

UNITED NATIONS
ECONOMIC COMMISSION
FOR AFRICA



NATIONS UNIES
COMMISSION ECONOMIQUE
POUR L'AFRIQUE

SUBREGIONAL DEVELOPMENT CENTRE FOR SOUTHERN AFRICA
(ECA/SRDC-SA)

Distr.
LIMITED

ECA/SRDC/SA/EXP/2001/04
NOVEMBER 2001

Original: ENGLISH

REPORT OF THE PROCEEDINGS OF A ROUNDTABLE ON
PARTNERSHIP AMONG THE PUBLIC SECTOR,
PRIVATE SECTOR AND CIVIL SOCIETY

**PROCEEDINGS OF A ROUNDTABLE ON PARTNERSHIP
AMONG THE PUBLIC SECTOR, PRIVATE SECTOR
AND CIVIL SOCIETY
LUSAKA, ZAMBIA, 5-6 APRIL 2001**

TABLE OF CONTENTS

	Page No.
SECTION I: Report of the Proceedings of A Roundtable on Partnership Among The Public Sector, Private Sector and Civil Society	
1. Background	1
2. Objectives of the Roundtable	2
3. Opening Session	3
4. Consideration and Approval of the Programme of Work	7
5. Presentation and Discussion of Topics	9
6. Recommendations	24
7. Closure	24
SECTION II: Papers presented	
1. A Study of Ways and Means of Enhancing Partnership Between Public/Private Sector and Civil Society for Development in Southern Africa (Dr. Sam Agere, ECA, Consultant)	
2. Presentation on the Zambia-Malawi-Mozambique Growth Triangle ZMM-GT (Ms. Olubanke King-Akerele, UNDP Resident Representative, Zambia)	

- 3. The Partnership from the Private Sector's Perspective (Mr. Chibembe Nyalugwe, Administrative Director, SAEN)**

- 4. The Role of Public-Private Sector Partnership in Trade and Investment Promotion (Mr. Sam Cho, Economic Affairs Officer, ESPD, ECA)**

- 5. Broadening Local Participation in Privatization of Public Assets in Africa (Mr. Sam Cho, Economic Affairs Officer, ESPD, ECA)**

- 6. Some Thoughts on the Institutionalization of Public Sector/Private Sector/Civil Society and dialogue and Partnership for Development (Mr. Ismail Ali Ismail, Senior Public Administration Officer, SRDC-SA, ECA)**

Annex: List of Participants

SECTION I:

Report of the Proceedings of A Roundtable on Partnership Among The Public Sector, Private Sector and Civil Society

1. Background

Over the years the paradigms of development in Africa have shifted away from an overgrown public sector, which had a near monopoly of development and which took upon itself huge responsibilities (much of which it was ill-prepared and therefore unsuited for), in favour of developing the private sector so that this latter would shoulder its due share of the burden of development. A great deal of emphasis was therefore placed on reducing the size of the public sector; hence the introduction of the structural adjustment programme, the essential ingredient of which was the retrenchment of significant numbers of public servants. Public service in Africa was diagnosed as fat, sluggish, underpaid and inefficient. The remedy seemed obvious: cut the excess fat, and pay well the remaining lean public services, retrain, reorientate them and they will be efficient.

All this sounded well on paper as it made a lot of sense. In reality, however, both the concept and its implementation proved to be quite difficult on the ground. First, responsibilities shifting to the private sector did not really diminish those of the public sector because, while the government monopolies have been abolished through the process of privatization, other responsibilities were inescapably being added. These latter included regulating a growing private sector, globalization, dealing with the implications of the Law of the Sea, and more recently, peace, safety and security have almost relegated other functions of the State to the background. Secondly, since the job market was very small, retrenchment meant swelling the ranks of the unemployed and was not, therefore, immediately politically acceptable. But, the strengthening of the private sector still remains a matter of absolute priority because a developed private sector allows – indeed induces – the public sector to engage, continually, in self-improvement.

But there is also general agreement that neither the public nor the private sector can function without a healthy political environment, particularly since in many of the Third World countries – Africa included – politics has not only been

all-pervasive but has been blamed as the spoiler of all things. It is for this reason that emphasis is now placed on 'good governance', which means not only a healthy polity, but also a host of other elements such as an efficient public sector, a vibrant private sector and a vigilant and active civil society. The interplay of these elements ensures healthy polity, whilst healthy polity ensures the effectiveness of such interplay. Such effectiveness will then manifest itself in discernible achievements, which themselves are the hallmark of sound economic policy and performance.

It was against this background that the ECA Subregional Development Centre for Southern Africa (SRDC-SA) organized, with the cooperation of the U.N. Staff College in Turin, Italy, the Southern African Enterprise Network in Lusaka, Zambia, as well as the Economic and Social Policy Division and Development Management Division both of ECA, a roundtable conference which would kick-start a dialogue among the public sector, the private sector and civil society. The Roundtable took place in the Intercontinental Hotel in Lusaka, Zambia on 5 and 6 April 2001.

