

Benchmarking table to assess Territorial Systemic Competitiveness

Background	Structure	How to use the table
<p>The concept of Systemic Competitiveness was formulated in the 1990s to overcome the confrontation between market fundamentalism and traditional governmentalist approaches to development. The main argument is that a stable, predictable macro-economic framework is a necessary yet not sufficient condition for dynamic economic development. Targeted interventions are also necessary. Moreover, it is essential to understand the ability of a society to engage in meaningful dialogue on how to structure the macro-economic framework and targeted interventions.</p> <p>“Systemic” refers to the economic system in the way it was first introduced by Friedrich List in 19th century, and in the way it has recently been used in concepts like “national innovation system”. Systemic Competitiveness does not intend to be an approach that is based on systems theory.</p> <p>The concept was initially formulated with national economies in mind. However, it applies just as well to territorial economies, i.e. local economies, economic regions, clusters, etc.</p> <p>For more information please have a look at: http://www.mesopartner.com http://www.meyer-stamer.de/systemic.html</p>	<p>The concept distinguishes four analytical levels:</p> <ul style="list-style-type: none"> • The micro-level involves economic actors and markets. The attention is primarily at companies and networks of companies. • The meso-level addresses targeted interventions to shape a competitive advantage or to address market failure. • The macro-level looks at generic economic policies and institutions. • The meta-level addresses slow variables, such as the economic system, socio-cultural values, basic patterns of governance, and collective memory. 	<p>The benchmarking table introduces a number of factors that research has highlighted as critical success factors for dynamic territorial development. At each level, several factors capture specific elements of systemic competitiveness. For each factor, different expressions are given. A value of 1 indicates a factor that is absent, weak or adverse. A value of 5 indicates a factor that is highly developed.</p> <p>The table is an adaptation of qualitative benchmarking methodologies that are being used at a corporate level. The table should be filled by a group of informers who have different backgrounds (public sector, private sector, education / training / academia, local communities, etc.) are familiar with a local reality. One option is to have them fill out the table individually and to calculate averages afterwards. Another option, which may be more insightful, is a process whereby the entire group of informers discusses each factor and defines a score based on consensus.</p> <p>To share experience and suggest improvements, please send a mail to Jorg Meyer-Stamer: jms@mesopartner.com</p>

Micro-Level

Points:	1	2	3	4	5
ISO 9000	There are no or only a handful of certified companies in the locality		In the main industries, only a minority of companies is certified		In the main industries, the majority of companies is certified or preparing for certification
Benchmarking	Hardly any company is involved in any systematic internal benchmarking effort		In the main industries, only a minority of companies is pursuing a systematic internal benchmarking effort		In the main industries, the majority of companies is pursuing a systematic internal benchmarking effort
Specialization	In the main industries, most companies are producing the same or very similar products		In the main industries, there is some degree of specialization between companies, both in terms of final products and in terms of production steps along the value chain		In the main industries, there is a high degree of specialization between companies, both in terms of final products and in terms of production steps along the value chain
Informal collaboration	In the main industries, there is little or not informal collaboration between companies		In the main industries, there is some degree of informal collaboration between companies, e.g. mutual support after a key machine broke down		In the main industries, there is a high degree of informal collaboration, e.g. constant exchange about new trends in technology and markets
Formal collaboration	In the main industries, there is little or not formal collaboration between companies		In the main industries, there is some degree of formal collaboration between companies, e.g. joint visits to foreign fairs		In the main industries, there is a high degree of formal collaboration, e.g. joint purchasing / sales, export consortia, technology alliances
Market failure	Barriers to entry for new businesses are very high, and many subsectors of the territorial economy are monopolized		There are barriers to entry for new businesses in some subsectors of the territorial economy		There are few barriers to entry, and business opportunities are easily visible

