

# Case Study on Structured Public-Private Sector Dialogue

## The Experience from Botswana

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## Acronyms

ACP	African, Caribbean, Pacific
BOCCIM	Botswana Confederation of Commerce, Industry and Manpower
EC	European Commission
EDF	European Development Fund
EU	European Union
GDP	gross domestic product
GNP	gross national product
HLCC	High Level Consultative Council
NEMIC	National Employment, Manpower and Incomes Policy Committee

## **Background and Purpose of this Case Study**

The Cotonou Partnership Agreement provides a range of new opportunities for the ACP private sector. From now on, the ACP private sector is expected to participate in political dialogue, national and regional programming, and the formulation and implementation of EC cooperation policies. In return, the private sector will have easier access to funding and capacity-building support. In this new environment conducive to private-sector development, an ACP Business Forum was created in 1998 as a loose-knit private-sector network to promote dialogue and articulate private-sector interests within the existing ACP private-sector associations and with ACP and EU authorities.<sup>1</sup>

In this context, the ACP Business Forum secured funds from the EC for a pilot project on structured dialogue between the public and private sectors. The project was carried out in various parts of the ACP and the EU. Its aim was to promote, capitalise on and disseminate lessons from experiences with structured public-private dialogue at different levels with a view to ensuring greater participation of the private sector in policy-making and implementation of ACP-EU cooperation.

One major activity of the pilot project was to document practical lessons and critical factors for success with public-private dialogue. This was done in selected ACP countries where the private sector has to some extent been involved in dialogue with government. The case studies capture and disseminate lessons and successful examples of public-private sector dialogue and test and promote new modalities, methodologies and mechanisms for structured public-private dialogue in ACP-EU cooperation. Particular emphasis has been on the programming process under the Ninth European Development Fund (EDF).

The materials obtained through the case studies will be used as an input to the ACP private-sector meeting to be organised by the ACP Business Forum in April 2002. Further, the experiences documented will be disseminated through a newsletter published by the ACP Business Forum, on the ACP Business Forum Web site and in other relevant publications dealing with ACP-EU cooperation.

### **A Note on the Study**

This case study provides a general synopsis of processes of public-private sector dialogue in Botswana. It traces the evolution of current structures, describes how they function and lists what are deemed to be strengths and weaknesses. Further, it highlights the role of the main private-sector representative body and finally presents a list of lessons learned. The findings are based primarily on a set of interviews with private-sector and government representatives involved in public-private dialogue. A list of persons met is provided in the appendix. The appendix also presents a list of background documents that were consulted for this report.

The author thanks all those who gave their time to share their experiences and views. The views expressed in this paper are nonetheless solely those of the author.

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<sup>1</sup> More information on the ACP Business Forum is available at their website: [www.acpbusiness.org](http://www.acpbusiness.org).

# 1 Botswana: Political and Economic Background

Botswana is a landlocked country located in the central part of southern Africa sharing borders with Zimbabwe, South Africa and Namibia. It covers an area of 582,000 square kilometres. But with a population of approximately 1.7 million it is one of the least densely populated countries in the world. The capital city Gaborone, located in the south-eastern part of the country near the border with South Africa, has a population of some 250,000.

Botswana obtained independence from Britain in 1966. It is a unitary republic and has a national assembly comprising 40 elected members of parliament and four specially elected members. The president is the head of state.

The country has been governed by the Botswana Democratic Party (BDP) since 1966 under three successive presidents. Parliamentary elections have been held every five years, returning the BDP to office with significant majorities. The official opposition, the Botswana National Front (BNF), has scored successes in local-level council elections in urban centres but has had difficulty securing an effective position in parliament.

Botswana is now categorised as middle-income with an estimated GNP per head of US \$3,600 in 1998. Most donors that contributed to the country's development during its first 30 years of independence have now departed. The country's economic performance has been impressive and it is often presented as the success story of Africa. However poverty remains widespread, unemployment estimated at 19.6% of the labour force is a serious concern and income distribution is highly skewed.

The aggregate economic achievements can be attributed in part to the discovery of diamonds shortly after independence, resulting in Botswana becoming the largest producer of diamonds in the world. But equally significant have been sound economic management and a track record of good governance. Financial and technical assistance from the development community have contributed to Botswana's development as well.

