

- cutting red tape, simplifying and streamlining license procedures, and creating first-stop or one-stop agencies,
- entrepreneurship development programs and incubators,
- business networking initiatives and increased articulation between supporting institutions,
- skills development programs which cater to the specific demands of local firms.

Contact and Information

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Participatory Appraisal of Competitive Advantage

A Methodology to Launch or Adjust Local Economic Development Initiatives

What do you get from a PACA®?

PACA® gives you a vibrant LED process. It informs local stakeholders about practical opportunities for LED, and it motivates and energizes them to take an active role. It stimulates an interactive learning process about LED.

With PACA®, you get your LED moving quickly. You are involved in practical LED activities in a matter of weeks. You get visible results of your LED process in a matter of months.

PACA® tells you, where opportunities for LED lie. It does not throw endless lists of problems and bottlenecks at you, but shows how to work on critical constraints. It lets you identify action for quickly visible results

What is PACA®?

PACA® is a participatory, bottom-up, pragmatic approach to local economic development. It is based on a set of tools that permit a rapid appraisal of the competitive advantages and disadvantages of a locality. It delivers concrete, practical proposals to stimulate the local or regional economy (PACA Exercise).

A PACA® exercise is conducted by a team of external specialists and local LED champions. It starts with a kick-off workshop with the local stakeholders, followed by a series of interviews with local players (firms, business associations, supporting institutions, local government, and others), and mini-workshops with groups of local actors. Depending on the size and diversity of the locality, this takes between one and two weeks. The diagnosis and the proposals for practical interventions are elaborated and presented immediately afterwards.



Why would you do a PACA®?

PACA® is your product of choice if you need quick delivery of practical LED activities. A PACA® exercise takes you to the identification of opportunities and critical bottlenecks for local economic development. It helps you to prioritize practical LED activities. It shows you how to better connect local agencies, LED stakeholders and businesses. It also tells you who can take charge of practical activities.

PACA® is aiming at quick, visible results. It is not starting with an extensive attempt to formulate a grand strategy.

Since it targets the early phase of LED, PACA® includes a very strong learning element. Learning and transfer of LED skills is not something that happens as a side-effect but is rather conceptualized as a key element of PACA®.

PACA® can be used to kick-off a local economic development initiative or to investigate why existing initiatives show little effect. It is less useful in places where various activities are underway which are based on a broad consensus, except if the local stakeholders feel that an external evaluation of their activities is desirable. It is also less useful if you need a scientifically based document to satisfy external funding agencies.

PACA® activates your LED effort. It motivates a variety of stakeholders to take an active role in LED. It empowers local stakeholders. It takes you into practical LED activities within a matter of weeks. It saves you from endless strategizing.

Where can you conduct a PACA®?

PACA® has been applied in ten countries. It works best in cities and regions where between 50,000 and 400,000 people live. It works in rural places as well as regions which host world-class industrial firms. PACA® is not particularly suitable for application in cities or regions which are much larger; however, it is perfectly applicable, say, for one territory or cluster within a large city.

PACA® has been applied in two types of settings:

- in places where local actors wanted to do something about LED but were not sure how and where to start,
- in places where local actors were already conducting specific activities targeted at local economic development, but where the activities were isolated and where the local stakeholders disagreed about the definition of the problems, and even more about the remedies.

What do you achieve with PACA®?

Some short-term outcomes of PACA® have been:

- a program which linked small farmers with local commercialization structures,
- the creation of a Paleontology research and tourism center,
- a joint exporting effort by ceramic companies,
- the articulation of collaboration between a local university and several software companies,
- getting formal tourism operators to identify and link with emerging tourism businesses,
- revitalizing an inactive business association into taking on a key role in developing the local economy,
- establishing and mobilizing emerging entrepreneurs in a “economic desert” in a semi rural township to understand the potential of the rural economy.

PACA® Exercises have been conducted in Brazil, Bolivia, Peru, Ecuador, Dominican Republic, South Africa, Sri Lanka, Thailand, Indonesia and Serbia.

What is Local Economic Development?

Local economic development is a crucial element of local development initiatives, which include three types of activities:

- Economic development: various initiatives to create a locational advantage, i.e. a facilitating environment for business without unnecessary obstacles and with supporting institutions.
- Infrastructure development: roads and other transport infrastructure, electricity, water and sewage, education, public health, and other facilities.
- Community development: citizen participation, employment programs, poverty alleviation, education and training initiatives etc., often targeting marginalised and underprivileged citizens.

Local economic development targets three types of firms: local businesses, external investors, and new entrepreneurs. The methodology will assist local practitioners in a structured, professional, yet participatory manner to undertake the following, typical, initiatives

- creation and strengthening of business development services, especially serving micro, small and medium firms,