Meso-Level

Points:	1	2	3	4	5
Policy	There are few defined economic and business promotion activities		Government and other institutions have defined economic and business promotion policies, but they are fragmented and ideosyncratic		Government and other organizations systematically and coordinatedly adjust and develop their economic and business promotion policies
Evaluation	Governmental economic development and business promotion organizations are not evaluated		Governmental economic development and business promotion organizations are only occasionally evaluated		Governmental economic development and business promotion organizations are regularly evaluated
SME promotion	Institutions do not respond to the needs of companies		Only some institutions respond to some extent to the needs of companies		Most institutions respond with their offers to the demand of companies
Chamber	The Business Chamber is little more than a club of some local business leaders		The Business Chamber has a few professionals and is organizing activities such as legal advice and seminars		The Business Chamber is highly professionalized and offers a broad spectrum of services
Business Associations	There are no operational sectoral business associations		The capacity of sectoral business associations is limited, e.g. to ad-hoc lobbying activities		Sectoral business associations play a crucial role in organizing exchange between companies and supporting their upgrading effort

Meso-Level (continued)

Points:	1	2	3	4	5
Secondary training	Local institutions do not respond to the needs of companies and the labor market		Only some institutions respond to some extent to the needs of companies and the labor market		Most institutions respond with their offers to the demand of companies and the labor market
Higher education (if locally existent)	Local institutions do not respond to the needs of companies and the labor market		Only some institutions respond to some extent to the needs of companies and the labor market		Most institutions respond with their offers to the demand of companies and the labor market
Technology institutions (if locally existent)	Institutions do not respond to the needs of companies		Only some institutions respond to some extent to the needs of companies		Most institutions respond with their offers to the demand of companies
Development finance institutions, including micro-finance	Institutions do not respond to the needs of companies and the labor market		Only some institutions respond to some extent to the needs of companies and the labor market		Most institutions respond with their offers to the demand of companies and the labor market
Co-ordination	There is little communication and no co-ordination among meso-level institutions		There is some amount of communication and co-ordination among some of the meso-level institutions		Communication and co-ordination among meso-level institutions is a well-established practice

Macro-Level

Points:	1	2	3	4	5
Finance	Local government is financially broke and has no means of fulfilling tasks which are elementary for economic development (infrastructure, education, health)		Local government is suffering from budget restrictions, but it fulfills its elementary tasks		Local government is financially strong and can make discretionary funds available for economic development projects
Red tape	There is a dense web of laws, regulations and permits which make doing business really difficult, and local government is doing little to simplify things		There are numerous laws, regulations and permits but local government is trying to reduce them, and it tries to make processes more transparent and efficient		Government is streamlining laws, regulations and permits, and it is committed not to let them stand in the way of business
Business mind- edness	Local government officials have no idea what running a business involves, and they do not care		Local government understand that running a business is not easy, but still they interact with companies in a bureaucratic manner		Local government is dealing with companies in a business-like manner
Corruption	Most interaction with government involves a bribe		Businesses do not have to bribe government officials, but it makes processes much swifter		Very few government officials would accept a bribe, and few businesses to try to bribe an official

Meta-Level

Points:	1	2	3	4	5
Government	Local government agencies are not interested in economic development		Local government agencies show some interest in economic development, but it is not their top priority		For local government agencies, economic development is a top priority
Entrepreneurship	Businesspeople enjoy little respect and social prestige		Businesspeople are respected, but other professions are more prestigious		Businesspeople are highly respected, and becoming a businessperson is a preferred option
Organizations	There are no or weak business organizations. They have a small membership base.		Business organizations are mostly dominated by local leading businesspeople which pursue their own agenda		Business organizations have a broad membership base and are internally organized in a democratic, transparent way. They are representative of the private sector
Policy networks	There are no effective means and channels of communication and negotiation between local government and the private sector		There are some means and channels of communication and negotiation between local government and the private sector, but they are on an ad-hoc basis		Local government is consulting the business sector on key policy decisions, and there is an ongoing practice of problem-solving-oriented negotiations between both sides
Vision, development strategy	There is no shared vision regarding the development goal and strategy of the locality		There are competing views regarding the development goal and strategy of the locality		Key stakeholders agree on a development goal and strategy of the locality