

Public-Private Dialogue

PPD Short Notes

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The Public-Private Dialogue System

Exploring the full complexity of PPD

By James P. Brew

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PPD Short Notes

The Public-Private Dialogue community of practice is releasing a series of short notes highlighting key research findings drawn from recent national and international research. Each note focuses on a particular dimension of PPD -- reviewing key research results and presenting the views of selected national and international experts about what has occurred and what can be done now. These notes can either provide practical guidance and concrete tools for PPD practitioners to integrate new ideas into programming – with a view to contribute to building sustainable PPD practices.

This issue

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“The Public-Private Dialogue System - Exploring the full complexity of PPD”

By James P. Brew

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About the author of this PPD Short Note

James Brew is an economic development consultant. He is a global expert in the field of Public Private Dialogue having worked in South East Asia, Africa, Central Asia, Europe, the Caribbean, the Middle East and the Caucasus. Mr. Brew has extensive field experience in working on private sector development in developed, middle income and emerging markets including in fragile and conflict affected states. Mr. Brew has worked for leading international development agencies including multi-lateral and bi lateral donors including the World Bank Group, UNDP, USAID, UKAID, GIZ, OECD, DANIDA, AUSAID and other major development partner organizations. His work has cut across the wide range of sectors and has involved work with all levels of governments. He has worked extensively with Business Membership Organizations (BMOs) and with MNCs to sub national investors. Mr. Brew is credited with establishing a word best practice PPD in Cambodia in addition to establishing from scoping to implementation and advising management on PPD development in over thirty countries. In addition to a number of articles on PPD he is a credited contributor to the World Banks PPD Handbook. Mr. Brew is educated at the Royal Melbourne Institute of Technology, Kings College, London, and the University of New South Wales.

The Public-Private Dialogue System ©

Exploring the full complexity of PPD

INTRODUCTION

This PPD Short Note aims to provide PPD practitioners with a new perspective regarding the scoping and evaluation of PPD. This note encourages practitioners to look beyond a narrow terms of reference for PPD and towards acknowledging the system that each PPD is intrinsically a part of. An understanding of the PPD System will lead to different types of PPD outcomes and create more sustainable development impact.

Future topics in this series will address the need to identify the specific status of a PPD based on the system that it is operating within. This more substantive appreciation of PPD will enable practitioners to a better understanding of what a PPD actually is, what PPD results look like and how to achieve them.

THE PPD SYSTEM

All developed economies have Public Private Dialogue (PPD). PPD is an old practice that has been re-invented as a development concept for emerging markets. From the Asian Financial Crisis of the 1990's to today, PPD has emerged as a necessary tool in international development. Unfortunately the term, Public Private Dialogue, is misleading. PPD is neither about dialogue nor is it a tool. PPD is about achieving results. To make PPD deliver results requires the engagement of a system.

Since the early 2000s there has been a growing interest in PPD. The tools, handbooks and research that have emerged provide implementation guidance for stakeholders. Too often, however, this guidance is utilized for the highest level, short term impact before exiting. This is in contrast to highly developed economies where PPD is a dependable part of the economic governance framework. These PPDs function over long periods of time because they are trusted and deliver results.

PPD sustainability depends on the strength of institutional infrastructure in the public and private sectors and their capacity to combine in often complex and dynamic ways to achieve results through planned and routine interactions. The challenge of PPD is not, therefore, to be a bridge to achieve short term outcomes. The challenge for PPD practitioners is to address the fundamental flaws that are inhibiting PPD from performing the functions that support the development of a market economy. A deeper appreciation of the complexity required to achieve results from a PPD perspective should lead to more nuanced and effective engagements via PPD.

In understanding the full complexity of PPD then a more comprehensive understanding of its benefits, and how these benefits are achieved, can be gained. This, in turn, can lead to improved resourcing and management for PPD.

The acronym, PPD, serves to reinforce an assumption that dialogue between the public and private sectors is the outcome. In emerging markets, creating dialogue for the public and private sectors actors is rarely a challenge. The issue, however, for stakeholders, is that any dialogue that does take place is not constructive. The underlying issue as to why the dialogue is not effective is, often, due to a lack of trust between the public and private sectors. The lack of trust between stakeholders is consequently a substantive barrier to economic development. PPD can build trust by engaging stakeholders in a platform for change.

PPD is an essential function, perhaps the only one, with a specific, but rarely evaluated, outcome being the improvement of trust between the public and private sectors. Ultimately this is demonstrated by the number of outcomes achieved by PPD that are recognized by stakeholders as resulting from engagement in PPD. Recognizing that PPD has this role, answering the question of how PPD builds trust between public and private sector stakeholders that lead to outcomes that quantifiably impact economic development needs to be addressed.

