

Public-Private Dialogue

PPD Short Notes

N. 2/2022

The Public-Private Dialogue Spectrum

Efficient vs. Inefficient PPDs

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 Spectrum”

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 Spectrum

Efficient vs. Inefficient PPDs

Public Private Dialogue (PPD) is an organic civil society function. PPD exists wherever there is a market economy that requires a government to offer policy, legislative and regulatory oversight and where the private sector needs norms to openly and competitively transact. From an international development perspective, however, PPD is recognized as a development tool. Just as PPD is not a new social construct neither is it a tool. PPD exists within any society the status of which is a reflection of the health of the market economy. PPD, however, functions along a spectrum. The more efficient the PPD System then the more likely there is a dynamic market economy. The less efficient then the less developed is the economy.

Markets cannot operate without collaborative interactions between stakeholders. The more developed the market economy then the more likely it is that the institutions that represent stakeholders, public and private, have trusted institutions that represent their interests. Consequently, PPD functions within a system¹ that is typified by interactions between peak Business Membership Organizations (BMOs) and economic line Ministries. Within these interactions the success of the PPD can be gauged by whether it is creating positive outcomes or not. This variance of PPD efficiency can be measured along a PPD Spectrum².

Figure 1. PPD Spectrum.



The poles of the PPD Spectrum range from *inefficient* to *efficient*.

- An *inefficient PPD* is typified by little to no trust between public and private sector stakeholders, a lack of private sector confidence in a government's ability to enact relevant economic reforms and a government's unwillingness to engage essentially dysfunctional Business Membership Organizations (BMOs).

¹ Please refer to my previous paper 'The PPD System'.

² Merriam-Webster Dictionary: **Definition of spectrum** ... any of various continua that resemble a color spectrum in consisting of an ordered arrangement by a particular characteristic... a continuous sequence or range. <https://www.merriam-webster.com/dictionary/spectrum>

- An *efficient PPD* is typified by high levels of public and private trust between BMOs and line ministries, confidence in a PPD process that routinely produces outcomes that have a direct and quantifiable impact on national economic growth and development.

Efficient PPDs are typified by functional relationships between stakeholder institutions that create clear pathways for achieving results based on tested processes, tools and inputs such as evidence-based research.

Inefficient PPDs is typified by dysfunctional or non-existent relationships between public and private sector stakeholder institutions. Typically, an inefficient PPD has no clear process, tools or trusted inputs. An inefficient PPD is a fundamental flaw to the emergence of less developed economies.

For each country, there is considerable variance as to the position of the PPD along the PPD Spectrum depending on prevailing political, social and environmental factors. Inefficient PPDs would be most likely to be found in conflict or post conflict countries. Efficient PPDs exist in developed market economies. Regardless of where the PPD is along the PPD Spectrum there will be elements of a PPD in any society.

The health of this PPD is a critical indicator of the country's ability to translate economic policy into private sector led economic growth. When an appropriate evaluation framework is utilized then the position of the PPD along the PPD Spectrum can also be utilized as a good governance indicator.

In emerging markets and in less developed economies PPD is rarely considered within the broader context of civil society development. The critical impact of PPD efficiency is, therefore, not evaluated. Without such an evaluation, recognition is not given to this pillar of development and resources are not accordingly allocated. The consequence is that PPD is left to develop organically leading to delays in overall national economic development.

The inherent aim of PPD, regardless of its current status, is to become efficient. This is implicitly understood by emerging market stakeholders. This understanding is a reason why the PPD concept is so readily accepted in emerging markets as a development tool despite the lack of understanding of the need to support the overall PPD System. Limited PPD proposals are accepted by stakeholders in emerging markets despite their limitations. This is as a consequence of country stakeholders understanding the need for efficient PPD whilst recognizing the need for support to build the PPD System.

Accepting that PPD exists within any market and that it exists along a spectrum of efficiency is a fundamental step towards identifying how best the PPD can be supported.

The PPD Spectrum range from inefficient to efficient is broad. To enable practitioners to provide the correct support the PPD Spectrum it is helpful to evaluate, as a first step, the PPD Status. This can be achieved by recognizing four distinct status levels. These are: 1. Nascent. 2. Emerging. 3. Mature. 4. Institutionalized. The four PPD Status levels will be further described in the next essay titled '*Identifying PPD Status*'.