The country also scores high in terms of human development indicators, with significant improvements having been made in life expectancy and literacy levels. However, these impressive achievements are being undermined by the HIV/AIDS pandemic, which is inflicting staggering economic and social costs on the country.

Real GDP growth is currently 6.0% but is forecast to dip to 4.8% next year before recovering again. The rate of inflation has hovered between 5% and 8%. To date, the government has managed to avoid a fiscal deficit but a shortfall is now predicted for 2001/02, in large part due to additional expenditures to address the HIV/AIDS pandemic and a drop in tax revenues from diamond exports.

Diamonds remain the economy's mainstay, accounting for 80% of export earnings and one-third of GDP.<sup>2</sup> Beef exports and textiles have also been important, but the country has had very mixed results from foreign direct investment in the textiles sector. Tourism has been identified as holding great potential for further diversification and citizen participation, and the country is also exploring opportunities for developing its financial services sector.

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<sup>2</sup> In 1999 agriculture accounted for 3.6% of GDP, industry including mining accounted for 45.4% and services accounted for 51%.

## 2 The Policy Context of Public-Private Partnership

Botswana's government recognises that future development of the economy depends on more than diamonds alone, particularly if poverty is to be alleviated and sustainable employment opportunities created and in order for the country to become internationally competitive. Accordingly, government is seeking to diversify the economic base of the country by promoting the private sector and by reforming the public sector including divestiture of public enterprise. Indeed, 'Sustainable Economic Diversification' is the theme of Botswana's Eighth National Development Plan (1997/98–2002/03).

Government has emphasised the need for the private sector to take a lead role in this process. It sees for itself the responsibility to "*create an environment so that investment in the private sector is generated on its own. The economic environment of the country must be conducive for both domestic and foreign investment to take place.*"

In this respect, the government must tread a cautious path between addressing, on the one hand, the rising call for more citizen participation in the economy and more government creation of employment opportunities for school-leavers and, on the other hand, creating an friendly environment for foreign investors.

Policy measures that were recently adopted include a new financial assistance scheme to boost citizen entrepreneurship through the establishment of a Citizen Entrepreneurial Development Agency (CEDA). The government also embarked on a process of privatisation, although implementation is expected to be very gradual.

Over the past decade, the government has clearly signalled its interest in working with the private sector in new ways. In its rhetoric, government has begun to refer to the concept of 'smart' partnerships. This reflects a wider political commitment to private-sector led growth. The Vision 2016 document, which was prepared in 1996 and described as a 'people's manifesto' for long-term development of the country, argues that Botswana "*cannot afford an adversarial relationship between Government and business*".

This growing recognition of the private sector as a partner in development was further highlighted at the 2000 National Business Conference. The theme of the conference was 'Public-Private Partnership in Development – Towards Vision 2016'. The introduction to the conference report notes:

*The success of public-private partnership is contingent on government and the private sector working together. While it is ultimately businesses that will innovate and create jobs, ...there is much government can do. Government has increasingly recognised that it is vital to energise the private sector and open doors for private initiative to accelerate economic growth. Both sectors must have mutual trust and act responsibly to achieve this common goal without putting self-interest above the common goal.*

In the official opening, the President of Botswana referred to smart partnerships as a viable framework for development cooperation: "It relates every action that we take or project that we implement to a shared vision." In this respect the Vision 2016 Council will also play a key role in promoting the philosophy and principle of smart partnership amongst national stakeholders.

It is against this backdrop that we examine experiences with public-private dialogue in Botswana. Clearly, government has sent a policy signal that it is keen to work with the private sector, and this has provided a rationale for engaging in structured dialogue. But equally, as we shall see, efforts made by the private sector to engage with government have contributed to the emergence of a broader policy commitment to private-sector development.

### **3 The Process and Institutional Mechanisms**

Structured public-private dialogue is a reality in Botswana today, and such dialogue contributes to the broader process of policy development in the country. This has not always been the case. The current situation is the result of at least a decade of efforts led primarily by the private sector to establish a formal mechanism for engaging with government at its highest level.

This report focuses on two consultative structures that have emerged from this process, which began in the mid-1980s. The first is the biennial private-sector/government conference, which today is known as the National Business Conference. The second is the High Level Consultative Council (HLCC). The Botswana Confederation of Commerce, Industry and Manpower (BOCCIM), which is the largest and most active representative body of the private sector in the country, has played a key role in the development of these two structures.