To achieve PPD outcomes that will fundamentally contribute to the development of a market economy requires the PPD System to function. The PPD System is the interdependency of public and private sector institutions to deliver required economic reform within a consultative outcome driven format. The acceptance that public and private sector actors are required to work together to develop an economy is one important step to making the economic governance system function. Where one part of the system, such as a Chamber of Commerce with its representative capacity, does not exist, or exists but is not functional, then the PPD System as a whole cannot be efficient and will not deliver outcomes. If an aim of international development is to support good governance in open and transparent societies then PPD interventions must recognize the elements of PPD Systems failure and address them. Economic growth is a pillar for development and an effective PPD System is essential to supporting the same.

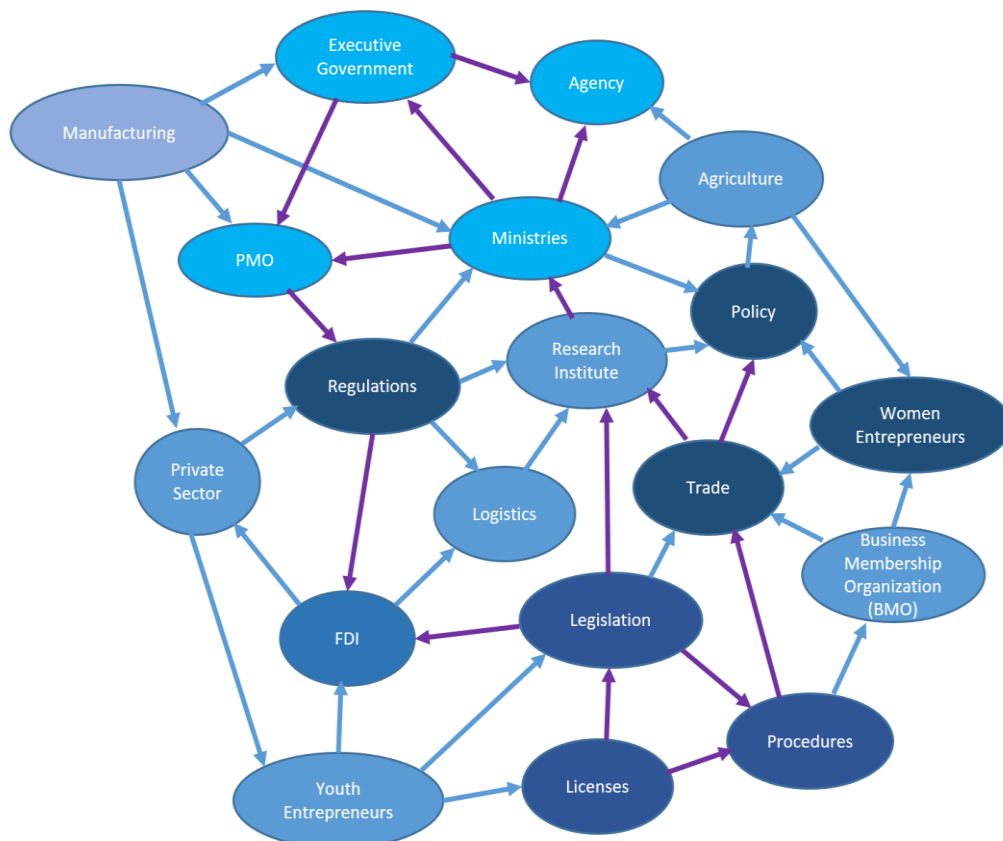


Figure 1. The PPD System © is a series of inter-related institutions within the public and private sectors that need to function efficiently in routine and otherwise coordinated interactions to produce consistent outcomes.

A simple process managed by an external party that engages the public and private sector on a specific agenda to achieve a desired outcome is not a PPD. It is simply a managed process. When public and private sector stakeholders are fully engaged in achieving outcomes that are dependent on such activities as formal but routine interactions, outreach, research, advocacy, convening, decisions and implementation then the PPD System is being engaged. A systems approach to PPD will have the stakeholders not only participating in PPD events but being leaders of the agenda, joint stakeholders in the consultations and owners of the outcomes that impact economic development. In Cambodia, a majority of survey of participants believed that the Cambodian Government Private Sector Forum (G-PSF), a national level PPD, directly contributed to peace and stability.¹ The PPD System, working, functional, outcome driven, builds trust and positively impacts society.

¹ WBG: *Impact Assessment of the Public Private Dialogue Initiatives in Cambodia, Lao PDR, Vietnam*, pp.16, World Bank Group