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Information in the service of governance

Plenary session n°3: The role of the private sector  
**"Private - Public: A marriage of convenience"**

by

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Mister Chairperson, your Excellencies, Ladies and Gentlemen.

First of all, allow me to state that it is with a great honour for me and for my country that I accepted this invitation to come to testify in front of an audience of distinguished experts of this African continent, which is mine too.

I would also like to express my acknowledgement to the organizers for having offered this opportunity to the private sector operators to take the floor in front of governments officials. The fact that you listen in is itself a sign of good governance.

### **Established fact**

Internet, Television, Urbanisation, Democracy and above all Literacy have transformed the whole world in a small microcosm where African citizens has also ended up by developing new needs, like what is going on elsewhere. Because he has seen on the television that somewhere else things are done in this way, because he realised that he could ask that; he becomes over-particular and even insatiable. Used to the pranks of the welfare state, the citizen today believes that it is his right to require such quality of service from his leaders.

This demand ended up by putting pressure upon the leaders who then hurried up to achieve projects-under electoral mandate obligation-when they didn't always had the means to deliver.

At the same time, the global monetary institutions called for better governance: less taxes and more efficiency, less debt and more transparency.

This dilemma comprises three dimensions: a human , a financial , and third one, which is technological.

### **The human resource dimension**

In this field and to meet this demand, it would have been necessary for the states to have at their disposal inexhaustible human resources in terms of quantity and quality. But to train a staff is one thing, to employ them is a far more complex issue. Yet, a lot of states were not sensitive to this shade, not realising that it was better to go through the support of others.

Besides, the states that overlooked the input of the private sector to palliate this dimension were almost all penalised by the market verdict: insuperable deficits, plethoric manpower bearer of critical risks and above all, an incapability to solve in time various and diversified problems that are set by nations development.

It has always been admitted that the finality of civil service places the citizen's interest above all attention. But, while achieving its own projects, the state cannot also objectively take up their control; otherwise, **civil service would become both judge and judged, to the prejudice of the citizen's interest that it is supposed to serve.**

Therefore, to have a good governance, it is needed to divide up the tasks, where the state remains in control of the good implementation of the projects, for this aspect is indissociable from the basic mission of civil service: securing the welfare of the citizen. The private sector shall then be entrusted with projects achievements.

Today, this idea is largely shared by a great number of African states. Several governments have extensively reduced their role of builders to focus on project monitoring. Unfortunately, the consensus around this dividing up of roles still remains to date perverted by some nostalgic people who extend the control procedures to far.

There is no alternative but to record that from the moment New Information and Communication Technology (NICT) is concerned, things get more complicated. Indeed, failure to recognize new technologies, the opportunities they offer, and above all the preconditions they require, induces the civil administrator to outbid the repressive clauses, thus thinking he is serving the citizen's interest: unfortunately, the outcome is quite often a blocked project and a frustration from both sides.

### **The financial dimension**

In order to achieve these projects, it would have been necessary for the states to have unlimited available financial resources and at a low cost: which is rarely possible

If some sources of financing were abundant at one time, and if some lenders showed latitudinarianism, this was quickly translated, for the borrower states, into drastic cuts, and their consequences are as brutal socially, indeed bloody.

It can surely be envisaged to shelve some expensive projects; but still, it true that the lack of achievements is sorely felt in our continent. In other respect, Internet and other underlying technologies bring a unique opportunity to make a "leap forward in technology" at a relatively low cost, enabling to offer an improved civil service although it needs to put in place an expensive telecom infrastructure. The solution to this financial resources problems seems to have been found in this field by some precursory countries, which put in place a new approach to public-private relationship that should be considered: since the state lacks financial resources, it is then the private sector service provider who implement and invests instead of the state. His remuneration is so ensured by the more or less direct recovery of all or part of returns expected from the sale of concerned services.

Let me cite some examples of true experiences! I only invite you to reflect on them, we can discuss about it later.

**Example 1:** A data processing system entirely designed, achieved, and implemented by a private operator and that enables the civil purchasers to publish on Internet and to communicate with transparency tender documents. The returns come only from the recovery of 80% of specifications' costs.

**Example 2:** A data processing system designed with the collaboration of the administration but achieved, implemented, and operated by the private sector, enabling access to the state's registers (trade register, land tenure, vehicle...) by the citizens. Deducting during a certain

number of years a part of the transaction costs makes the remuneration of the private operators. After the period of recovery, the part to be recovered will be reviewed.

**Example 3:** A site on Internet that enables the citizens to access to government data (70% of which are free). A private operator at his own risks put the site in place. He recovers a part of his investment by selling-according to precise and evolving specifications- an advertisement space on the site.

**Example 4:** A computerized system is ensured by an operator who is remunerated by establishing-under the control of specifications- statistical data that the state provides to pharmaceutical laboratories, which finance in the end the project.

**Example 5:** A videoconference system designed, implemented, and achieved by a private operator who uses the public network in exchange of a remuneration provided by the private sector on the basis of the utilisation time. The state didn't make any additional investment, it only rented its network and offered this opportunity to the private sector.