2. Objectives of the Roundtable Conference

The immediate objective of the roundtable was simply to start a dialogue on a more meaningful and functionally effective trilateral partnerships among the public sector, the private sector and civil society in Southern Africa. However, in order to sustain the dialogue over a long period of time, two key elements were thought to be necessary. The first was to establish a forum which would hold periodic meetings (may be biennially, if not annually), if the participants so desired within the framework of the Southern Africa Development Community (SADC) and with the cooperation of the Economic Commission for Africa (ECA). The second was to establish a newsletter which would inform its readers on developments and problems in furtherance of the partnership. Such a newsletter would, inter alia, publish vacancies in the various professions, training announcements, forthcoming meetings and results of relevant research. It was considered that the newsletter might develop, sometime in the future, into a journal in which leading business executives, civil society leaders and senior civil servants in Southern Africa might publish their personal views and any experiences deemed to be germane to the issues pertaining to problems and prospects of partnerships.

The overall objective was to strive towards attaining the right symbiosis between the three partners and to ensure thereby that they were working towards the goals of development instead of pulling in opposite directions.

As the list of participants shows, the Roundtable was well attended and the discussion was both intense and at a high-level. Furthermore, the public sector, the private sector and civil society were all represented, as were the substantive divisions of ECA Headquarters, ESAMI, IDEP and the UNDP Office in Namibia.

3. Opening Session

The Roundtable was opened with a speech by Mr. Robert M. Okello, the Director of the SRDC-SA, and was chaired by Mr. Albert Muchanga, Deputy Permanent Secretary in the Ministry of Foreign Affairs of the Government of Republic of Zambia. There were no election of officers and no speeches other than Mr. Okello's and the Roundtable went straight into its business. Mr. Okello delivered the following speech, which is reproduced below in its entirety:

“Participants

Ladies and Gentlemen

Let me begin by welcoming you to Lusaka (if you are not from Lusaka) and to this roundtable in particular.

The subject you have been called upon to discuss in this roundtable is of paramount importance, not only to Southern Africa but to the entire continent of Africa. Despite this paramount importance, discussing the partnership between these three elements — the public sector, the private sector and civil society — is, surprisingly, a very recent phenomenon.

At independence, governments were very ambitious and in their enthusiasm for achieving rapid development they overestimated their own capacities and took upon themselves the shouldering of that heavy burden single-handedly. But there were also other reasons why they thought that the public sector alone had the responsibility for development. First, there was no private sector to speak of. Secondly, civil society itself was dormant to the extent that governments themselves had to make efforts to awaken it. Those old enough will remember, I am sure, all those mass mobilization efforts that were made some forty years ago, not only for independence but also for involving the people in development. But those efforts were not meant to create a civil society that would be a partner in governance, but a civil society which would be an instrument of government — a civil society that was more the target, and less the agent, of change. Thirdly, there were ideological reasons why many governments in Africa, seeing themselves as

the sole determinants of change in society, thought that socialism was a short-cut to development, particularly since the private sector was not seen as an ally and its development was considered either outside the responsibilities of government or, in extreme cases, as an anathema to the concept of 'social justice' on which a high premium was placed.

The concomitants of such thinking were heavy centralization, one-party systems of governance, and, in extreme cases, the regimentation of life. All these have now changed, at least conceptually if not on the ground. The wind of change has been blowing, not only in Africa but across the entire globe and new paradigms of development have come to light.

As a result, the public sector is now trying to free itself from nefarious habits of mind brought about by being a long-term prisoner of outmoded ideas. Let us face it, ladies and gentlemen: it is not really easy to shake off old and anachronistic ideas which have firmly implanted themselves in the recesses of our minds. To be sure, the public service is not immune to the natural process of change or of renewal which is brought about by deaths, retirements, resignations and, I dare say, purgings. But those who join at an early age with fallow minds are trained and orientated in much the same old, archaic and control-oriented ways. The faces certainly change, but the old ways of bureaucracies do not — at least not easily.

Ladies and Gentlemen,

We will certainly need a robust, dynamic and technologically advanced private sector. At the moment, however, the private sector itself is beset by problems. The private sector is small and ineffectual; entrepreneurship is scarce; modern concepts of management are seldom applied, if at all, and the private sector influences the public sector in a negative way: in trying to induce the public sector to facilitate and speed up matters it employs corruption, and since salaries in the public sector have nothing to do with the cost of living, control is deliberately tightened further to squeeze more money or favours from the private sector. This becomes all the more dangerous as the public sector tends, in the end to relax regulatory control to the extent that the private sector produces and releases to the market products which are unchecked in terms of durability, utility and health requirements, etc.

An enlightened civil society can bring about positive change both in the public sector and in the private sector. But we need to understand what 'civil

society' is — or is not — and I hope in this meeting you will agree on a definition of 'Civil Society' for, as far as I know, people think of NGOs the moment you mention the term. We all know that an aware and articulate civil society can influence the public sector, not only through politicians but also through the press, through legal means which redress complaints about unjust administrative decisions, and through civil society organizations working with the public sector.

Let us not forget also the roles of consumer associations and the free press, both of which are part and parcel of Civil Society, in forcing the private sector to improve the quality of its products, to become more competitive in terms of pricing, to be responsive to the need for consumer protection, and to guard against fraud. all these challenges will force a positive change upon the private sector — the sort of change that will make it internally responsible and competent and externally responsive and competitive.

