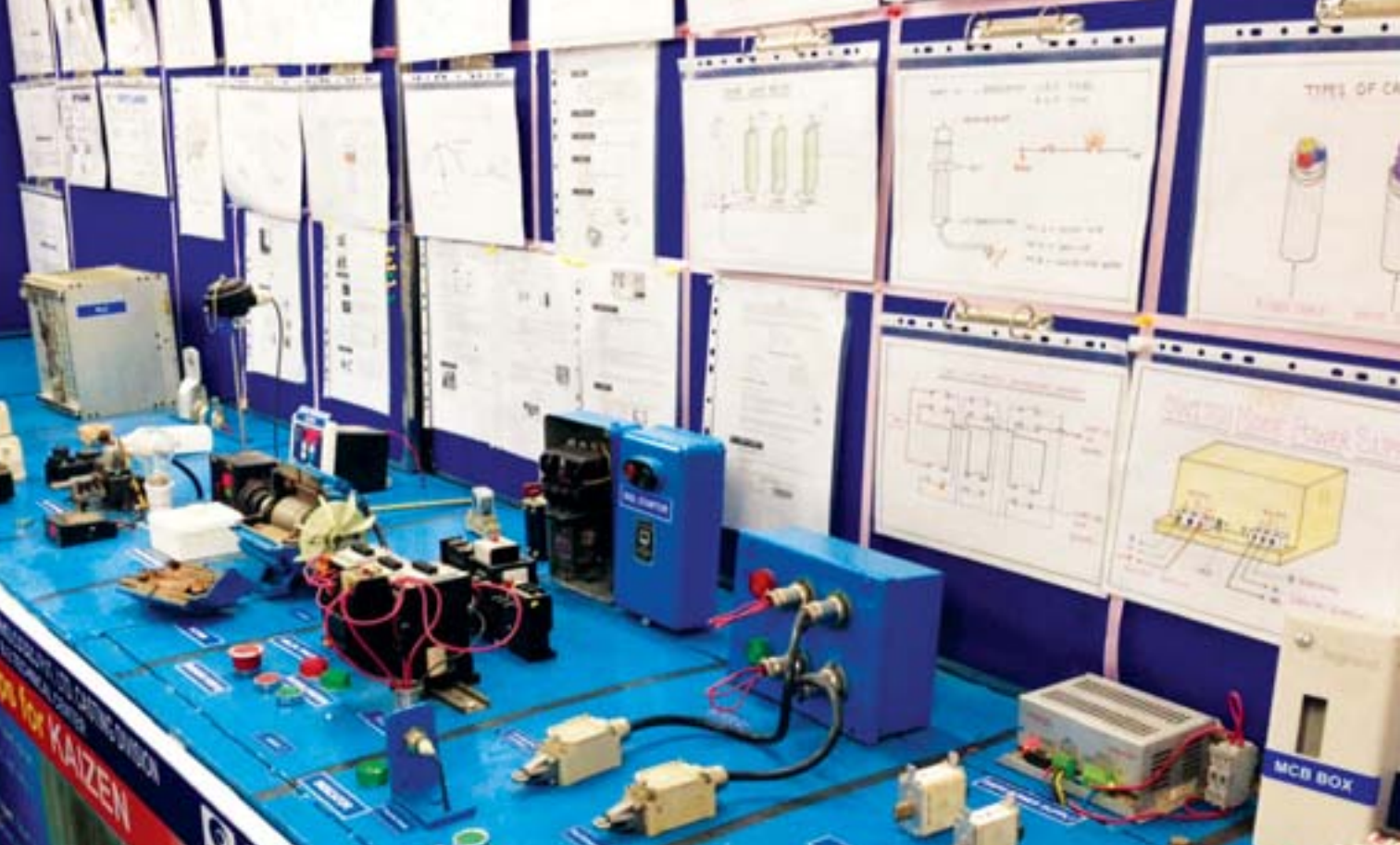
Understanding the effect of complexity on our instruments and tools

In its early years, Mesopartner developed a reputation for a portfolio of simple-to-use analytical tools that were grouped into methodologies, such as PACA, RALIS, Compass and others. Over time these instruments became popular as a means to equip experts to conduct analyses of local economies in order to find ways to upgrade the local economy and collaboration between different economic actors. The beauty of many of these instruments is that they are simple enough for people to use even without having a deep understanding of topics such as economics,

geography, competition theory, innovation theories or good governance.

