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## How to identify meso organisations?

Although it is quite easy to find enterprises in most locations and industries, it is sometimes harder to find meso organisations that provide key technological, educational and other supporting services. Also, a meso organisation is not always a separate entity – it could be hosted by another organisation, such as a technology incubator that is hosted by a university.



In this article, we propose some guidelines on how to identify meso organisations. We use a case example from Myanmar to illustrate how this process unfolds in practice. The “Growing Rubber Opportunities in Myanmar” (GRO Myanmar) project implemented by CARE

Myanmar is funded by the Swiss Agency for Development and Cooperation. GRO is working to improve the rubber sector with a

focus on Mon State in the Southeast of Myanmar with the aim of improving the situation of smallholder rubber farmers and tappers.

### **Meso organisations close to the markets**

As Article 2 ‘*What and why meso organisations?*’ shows, meso organisations play a variety of roles that are immediately relevant to markets. The service they provide can be used to identify meso organisations. They shape the way markets work either by providing finance and establishing crucial infrastructure, or by directly providing market-relevant services such as research and quality control. Most importantly, their intention is predominantly developmental and not commercial. This is one of the key differences between meso organisations and regular businesses at the micro level.

Many meso organisations take on a mix of these roles. For instance, a tourism association may play an important role in decreasing coordination costs and improving the attractiveness and branding of an area, and at the same time play a role in improving standards and quality of services in a location. A farmers’ association could play a role in assisting farmers to gain access to better inputs or to negotiate better prices or open markets to individual farmers who may have difficult accessing them. A local development agency may attract investors and assist in streamlining the planning and coordination of new infrastructure developments. A research laboratory or technology centre may reduce the costs for local entrepreneurs to gain access to graduates, scarce equipment or new knowledge.

Meso organisations can have relationships with specific value chains or clusters, or can promote the competitiveness of enterprises in general. Entrepreneurs can immediately identify many of these organisations, as they provide them with valuable support such as technical or management advice, and access to scarce technology or expertise on market access. Some meso organisations may not even consider themselves to be development actors. For instance, a farmers’ association may offer its members a shared machinery ring as a means of controlling costs and making the best use of specialised equipment and expertise. This helps to overcome the market failure indivisibility of capital investment faced by many small farmers. That part of their work would be “meso”, whereas selling seeds to their members is a micro level market transaction.

In the Myanmar project, the GRO project team was easily able to identify the enterprises operating at the micro level. They were then able to identify some meso organisations as well as the macro level decision makers and broad policy directives. This

allowed the team to recognise persistent patterns of underperformance in the marketplace. This was all captured on a Systemic Competitiveness map with the identified underperformances depicted on red cards (see Photo below).



### Meso organisations remote from the markets

While meso organisations that directly support enterprises are fairly easy to find, the challenge is to identify those organisations that do not appear to offer direct support. They provide public goods such as skills development services, enable contract enforcement, develop and maintain critical infrastructure, perform research, ensure standards or improve management capacity. They may not be visible in a specific location or near enterprises on a value chain map, but behind the scenes they play an important role in regulating the behaviour of the actors. They can reduce the costs of gaining access to knowledge, skills and information, they promote competitiveness and innovation, they

provide advice to policy makers on how to improve framework conditions, or they invest in and develop critical economic infrastructure that reduces transport, transaction and search costs. These organisations are often publicly funded by national departments and grant funds or through specific development programmes.

After identifying key performance issues, the GRO team in Myanmar tried to determine which existing meso organisations could possibly respond to the issues on the red cards. The team also tried to identify sources of knowledge, information and advice that could assist enterprises to upgrade and improve efficiency or market access and in so doing overcome the market inefficiencies captured on the red cards. Because they could not find appropriate organisations in Mon State, they conducted a search for nationally funded programmes operating in other states. This resulted in identifying a university in another state as a key player in the rubber sector that was providing advice, services and education at national level. It was not obvious from the interviews and engagements with entrepreneurs and farmers that this university was a key provider of knowledge and advice, thus there were limited knowledge and information flows in the rubber system. The GRO team could immediately focus on how they could connect local actors with the university and its networks to address some of the issues recorded on red cards on the map.

Meso organisations sometimes do not even identify themselves with markets, entrepreneurs or development, such as a chemical testing laboratory at a university that occasionally conducts tests to recover costs, or the university in the case of Myanmar, which did not see itself





as supporting the rubber sector, but merely as an agricultural university providing education.

Sometimes meso programmes are implemented by firms or organisations simply because their operations are affected by the poor performance of the enterprises around them. For instance, a company may have a training centre or provide extension services to potential suppliers.

### **Where to find meso level organisations**

In the systemic competitiveness framework, the meso level is situated between the macro policy level, where generic policies are formulated, and the micro level, where entrepreneurs transact with each other through markets, networks and hierarchies (see Article 1 '*Meso level, meso space and the relation to territories*'). This does not however correspond to a geographic location. Indeed, meso level organisations can be located anywhere from quite remote rural areas (e.g. an agricultural research institute) to the capital (e.g. the quality infrastructure accreditation body). A meso organisation funded by a national department could be located at the national level or directly in a territory, for example a technology incubator in a city funded by a national government department.

Meso organisations are not bound to specific territories, and increasingly international and supranational organisations are becoming important players. They could take the form of regional standards bodies, regional investment funds and even regional infrastructure development such as a transport corridor between two countries. GRO in Myanmar, an international research programme, was identified as an organisation that could provide services to the local rubber market. The CARE GRO team invited researchers and experts from the international organisation to Myanmar, and joint research and knowledge exchange activities between a Myanmar research organisation and the international organisation was brokered.

There are also meso organisations in countries that become excellent in what they are doing and attract the attention of entrepreneurs from



abroad. These include research institutions, industry or technology-focused institutions, universities and standards organisations. For example, a Thai-owned rubber factory in Myanmar accesses meso organisations in Thailand and further afield, giving them a distinct advantage over locally owned enterprises that are not aware of these meso organisations outside Myanmar.

#### **Questions to ask to find meso organisations**

Below are some questions that can be used to identify the different kinds of meso organisations.

#### **Questions to ask entrepreneurs**

- When you get stuck or run into problems you cannot solve, whom do you turn to?
- The lack of which organisations, i.e. if they were no longer available to your company, would hamper your

on-going efforts to improve your competitiveness, innovation and market access?

- Where do you find resources, equipment, technical services and knowledge that you do not have inside your organisations or that do not exist in your region?

#### **Questions to ask meso organisations**

- Which other organisations provide services, technical advice, infrastructure, and access to technology or skills to enterprises that enable them to absorb or benefit from your offerings or services?
- Which parts of the value chain, or which industries or enterprises do you provide services to?
- What are the trends that are shaping the world of enterprises, and how are you able to adapt to that?

Dr Shawn Cunningham (sc@mesopartner.com)  
Marcus Jenal (mj@mesopartner.com)  
Christian Schoen (cs@mesopartner.com)