Ladies and Gentlemen,

The case for partnerships cannot be overstated. We all know that all the ills of the African continent have been blamed on bad governance, and it has often been said that the cure is good governance. There is, therefore, general agreement that Governance is the key element in development. If it goes well so will everything else; if it does not, it is goodbye to stability, good bye to peace, good bye to development. But there is also general agreement that a system of good governance should have three strands: the public sector, the private sector and civil society. The proper interplay of these three elements is a partnership in governance first and foremost — a sort of governance whose target is a development whose beneficiary is society in general.

The reason for our gathering in this Roundtable, therefore, is to make sure that this partnership is laid in a solid foundation; that the parties to this partnership are firmly convinced that it is in their collective interest — that overriding interest whose destruction can never serve selfish, subordinate interests. It is for this reason that the U.N. is in the forefront of promoting partnerships and there are so many others who also have committed themselves to promoting partnerships. I am pleased to inform you therefore, that we have in our midst today two colleague from the U.N. Staff College, Dr. Berangene Magarinos and Mrs. Lenni George, who will take time to explain to you the role of the U.N. in this regard. I believe she will also show us a film featuring the Secretary General, Mr. Kofi Annan, speaking on Partnership and the role of U.N. in furthering it. You will also hear a presentation by the UNDP Office here in Lusaka on the Growth Triangle of

Malawi/Mozambique/ and Zambia. This Growth Triangle is actually a true partnership on a higher plane, for it is at a subregional level and thus cuts across national boundaries. Furthermore, I wish to take this opportunity to recognize the presence of our colleagues from ECA Headquarters, the parent-body of SRDC. As you can see from the programme, they will also make presentations on different aspects of partnerships.

Ladies and Gentlemen,

I am sorry that we have only two days to look at the complex ramifications of this important subject. In a way, the time had to be so limited so that you will not have to be away from your normal duties for too long. I realize that for the private sector time is money. But to those in the public sector and civil society loss of time results in service being denied to the public. We have no option, therefore, but to make full use of the limited time we have for this Roundtable.

I should not therefore, take more of your time. However, I want to plead with you not to make the dialogue we start today a one-time event. It should be sustained over a period of time, and we should continually be reminded of the necessity of working together. We should in fact come up with concrete and practicable recommendations as to how we should take this partnership several steps further until it becomes second nature to all the players. And, furthermore, let us not forget that we ourselves should be part and parcel of implementing our own recommendations.

With this, Ladies and Gentlemen, let me wish all of us — for I will be with you throughout — sound deliberations and recommendations”.

Thereafter the Chairman simply declared the meeting open.

3. Consideration and Approval of the Programme of Work

The Roundtable adopted the following Programme of Work:

DAY 1

Morning Session

- 08.30 - 09.00 Hrs: Opening Session**
- 09.00 - 09.30 Hrs: Presentation of a Paper on the Problems and Prospects of the Partnership (ECA Consultant)**
- 09.30 - 10.00 Hrs: Presentation of a Paper on the Role of Civil Society in the Partnership (DMD/ECA)**
- 10.00 - 10.30 Hrs: Coffee/Tea Break**
- 10.30 - 11.30 Hrs: Subregional Dimensions of Public Sector/Private Sector Partnership: A Presentation on Malawi/Mozambique/ Zambia Growth Triangle (UNDP)**
- 11.30 - 12.30 Hrs: Discussion**
- 12.30 - 14.30 Hrs: Lunch Break**
- Afternoon Session**
- 14.30 - 15.00 Hrs: The Partnership from the Private Sector's Perspective: A Presentation by Southern African Enterprise Network (SAEN)**
- 15.00 - 15.30 Hrs: Presentation of a Paper on "Public and Private Partnership in Trade and Investment Promotion in Africa"(ESPD/ECA)**
- 15.30 - 16.00 Hrs: Coffee/Tea Break**
- 16.00 - 17.00 Hrs: Discussion**
- Day 2**
- Morning Session**
- 08.30 - 09.15 Hrs: Public/Private Partnership: A New Challenge for the UN System (Presentation by UN Staff College)**

- 09.15 - 09.45 Hrs: Presentation of a Paper on “Broadening Local Participation in the Market of Public Securities and Privatization of Public Assets” (ESPD/ECA)**
- 09.45 - 10.30 Hrs: Discussion**
- 10.30 - 11.00 Hrs: Coffee/Break**
- 11.00 - 11.30 Hrs: A Presentation on Mechanisms to Further the Partnership and Monitor its Development (SRDC-SA/ECA)**
- 11.30 - 13.00 Hrs: Discussion and recommendations**
- 13.00 - 14.30 Hrs: Lunch Break**
- Afternoon Session**
- 14.30 - 17.30 Hrs: Business Roundtable (U.N. Staff College)**
- 18.00 - 19.30 Hrs: Reception**

5. Presentation of Papers and Following Discussions

The Roundtable heard the presentations of the papers listed in the Programme of Work with the exception of the ECA/DMD paper on ‘The Role of Civil Society in Partnership’. Each presentation was followed by discussion. The presentations and discussions are summarized as follows:

- (a) Problems and Prospects of the Partnership – Dr. Sam Agere, ECA
Consultant

The paper on the above topic was in fact the main paper, and it was presented with the aid of transparencies, by Dr. Sam Agere, an ECA consultant who had been engaged to prepare it.

