

- **Shifting from sectors and chains to spaces and networks**
 - **What must M4P practitioners know?**

Dr. Shawn Cunningham
Mesopartner



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> Cities are amazing places

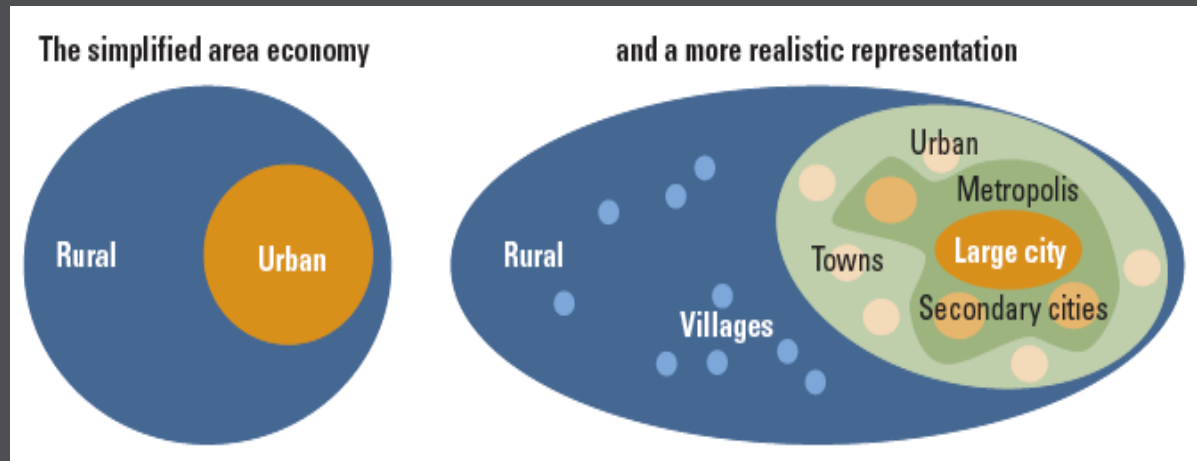
- Energetic
- Dynamic
- Social
- Melting pots of innovation, exchange and social change
- Tacit knowledge is "sticky", it likes local!

› History, entrepreneurs, places interact in surprising ways

I always ask business people:

- What is the effect of your location on your business?
- What is the effect of your business on the location?
- Why is your business in this location and not somewhere else?

