Fundamental Insights underlying the Participatory Appraisal of Competitive Advantage (PACA) Approach to Local Economic Development

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What is “PACA”?

- PACA is a methodology to conduct a rapid appraisal of a local economy (within 2 weeks)
  - to launch a local economic development initiative
  - to energise or re-focus an ongoing LED initiative
- A PACA Exercise is conducted by a team of external facilitators and local stakeholders
  - local buy-in from the very outset
  - identification of competitive advantage and practical activities driven by local stakeholders
- The success criteria of PACA:
  - Visible results within 3 months
  - A sustained, organic LED process.
Experience has taught us a number of lessons

Businesspeople do not trust anybody

The world of the businessperson is a shark’s pond:
I. competitors try to steal his/her business
II. suppliers and customers try to rip him/her off
III. business chambers
   – are old boys’ clubs
   – represent the establishment
   – don’t offer anything of substance
IV. government is busily inventing obstacles for business
V. politicians perceive businesspersons primarily as cows they can milk
VI. Conclusion: collaboration looks like a utopian idea.
Communication between government and the private sector is complicated

- For the private sector, local government is predominantly a source of problems
  - taxes, tariffs, rates, laws and regulations,
  - corruption, time delays in licensing …..
- For government, the private sector is predominantly a source of problems
  - job retrenchment, environmental hazards,
  - contamination, noise, ...

- Conclusion: It is a major challenge to establish constructive communication between the two.
  - You need convincing reasons and occasions to establish communication.

Participation is a means, not an end

- In most countries, the main means of participation is voting
- Other participatory processes necessarily create tensions with elected representative bodies
- Broad-based participation efforts are observed with distrust and dismay by elected representatives
- Bodies that emerge from participatory processes (e.g. fora, round-tables) have an unclear mandate and no clear responsibility

- Conclusion: Effective participation occurs around a given problem, involving the relevant stakeholders to address it. Form follows function.
Planning - Doing - Learning is an iterative process, not a sequence

- Planning - doing - learning is a cumulative process
- You best understand a problem as you try to solve it
- Solving easy problems first enables you to go for more challenging problems
  ➔ Conclusion: Conceptualise a local development initiative as an iterative process, not a sequence.

To unleash a dynamic development process, you need quick wins

- Comprehensive planning or mobilisation efforts without practical activities and outcome breed apathy and cynicism
- Quick wins create motivation and buy-in, create credibility and trust among local actors and are the starting point for more ambitious and complex longer-term activities
  ➔ Conclusion: You need to convince local stakeholders that small, apparently trivial development activities can be of crucial strategic importance.
Thank you for your attention!

For further information on PACA, please refer to www.paca-online.org