In his presentation, the consultant explained the concept of partnership. He said that although ‘...defining the concept partnership may be problematic in the

sense that it gives different meanings to different people, an attempt is made to place it in the context of development'. He nevertheless attempted to define partnership "as a framework of policies, practices, procedures, processes and certain assumptions that can provide guidance for managing the economy and for improving the process of development which ultimately benefits the consumers and the nation as a whole". Yet, he offered an alternative definition when he said: "However, partnership for development can also be defined as an agreement negotiated by the state and the social partners, namely: the private sector, institutions and civil society organizations".

The consultant looked at partnership in the context of the efforts to achieve development. He stated that 'The three sectors play a critical role not only in promoting good governance but also in sustaining human, economic and political development. The state, for example, creates a conducive, political and legal environment, while the private sector sometimes considered as an engine for development, generates jobs and income; the civil society facilitates political and social interaction mobilizing groups to participate in economic, social and political activities'. Much of the presentation dwelt on the respective roles of government, the private sector and civil society and how they should work together.

The presenter drew on examples from Asia, notably, Malaysia, South Korea, Singapore, Thailand, Japan, Taiwan and Hong Kong. He explained how in these countries the two sectors (public and private) together with civil society were reinforcing and supporting one another for the common good of the people. He said, with reference to the countries in that part of Asia that, "The region has benefited immensely from the concepts of Smart Partnership developed in Malaysia". He informed the Roundtable that some African countries notably in Southern Africa have actually shown interest in learning from the Asian experiment. He cited Malawi, Namibia, Zambia and Zimbabwe as examples of countries which had sent officials from both the public and private sector to Asia in order to see the 'Smart Partnership' work. He further stated that Botswana, Lesotho and Swaziland had 'established contacts' with Singapore and that such contacts led to the 'establishment of productivity centres' in these countries.

The consultant expressed the view that forms of partnership could arise as a result of pressure from social unrest, or from conditionalities of donors or as a result of normal dialogue among critical stakeholders or as a natural requirement of regional integration. Having explained each of these, he then went on to enunciate some 'guiding principles' for the tripartite (public sector, private sector, civil society) partnership as well as 'ethics in partnership'. He put forward seven

guiding principles which were: (a) that partnership should be homegrown and not blindly copied; (b) that there should be strong leadership commitment to partnership and that such leadership should not be provided only by political leaders but also by the public service, and leaders in the private sector and civil society; (c) that there should be a balance between vision and social reality; (d) that the partnership should address the disparity between the poor and rich and not exacerbate it; (e) that all stakeholders be involved; (f) that there should be the right mix of skills, knowledge and attitudes; and finally (g) that there should be available and retrievable information.

On ethics in partnership, the presenter said that standards should be clear and must be properly reflected in the legal framework. He also stated that leaders of constituents of the partnership should lead by example and should demonstrate high standards of conduct.

Towards the end of his presentation the consultant made recommendations as to what should be done in order to strengthen partnership between government, the private sector and civil society. He recommended, among other things, that there should be genuine decentralization in order that partnership would permeate all levels of society-vertically and horizontally. The consultant also recommended that an awareness campaign be launched so as to 'popularise' partnership 'once a policy decision has been made to establish a Social Dialogue'.

Discussion

The presentation was well received, and it generated a good deal of discussion. One participant stated that the Roundtable should agree on a definition of partnership, but the participants recognized the difficulty and did not venture into suggesting any particular definition. The discussion went on, therefore, without any agreed definition. It was generally felt, however, that the paper raised critical issues which needed to be explored further.

One participant stated that 'the paper did not stress the question of the mismanagement of public enterprises'. He said that public enterprises were very important and were, in fact, leading in the economic development effort in many countries; that their success and failure should not be seen in terms of credit to or blame of the private sector since public enterprises were not institutions of that sector. The participant continued to say that the general public, who were the tax payers, neither knew that they were the owners, nor that public enterprises were mismanaged and used to garner political support for those in power. He said that

the Roundtable should spell out their role, and he wondered whether privatization was just another word for denationalization. He suggested that a proper regulatory framework should facilitate partnership between public and private sector in public enterprises.

The same participant raised the question of governance since the partnership among public sector, private sector and civil society could arise only within the framework of a political system which ensured good governance. He said that good governance was not 'the only condition' necessary for development because 'benign dictatorship' could permit economic advance to be achieved. Another participant asked : "who speaks for the poor, the unemployed and the unemployable?" He said that he saw the hands of the state in many institutions, and he went on to say that we were all addressing the status quo which excluded the poor and suggested that the Roundtable should find 'the missing links' and get to the core of 'missing institutions'. This view was supported by another participant who wondered how the 'missing institutions' affected the participation of the poor in activities by civil society.

Other participants were concerned with the extent to which partnership was or should be 'home-grown' and there was general agreement that the experience of other countries, especially those outside Africa, should not simply be grafted onto situations where differences in culture and sensitivities portended failure. Participants also agreed that donor pressure should be resisted if it would lead to hasty, unstudied, unequal and unsound partnerships. On the whole, the comments on the paper were positive and the participants expressed the view that it dealt quite well with the major issues of the partnership involving the public sector, private sector and civil society.