Over time Mesopartner and its clients became more interested not only in equipping local stakeholders to be able to better influence their own upgrade paths, but also in affecting the way economies evolve through active policies and effective interventions. While a participatory process in a specific locality or industry is ideal for mobilising stakeholders into a more dynamic process based on their own self-assessment,





it is not so effective in creating new meso institutions, or affecting structural adjustment in the economy, if this is necessary. The interactions between different economic systems that ensure the long-term evolution of economies, technologies and social systems are complex, interdependent and very sensitive not only to their unique context, but also to a range of conditions such as history, past choices and even assumptions about the future. It is difficult for stakeholders and facilitators to take all these issues into consideration when conducting an analysis.

Economic analysis often depends on simplified models because markets and the social systems they are embedded in are complex. The beauty of these models is that they are simple enough to allow us to guide stakeholders through a participatory assessment. Their weakness is that they are a simplification of the real world and hence purposefully exclude complex inter-relations and feedback loops that may affect the behaviour of the systems we work with. When combined with ideological preferences or bias towards particular solutions (e.g. rural development,



gender empowerment), these simplified models may introduce more complexity into a situation, and viable development options or constraints may be excluded or overlooked. The consequence of this is that we are attempting to change (develop) systems where we are not even sure what is keeping the system trapped in its current status. Complexity thinking and being sceptical of simple linear cause-and-effect models have helped us to better understand these complex systems.

As facilitators in these contexts, we have to understand the limitations of our instruments and models. In complex situations, we have to depend less on our instruments and models and focus more on the dynamics in the relations and the behaviours of the stakeholders. For instance, when our stakeholders invite participants to a meeting, it is equally important to understand why certain people were invited and

why certain people were excluded. Many of the instruments widely cherished in the development field (e.g. creating an enabling environment, making markets work for the poor) depend on certain factors being in place, while ignoring other factors that could offer viable development opportunities. The context and the history of the society matter in the present and limit what is possible in the future. We must facilitate more the exploration of ideas, constraints and possibilities and depend less on expert analysis if we want to support meaningful change. Of course, visual facilitation techniques can be used to guide these discussions. Our role must be to challenge conventional linear cause-and-effect thinking by assisting stakeholders firstly to understand that their past and current approaches could be ignoring important dynamics or be based on ineffective assumptions. Many of the visual facilitation methods

we take for granted, such as a mindmap drawn on a flipchart, a simple SWOT analysis or visualisation with a marker pen are all powerful instruments in the hands of a facilitator who is sensitive to the importance of dialogue, narrative and complexity. These same instruments are traps in the hands of those who do not understand what people are saying, the words they use and what shapes their perspectives, because the stories people tell reveal many of the complexities and interdependencies that exist beneath the surface.

Our recommendation for diagnosis and improvement processes is to make sure that practitioners are very clear about their assumptions (hypotheses) and that multiple instruments and tools are used to facilitate dialogue and exploration during diagnosis. Our intention should not be to seek consensus between stakeholders, but to understand the variety in the systems we work in. The more variety, the healthier the system. We emphasise the need to identify the outliers in the system and the behaviours our instruments cannot explain, as these tell us how constraints may be overcome. We have to be much more humble in

the way we try to change the system through our proposed interventions, recognising that important constraints exist and that we do not understand the whole situation. We have to develop portfolios of interventions that combine both simple actions to address obvious deficiencies, while at the same time assisting local stakeholders to experiment with new or different ideas (introduce novelty) in ways that do not create risks to assets or reputations.

In conclusion, methods such as PACA, RALIS, Compass and facilitation techniques still have a role to play. They allow a structured approach to enable discussion and assist stakeholders to become aware of some of the factors that are constraining their development. However, instead of seeing instruments as solutions, we have to use them to assist stakeholders to identify and experiment with novel solutions that are within their reach in ways that do not create irreversible risks to reputation or resources for the stakeholders, and thus help them to test the boundaries that keep their system in its current shape.

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