

Preface

Building a tradition of dialogue and – vitally important too – listening and often negotiating compromises, is one of the best ways for governments to learn about the local private sector’s problems and adjust their policies to ensure the sector’s growth and development. Dialogue is also a way for firms to foster a good business climate to help their operations.

Unfortunately, such dialogue is not very organised and sometimes barely exists in many developing countries, which is why aid donors are very keen on supporting it and why they are willing to channel an increasing amount of official development aid (ODA) to support it, within a wider context of efforts aimed at promoting the development of the private sector. However, development partners have realised that it is not sufficient merely to provide financial support to local initiatives of this kind, but are also reflecting on how public-private dialogue can be effectively conducted by local stakeholders and appropriately supported by the donor community. Identifying good practices in PPD was therefore the focus of an international workshop on public-private dialogue organised by the World Bank, the Department for International Development (DfID), the International Finance Corporation and the OECD Development Centre in Paris on 1 and 2 February 2006, at which a broad range of speakers – from business, civil society, developing-country governments and development partners – laid the foundation for a “Charter of Good Practice in using Public-Private Dialogue for Private Sector Development” and a “PPD Handbook: A Toolkit for Business Environment Reformers”¹.

The charter and toolkit ideas show that engineering such a dialogue is far from straightforward. Local stakeholders and development partners have often underestimated the difficulties encountered when the former are brought together to talk, let alone negotiate, without adequate preparation, and have overestimated their capacity to reach a meaningful consensus. Hostile

institutional conditions, weak local stakeholders, a lack of trust, experience and credibility, asymmetries of information, or the predominance of organised interests can sidetrack discussion and make it a screen for self-interest.

This book presents the achievements, complexity and difficulties of public-private interaction through a detailed analysis of the prerequisites for balanced, effective and long-lasting PPD. It points out that successful PPD cannot be guaranteed through procedural means and structures, and that good practice, however useful, cannot replace prior in-depth knowledge of existing institutional conditions, of the economic context in which this interaction takes place and of a thorough analysis of stakeholders' characteristics, negotiating relationships and incentives for reaching consensus. This study addresses in particular the obstacles to undertaking PPD in low-income countries, with a special focus on sub-Saharan Africa, and arrives at very tempered conclusions.

While highlighting the obstacles and risks involved in promoting public-private dialogue in the least developed countries, this study does not in any way advocate scepticism on this issue. It merely makes a cautious plea for governments in developing countries to opt firmly on behalf of a sincere dialogue while recommending that development partners adopt a pragmatic, restrained and well-informed approach to supporting the complicated process of PPD.

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1. See <http://rru.worldbank.org/Toolkits/PublicPrivatedialogue/>
and <http://www.publicprivatedialogue.org/>

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August 2007