(b) The Role of Civil Society in the Partnership –

Mr. Christophe Bandaongo, Economic Affairs Officer, Development Management Division, ECA

No paper was presented under this topic. However, the representative of the Development Management Division of the ECA, Mr. Bandaongo, introduced the topic with a few remarks in which he apologized for the paper not being ready.

He stated that there was no agreed definition of "Civil Society" but that we nevertheless had to take the term into account when we talk about governance and the participation of the people as whole in development.

In the discussion ensuing that short presentation the ambiguities in the use of the term ‘civil society’ were brought out. It was stated that ‘civil society’ was generally defined by what it is not, rather than by what it is. Some participants were of the opinion that it meant NGOs, while others considered that ‘civil society’ was just a short form of saying ‘civil society organizations’ (CSOs). This latter was to be defined in terms of its being composed of ‘non-state actors’ of various types such as trade unions, religious organizations, the media, community-based organizations (CBOs), cooperatives, women and youth organizations, and human rights organizations. It was pointed out that there were a number of concepts which had been in vogue such as ‘popular participation’, ‘gender mainstreaming’, ‘health for all’, ‘good governance’, ‘decentralization’ and now ‘partnership’. It was agreed that it was imperative that these concepts, their relationships and their application be ‘homegrown’. This was necessary because implementing these concepts on the ground proved to be difficult in the past and continue to be difficult at present.

(c) The Partnership from the Private Sector’s Perspective –
Mr. Chibembe Nyalugwe, Administrative Director, SAEN

As the representative of the Southern African Enterprise Network (SAEN) Mr. Nyalugwe presented this topic. The speaker stated that vibrant networks and norms of civil engagement were essential for civil cultures to flourish but that the opposite condition prevailed in Southern Africa where horizontal communication has been replaced with vertical communication because of ‘hierarchical politics’. He said that attempts to engage governments in dialogue with the private sector and civil society had not brought about any change of the situation because governments maintained the status quo through the use of ‘extra-constitutional and extra-judicial measures’.

In terms of the currently low level of cooperation between the public sector and private sector the speaker said that that was due to over regulation and the heavy-handedness of government/public sector, especially customs and tax authorities, in controlling the business sector. Therefore, ‘Mutual trust needs to be established between these groups - as well as an understanding of the perspectives and constraints within each sector’. Such trust could be established through dialogue which would lead to understanding each other’s role and constraints. Such dialogue could establish a clear delineation of responsibility between them in

regard to the provision of social support. He cited the fight against HIV/AIDS as an area in which the two sectors could join forces, collaborate and coordinate their efforts.

SAEN representative explained to the Roundtable his organization's proposed programme which is called "THE SAEN DIALOGUE PROJECT". He said the project entailed the need to create a 'professionally managed platform' which would '...bring together representatives of the business community, civil society and politicians.' He contended that such dialogue would weed out contradictions and do away with mutual mistrust and stereotyping which had so far characterized their relationships. 'The SAEN Dialogue Project' was described as a 'low-key, action-oriented approach' the component of which would be: (a) monitoring parliamentary debates of relevance to the private sector; (b) conducting research into relevant issues; (c) hosting regular but informal lunches on pertinent themes; (d) organizing larger discussion groups such as national debates; and (e) hosting a monthly radio programme.

The Roundtable was informed that SAEN anticipated the start of the project in three countries, namely: Mozambique, Zambia and Zimbabwe. As it was important for that type of project to be driven internally it would be the responsibility of the local Enterprise Network Secretariat to put into operation the components of the project.

Discussion

There was not much discussion on the SAEN Project except for few expressions of appreciation and support. However, few participants said they would link-up with SAEN to see how they could work together. On the general issues of public/private sector relations the participants stated some of the views which they had stated previously and others which have been incorporated into their discussions in the papers which were subsequently presented.

- (d) Subregional Dimensions of Public Sector/Private Sector Partnership: The Zambia/Malawi/Mozambique Growth Triangle (ZMM-GT) –
Ms. Olubanke King-Akerele, UNDP Resident Representative, Zambia

In presenting this topic, the UNDP Resident Representative, Ms. King-Akerele in Zambia informed the participants of her experience in witnessing growth triangles in South East Asia where such triangles originated and were successful. It

was because of that experience, which impressed her, that she decided to see whether growth triangles could be replicated successfully in Southern Africa.

The participants were given a résumé of the genesis of the ZMM-GT. They were told that it all began with a 'Brainstorming Technical Workshop in June, 1999 in Lusaka, Zambia. That resulted in the formation of a 'Private Sector Forum' and a 'Steering Committee' with the specific duty of 'promoting' the ZMM-GT and with the UNDP in the three participating countries playing a catalytic role. The Workshop also decided that a pre-feasibility study be conducted. The pre-feasibility study gave the partners time and opportunity to develop a common vision of what was possible and an attempt to understand the differing perspectives, priorities, interests and constraints.