> Value chains connect different places, but not evenly

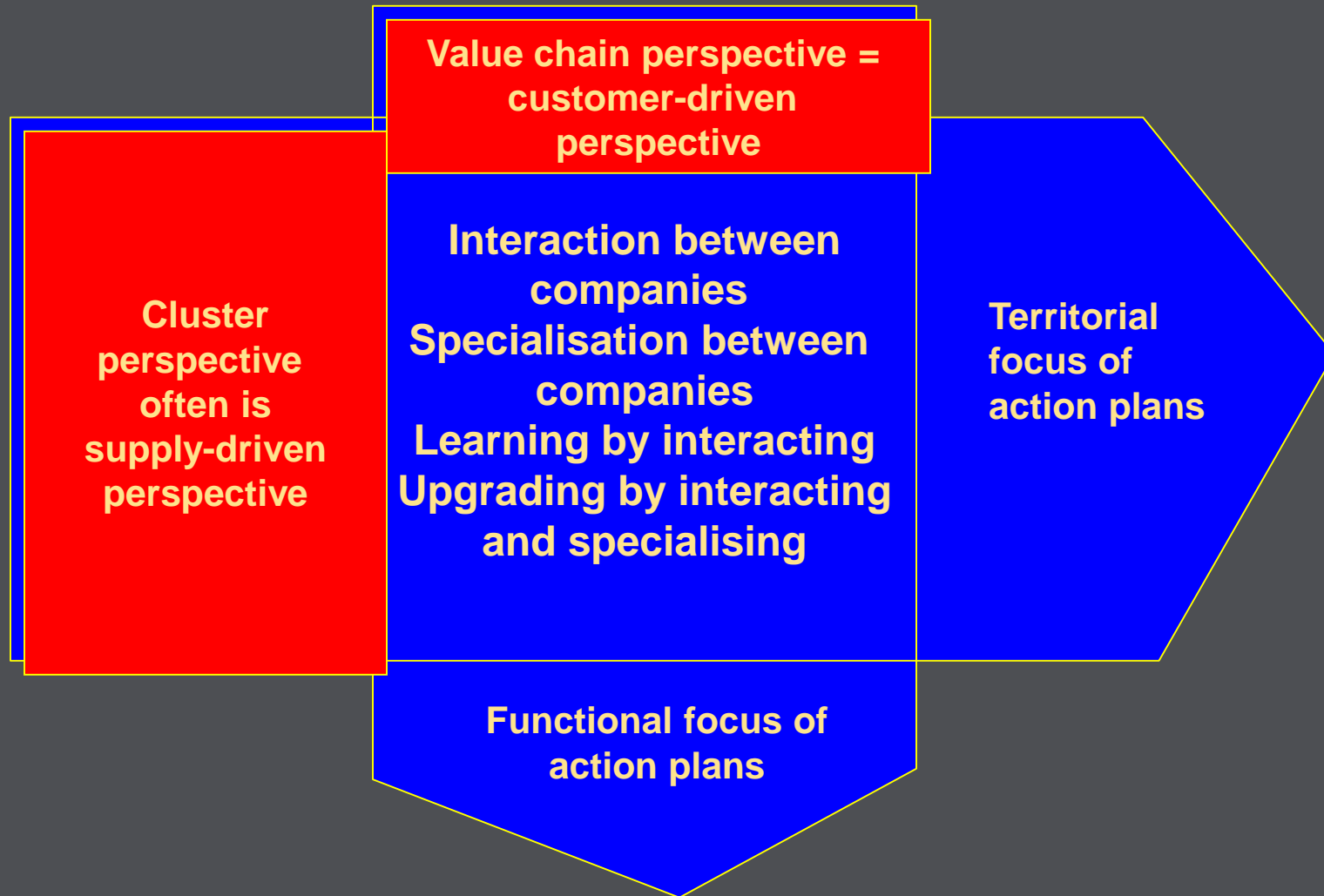


- Rural with urban
- Urban with urban
- Region with region
- Local with international
- Linked within: Urban environments are networked economically, spatially and socially, connects individuals with places and industries

> Cities often have incomplete value chains

- A few links of a chain – incomplete chains
- Parts of many chains – diverse links
- Institutions spread thin – generic or sometime overly specific institutions
- **Clusters** typically emerge in regions, and can form part of multiple value chains.
- To succeed, the right institutions must emerge to create positive externalities