These few cases show that it is possible for the state to secure funding to these projects, provided that it makes some derogation to its monopoly that it cannot exploit. The last privatisations in the field of telephones are only a variant around this kind of concessions.

Moreover, to those to whom this can raise up some reprobation, I wish to remind that historically, this approach is not really new, since the concession contracts, the lease contracts, the fixed fee management contracts, and other schemes exist since long ago. Applying these schemes of management in the fields of NICT has not only the merit of solving the critical problem of financing, but also and above all it enables to make the leap forward in technology without which our nations will probably show an insuperable retardation.

### **The dimension of technological risk**

This dimension is the most insidious and the most dangerous. It concerns palliating the risk of being left aside from technological mutations and of offering to the citizens' too expensive services or in adapted to their needs.

The origin of this risk is inherent in the very nature of civil service public administration operates according to a "**determinist**" schemes, i.e. the civil servant manages only by written instructions or procedures which are known in advance! But today, this is unrealistic seen the mutations which are growing faster that we are experiencing, and in particular in the field of NICT .

On the contrary, the private sector manager is naturally "**opportunist**", i.e. he has to adapt to a market where competition, desuetude, and all kind of risks are watching for him at every moment, threatening him of disappearance for any wrong move.

The private sector has thus developed a great capacity of adaptation to changes.

This difference of attitude begot a complete misunderstanding of the technological hazards that stand out as landmarks in the life of a project.

My personal experience in the world of information technologies enabled me to experience such situations and I had to screen, here and there, such kind of conflict all along my carrier. I can assure you that in most cases, this technological risk is the main source of problems met by the decision makers and the providers of services.

Indeed, when we look at it more closely, we observe that civil officers are "trapped" by technological considerations that they are not always able to foresee and furthermore not to master perfectly, when their real work is the quality of the service they can render to the service they can render to the citizen. Besides, this is what they are really accountable of. On the other hand, the private provider of service is often himself prisoner of rigid contract clauses that prevent him to follow intelligently the technology. This situation becomes more complicated from the moment the delay of the administration response takes a penalizing dimension, which is a common practice in our country.

The outcome is that the project is blocked, in best cases; it ends in a complete dissatisfaction, primarily and above all to the prejudice of the citizen who will not be able to take advantage of expected services.

## **A proposal of Solution**

In the particular field of NICT, there is an approach that could solve a great part of the problems: it consists of encouraging the concessions formulas according to different variants.

Indeed, such approach amounts to avoid the huge number of staff who over-crowds the ministries without offering much certainty of providing the best service to the citizen. Everywhere in Africa, the labour regulation is rigid and generally in favour of the employee, with a concession contract, the private sector has no interest in not respecting the clauses of his contract on pain of loosing his market.

This approach also solves the ticklish issue of financing, since it has no more reason to exist. Finally and above all, it provides to the administration the means to focus on civil service and not on a fit technology. Writing specifications will be much more easy, for it will be centred on the qualification of the officer of public administration and not on the X or Y technology.

For the private operator this solution is compared to a sinecure in so far as he feels secured to make "guaranteed" returns, for it concerns a civil service, meaning at a large scale. So he can hope to make his investments profitable. Consequently, he will not hesitate to invest, to employ and train staff, to find and offer the most appropriate solutions to the needs of the citizen.

Finally, and it is not the least benefit, the control will be no longer made on the technology or the instrument used, but on the type and the quality of the service rendered to the citizens. This is, according to me, much easier and much more useful to check. This will help our administration to gain a valuable time wasted till now in endless conflicts where on behalf of rigour the time of tax payers, of private operators, and of

citizens is cheerfully wasted: it is only at this moment that we will be able to talk about good governance.

Just like the market will condemn the governments that will continue to overlook the input of the private sector in their undertakings; the market will also condemn the private operators who will attempt to despise the state reasons: they will pay much for their failure to collaborate in terms of employment and training (the laureates will go to other sky-lines), in terms of health (endemic absenteeism unfavourable to business), in terms of environment (penalizing induced costs) and other specific concerns of the public sector.

According to me, the decision - makers of the public sector and those of the private sector are driven back to agree on collaboration formulas, which ensure to each other the maximum of guarantees in order that each one can succeed in doing better his work. The experience of these last years has showed the limit of the existing formulas based essentially on acquiring markets by the public sector. More especially in the world of NICT, these formulas are really obsolete in the likeness of projects started here and there and which, in the best cases, ended only in partial operation of acquired equipments and software's possibilities, in other cases, they ended in simple renunciation of the project.

According to me, it is in the implementation of new formulas like concessions that the stake of the relationship "public - Private" of tomorrow is going to be located.

So, for want of marriage for love, it is towards a marriage of convenience that the reshaping of the relationship between public and private sectors has to direct itself. Otherwise, the governments will have to solve the famous equation of circle squaring while the private sector will have to record its programmed death, so depriving the nation of thousands of jobs and of its natural creativity.