The ZMM-GT was inaugurated in Malawi in November 2000 and the three governments had shown their commitments by signing a 'LETTER OF INTENT' and a 'Memorandum of Understanding' — the latter is, actually, to be signed by the end of 2001. The project had already entered into its implementation phase with the Economic Commission for Africa being the executing agency and the Zambia Investment Centre (ZIC) being the implementing institution.

The Roundtable was informed that the overall objective of the ZMM-GT was to create wealth as an approach to poverty reduction. The ZMM-GT was private sector driven and governments were only supposed to provide a policy framework for investment and the infrastructure, especially the social infrastructure. It was stated that: "Growth Triangles are anchored mainly on private sector initiatives, with government demonstrating firm commitment by providing basic infrastructure and conducive policy environment, thereby facilitating the establishment and operation of business in the zones'.

Discussion

As the presentation was not for the purpose of discussing the concept of growth triangles, there was no discussion as such. It was merely meant to inform participants of developments in this area within their subregion and to provide with an extant example of a partnership transcending national boundaries. The Roundtable simply took note of the presentation and it was so stated by the Chairman who thanked the UN Resident Representative on behalf of the participants. A short film about the inaugural ceremony of the ZMM-GT in Malawi was shown thereafter.

(e) The Role of Public-Private Sector Partnership in Trade and Investment Promotion – Mr. Sam Cho, Economic Affairs Officer, ESPD, ECA

This paper was presented by the representative of ECA's Economic and Social Policy Division, Mr. Sam Cho with the aid of computer power points. The paper argued that dynamic and effective partnership between the public sector and private sector was essential in any development strategy for the following reasons: (a) it is recognized that the private sector is and can be an engine of growth given the right environment; (b) some actions by the public sector impinge on private sector development either positively or negatively; examples of such acts are to be found in changes in taxation and public sector borrowing which crowds out the private sector; (c) some actions of the public sector can be catalytic (The presenter cited improvements in education and the infrastructure as examples); and (d) complementary activities by the two sectors, such as the provision of telecommunication services, are quite beneficial.

The presenter said that developing partnership between the public sector and private sector required vision; clarity of the respective roles of the two sectors; understanding and appreciation of the complementarity of the roles; provision of the institutional mechanisms for fostering dialogue between them; and modalities for the periodic review of the roles of the two sectors as the economy undergoes transformation.

The paper explained at some length the best practices in South East Asia. The countries whose experiences were explained were Japan and South Korea. In all cases, the presenter explained the various institutions which government (i.e. the public sector) helped to create in order to develop, encourage the growth, and induce the productivity of the private sector. The various policies adopted to facilitate the work of these institutions and to liberalise the economy generally were also explained. Government was viewed in three different lights: as 'a helping hand'; as 'neutral'; and as an 'opponent'. The first, is one which actively supports and promotes the private sector; the second is one which is lukewarm to private sector development — it will neither support nor oppose; and the third is one which will stifle private sector initiative through over-regulation, heavy taxation, and adoption of restrictive policies which are unfavourable to private sector—especially foreign-investment.

From the presenter's point of view African public sectors or governments, despite the fact that they have liberalised the policies and privatized their economies, would fall into the category of 'opponent'. It is because of lack of

peace and stability, policy surprises, lack of credibility of government announcements, the absence of rule of law, retroactive application of new laws and policies and corruption, all of which combine to pose serious risks to investment. This was said to be in sharp contrast to the situations obtaining in the South East Asian countries. He went on to say: “It is somewhat customary to view more government as an obstacle and less government as desirable, without even considering the quality of public—private sector partnership”. He added, however, that “--- one of the key ingredients in East Asia’s success was active government , which had a positive effect — it was better government”.

The paper stated that there were three elements of a proper partnership. These were: (a) high-level policy coordination machinery; (b) institutional framework in support of the private sector; and (c) creating an enabling environment for private sector development. It concluded with some recommendations which were as follows:

- ~~✍~~ Strengthening partnerships between government and private sector;
- ~~✍~~ Fostering an investor-friendly environment;
- ~~✍~~ Accelerating the pace of privatization, which would signal the increase of public policy commitment to and opportunities for private investment;
- ~~✍~~ Creating and strengthening capital markets as vehicles for mobilizing savings for investment;
- ~~✍~~ Fostering political stability buttressed by good governance;
- ~~✍~~ Pursuing sound macroeconomic policies to sustain the confidence of current and would-be investors;
- ~~✍~~ Enhancing the commitment to regional integration as a means of overcoming the disincentive to significant inflows of foreign investment posed by the small size of the economies of many individual countries;
- ~~✍~~ Establishing adequate legal and regulatory framework and reducing the cost of doing business in Africa;
- ~~✍~~ Strengthening institutional capacity of African countries; and
- ~~✍~~ Modernizing, expanding and diversifying production.

Discussion

In the discussion that followed participants noted the relevance of governance issues to trade and investment and generally to the development and

promotion of the private sector. But they emphasized the need to develop Africa's stock markets and to create a political atmosphere conducive to sustainable development. Participants expressed the opinion that privatization and capital markets should take place gradually and in a manner which would allow their national development and growth. They warned against 'speculative investors' and stressed the need for "Technical Partners"—meaning investors who were interested purely in economic and commercial matters, rather than meddling in the politics of their host countries.