> The Cluster and the Value Chain perspective



> Strengthening locational advantage

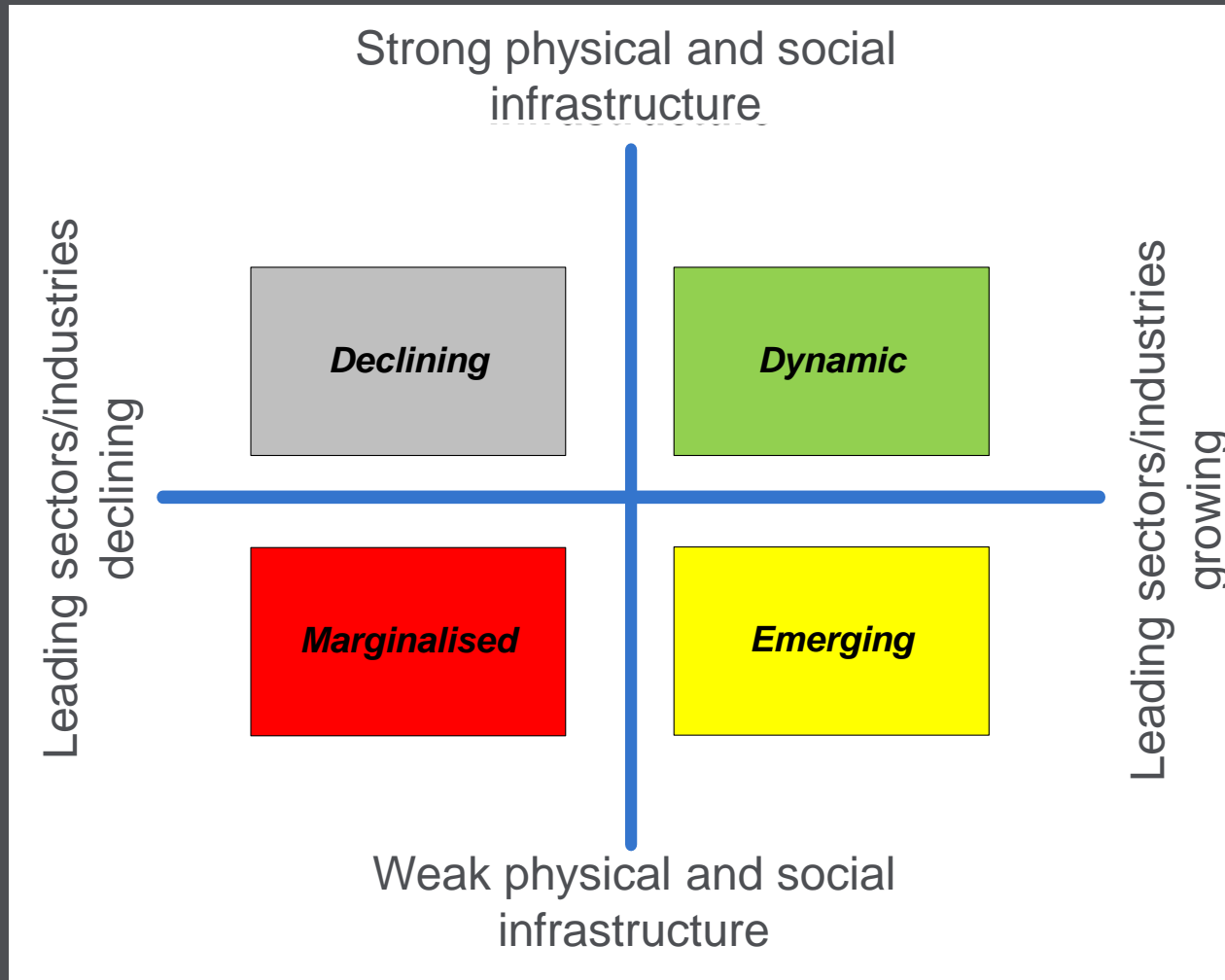
Tangible locational factors



**Intangible factors relevant
for individuals**

**Intangible factors relevant
for enterprises**

> 4 Typologies of places and sectors



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- M4P programmes can help regional development practitioners to:
- Strengthen the "right" institutions
 - Strengthen the "right" infrastructure
 - Strengthen the ongoing process of discovery and dialogue
 - Strengthen locational factors that matters for enterprises and individuals

➤ The polarity between sectors and locational approaches that must be managed

+ Sectoral Approach to PSD	+ Location based approach
- Sectoral Approach to PSD	- Location based approach

Be aware of....

Your Strengths

- A market perspective
- Think systemically about the relationship between industries, supporting institutions, various markets
- Process facilitation approach
- Ability to move between different stakeholders

But remember:

- See enterprises/industries/markets in the context of the regions
- Tension between “integrated planning” & “market orientation” & “community development” – help locals leverage synergies not settle on compromises

> Conclusion

M4P programs can help locations:

- Develop appropriate institutions
- Create positive externalities
- Strengthen locational advantage
- Better understand market trends and requirements
- Address issues like environment, social issues, etc. around value chains/sectors

But M4P programs must remember:

- Cities must be **diverse** to be healthy
- Interconnectedness and interdependence between people and places

> Further information

Please contact:

Dr. Shawn Cunningham
sc@mesopartner.com

www.mesopartner.com



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- When you start with a sectoral approach, at some point you end up in regions. When you start a regional approach, at some point you end up with sectors.
- It is not about the one or the other, but how we can manage the polarity between the two approaches to create a synergy that creates innovative, diverse and healthy regions with appropriate social and physical infrastructure.



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