(f) Public/Private Partnership: A New Challenge for the U.N. System-
UN Staff College

This topic was presented by a team from the U.N. Staff College in Turin, Italy. The team sought to clarify what partnership was by explaining what it was not. In other words, they tried to define 'partnership' by what it was not. They stated partnership was not any of the following: privatization; procurement; philanthropy; fundraising; and social marketing.

No paper was presented under topic, but a video film by UNHCR and Microsoft was played to show what a true partnership was like. Whilst no definition was attempted, the team gave five 'elements of definition'. These were: (1) Mechanisms that solve complex social problems that require resources from more than one organization and more than one sector; (2) Shared goal and shared vision of the project; (3) Mutual benefits; (4) Shared risks; and (5) Intense working relationship.

The team said in their presentation that partnership facilitated the mobilization of resources needed to solve problems; that it guaranteed the sharing of knowledge and expertise; that it made possible the creation of new knowledge and information; that it recognized the complexity of issues and the need for interdependence; and finally, that it created a business environment which resulted in improved business attitudes to social issues. The team also drew distinction between partnership and mere cooperation and collaboration and they stated that there was a 'value added' to partnership.

In so far as public/private partnership was concerned the team said that the 'value added' could be seen as the enhancement of civic culture and civil society; the generation of a esprit de corps in participation and collaboration across sectors

and diverse groups of the community; the unleashing of creativity by finding new ways to engage people; and finally, the making of business more human and the public services more business-like.

It was also stated that partnership inculcated a sense of belonging through sharing not only the benefits and losses but also the efforts, the inputs, the vision and the goals. It required that the parties involved appreciated and respected their respective cultures and sensitivities. The team further stated that if partnership was to work there should be clarity of the role of each constituent party and expectations should be realistic and shared. Further characteristics of partnership were said to be: the transparency of the process; voluntary and equitable participation; and partners, while not being necessarily equal, respecting one another.

Discussion

Participants expressed their own views as to what partnership was. Many of them thought any collaborative effort constituted a partnership since there were shared benefits and possibly shared losses. The discussion actually laid bare the vagueness of the concept of ‘partnership’ in the minds of the participants and many of them tried to classify different situations as partnerships which the team did not consider as such. The participants also expressed differing views about ‘value added’— the sole criterion distinguishing partnership from other collaborative work.

The discussion did not, therefore, lead to an agreed definition. Indeed no definition was attempted and the team itself did not come up with any.

- (g) Broadening Local Participation in the Market of Public Securities and Privatization of Public Assets – Mr. Sam Cho, Economic Affairs Officer, ESPD, ECA

The representative of ECA’s Economic and Social Policy Division, Mr. Sam Cho presented a paper under the above caption.

African governments often cite broadening ownership as a main objective of privatization, but current methods exclude a large number of the population who have no or little savings and who cannot therefore, benefit from privatization. Factors other than broadening ownership have actually influenced privatization. Of these, selling to the highest bidder is the most prominent, and it is convenient

because it provides plausible legitimacy. Furthermore, whilst governments publicly commit themselves to the transparency of the process of privatization they do not honour this commitment to the full and, as a result, they show only a modicum of transparency.

The presenter enumerated the advantages to be had from broadening local participation in privatization. Among these were: wider political acceptance of privatization; the relative ease with which national aspirations could be satisfied; and the likelihood of boosting domestic savings. But he also discussed the problems associated with broadening local participation in this area together with four methods that are in use, namely: Management and employee buyouts, employee share participation, direct group ownership and financial intermediaries.

On the development of African stock markets, he said that that was 'inextricably linked' to privatization and that the two (i.e. privatization and stock markets) were also 'mutually reinforcing'. He reviewed the situation in a number of African countries notably, Nigeria and Kenya. The Roundtable was informed that 'Although this close linkage was an explicit objective of many privatization programmes in Africa, only Nigeria has mandated that all public enterprises be sold through the public offering of shares through its stock market.' But Nigeria went further and even allocated regional quotas to the public flotations so that ownership will be truly national and no region would be left out. In Kenya, likewise, shares in the National Bank of Kenya 'were allocated on regional basis to ensure equitable distribution.' The presenter said that public flotations were 'the easiest way to reach as many people as possible'.

With regard to the mobilization of investors, participants were told that African efforts in this area have been generally very weak with Benin, Mozambique, Togo and Zambia being the only countries which 'have used predominantly competitive methods of privatization.' The fact that capital markets were puny discouraged investor mobilization. The group was told that African countries also do not even follow their privatization programme, with notable exception of Zambia. Moreover, countries tended to float shares only internally and only Ghana and Kenya floated shares outside the country. That was partly the fear that foreign investment might introduce 'economic neocolonialism' for which privatization might prove to be a convenient vehicle. The presenter suggested ways of ensuring a better understanding of all the ramifications of privatization. Such ways included the provision of full information to the public; encouraging open debates; and discussing with labour the full effects of

privatization. For these ways to be effective everything would have to be laid on the table — a sure indication of full transparency.

The paper also discussed in brief the specific situations of Burkina Faso, Cape Verde, Kenya, Uganda, Zambia and Zimbabwe. It made the following recommendations in order for stock markets to have ‘a significant positive impact in broadening local participation in privatization’:

- ~~EE~~ to attract indigenous investors through public offerings, venture capital funds need to be established and the development and improvement of either a national or a regional stock market is essential;
- ~~EE~~ it is crucial to convince small indigenous investors that they should not expect to buy shares and then make quick financial gains through early sale. The culture of long-term investment must be encouraged and developed;
- ~~EE~~ stock market development should be regarded as part of a long-term financial sector and economic development strategy, not a short-term source of finance; and
- ~~EE~~ African governments should encourage both domestic and foreign investors by creating continent-wide conducive investment climate;
- ~~EE~~ only then will stock market and other financial institutions play a significant role in the mobilization of both domestic and foreign resources.

Discussion

In the ensuing discussions, participants emphasized that weak private sector and lack of middle-income class were some of the stylized facts affecting low indigenous participation in the privatization process in many African countries.

In this respect, participants were concerned about low savings, decrease in external financing, and residual financing declining in most African countries. Under these circumstances Africa could not attain the overarching goal of growth. Therefore, participants felt that this tendency should be reversed.

Participants also stressed the fact that for Africa to broaden local participation in the privatization of public assets there was need to apply such methods as the use of pension schemes and trust funds to allow more local participation in the privatization process. They also felt that decentralization would

facilitate local participation in the market of public securities as well as the privatization of local public assets.

- (h) Some Thoughts on the Institutionalization of Public Sector/Private Sector/Civil Society Dialogue and Partnership for Development –
Mr. Ismail A. Ismail, Senior Public Administration Officer, SRDC-SA, ECA

This paper was introduced by the representative of ECA's Sub-Regional Development Centre for Southern Africa (SRDC-SA) Mr. Ismail Ali Ismail with the specific purpose of stimulating discussion of finding the proper mechanisms and methods to sustain the dialogue among the public sector, the private sector and civil society with a view to establishing their partnership for development on solid grounds. The speaker discussed the way forward at the subregional, policy-level and operational level, and he said dialogue was not a one-time event; it should be a continuing exercise even when partnership has been attained. He said dialogue would help establish partnership and help it become part of the traditional ways of doing things and that even if and when partnership becomes a tradition, it is continuing dialogue that will sustain it.

He mentioned that the presentation he was making consisted of thoughts and suggestions submitted for the consideration of participants of the Roundtable.

He also suggested that dialogue should prevail among members of the partnership with a view to identifying:

- (a) | The areas the partnership should address;
- (b) | The roles and responsibilities of each partner.

He concluded his presentation by making the proposal to establish a bi-annual Newsletter to which all members should contribute. The SRDC-SA would be the secretariat of the newsletter with some backstopping from the UN Staff College. He also suggested annual or biennial meetings in order to take stock of developments and to chart new avenues for further promotion of partnership.

Discussion

During the ensuing discussion, the participants felt that the identification of common areas of interest and/or activities was critical in order to sustain the momentum of the partnership. In the same vein, the idea of creating a Newsletter was accepted by the participants at the Roundtable. It was recommended that on top of the Newsletter members of the partnership should also network and keep in

touch with each other using the Internet. SAEN suggested, and it was accepted, that a website be established specifically to facilitate accessibility to information pertaining to the partnership.

The issue of capacity building also came up in various interventions, which gave the opportunity to the Director of IDEP to inform the meeting on the forthcoming “Peak Performance Programme”, a training of trainers programme, due to take place as of May 2001 for Anglophone countries and sometime in November 2001 for francophone countries. While agreeing with the need for more capacity building programmes in Africa, some participants expressed their concern about possible duplication in the activities and services provided by certain institutions.

Recommendations

- ~~✍~~ The discussion ended with the adoption of the following recommendations:
- (a) The SRDC-SA to take the lead for spearheading the Partnership started at Lusaka’s Roundtable on Partnership between the public, private and civil society sectors;
 - (b) Promoting regional integration using the “Growth Triangle Partnership approach” as adopted by Zambia, Malawi and Mozambique, should seriously be considered with a view to accelerating the implementation of the Abuja Treaty on the continent’s economic integration;
 - (c) SAEN should develop and manage a website on the partnership of the three sectors;
 - (d) ECA/SRDC-SA should publish a newsletter annually with close cooperation of the UN Staff College;
 - (e) ECA/SRDC-SA should organize another Roundtable after two years to review progress, particularly in regard to the implementation of the foregoing recommendations.

CLOSURE

The above recommendations having been adopted and as the items of the agenda have been exhausted, the Director of the SRDC-SA, Dr. Okello, made

brief remarks in which he thanked the participants, not only for coming to the Roundtable but also for the ardent interest their participation has shown. The Director requested the participants not to let matters drop after they leave but to be in touch with each other and to keep the partnership alive. He also said that he would see to it that the recommendations were implemented. He informed the participants that the Roundtable would immediately be followed in the afternoon by a business forum which was organized by the U.N. Staff College for the business community in Zambia and to which the participants were invited.

The Chairman, Mr. Muchanga spoke briefly in similar vein, thanked the ECA/SRDC-SA for having organized the Roundtable, and wished the participants safe journey. With that Chairman closed the meeting.