#### **3.1 The Process**

The concept of a forum for private-sector/government dialogue was first mooted by the private sector in 1988 but it received a cold reception at first from government. At the time, the relationship between the two sides could be described as adversarial at best.

What the private sector was asking for was an opportunity for direct access to the head of state to discuss matters of concern to the private sector and of relevance for the economic development of the country as a whole. In this respect, the private sector was convinced that it had a role to play in securing the economic development of the country by removing constraints in policy and law. The private sector of course already had access to government departments, but it was concerned that central messages and broader policy issues were not reaching the head of state.

The private sector also had opportunities to sit at the table with government in other consultative forums. As such, it is important to note that the concept of government consultation with the private sector was not unknown. For example, in the Rural Development Council the private sector and government discussed crosscutting rural development issues, and the National Employment, Manpower and Incomes Policy Committee (NEMIC) also had private-sector and government representation. Although these fora addressed fundamental areas of policy, the private sector was anxious for a more structured framework for dialogue, reflecting also the development of BOCCIM's own capacity to represent the interests of the business community at the policy level.

#### **3.2 Towards a National Business Forum**

BOCCIM organised the first (of now six) biennial private-sector conference in 1988 in Botswana's second-largest city Francistown. That conference, and those following, brought together government and the private sector to discuss issues pertaining to private-sector development and Botswana's economy in general. Essentially it provided a forum for the exchange of views and opinions and formulated resolutions to address problems and constraints identified.

At first, government perceived the conferences as a private-sector affair and government representatives participated on invitation. The tone of the first conferences was thus reportedly not one of partnership and there was a tendency for the private sector to present lists of complaints to the government, and for government, in response, to defend its positions.



In his closing speech to the sixth conference, BOCCIM's vice-president described the evolution of the conferences as follows:

*In the first year, the husband (private sector) spoke and the wife (government) listened. In the second year, the wife (much wiser) spoke and the husband listened. In the third year, they both spoke (shouted) and the neighbours listened. In the fourth year, they both felt that for the sake of the other they had to each make concessions.*

The mid-1990s marked a change in attitude on the part of the government towards the kind of relationship it wanted to have with the private sector. As noted, the Eighth National Development Plan sent a clear signal of government's intention to engage with the private sector in the spirit of 'smart' partnership.

The government took two other key steps, which were at least inspired by resolutions emerging from the first three private-sector conferences. The first was the launch in 1995 of the Vision 2016 initiative. This is significant in two respects: First, Vision 2016 was itself a particularly inclusive process in which the private sector was given considerable opportunity to shape thinking, and perhaps not so surprisingly, its recommendations emphasised the need for smart partnerships and for collective action between government and the private sector. Second, after several unsuccessful efforts at broaching the topic, the government came to accept the proposal to set up a formal structure for regular public-private dialogue. In 1996, it formally set up the High Level Consultative Council (HLCC) (see below). This in itself reflected the increasing importance attached to private-sector development by the government.

Two years later, the private-sector conference was renamed the National Business Conference, reflecting its evolution into a joint private-sector and government forum. Moreover, commentators note the changed attitudes of participants, describing a much more mature approach to issues focused on seeking solutions collectively rather than finger-pointing.

This series of biennial conferences has played a vital part in sensitising the nation to the roles and responsibilities of the private sector in the national development process and in demonstrating that constructive partnership is both possible and desirable. The establishment of the HLCC was a significant achievement and helped ensure the institutionalisation of dialogue.

### **3.3 The High Level Consultative Council**

According to its terms of reference, the HLCC functions as a key institution for improving the performance of the economy through promoting effective partnership between the public and private sectors:

*Its main objective is to serve as a forum for constructive dialogue between business and Government leaders on policy matters of mutual concern.*

The terms of reference call on the HLCC to promote dynamic and productive public-private partnerships, to share information on current international economic trends in terms of their impact on business development in Botswana, to monitor the implementation and effectiveness of national economic policies and development strategies and to exchange views and information on economic issues of interest to the private sector so as to build consensus on strategies for developing a prosperous nation. The HLCC has also taken over from NEMIC the responsibility for seeing that National Business Conference recommendations are followed up.

The HLCC originally met four times a year. At a certain point it was decided that sector-level HLCCs would be more effective (more on this below), with the main HLCC meeting twice a year. The main HLCC is chaired by the President of Botswana whilst the permanent secretary for development from

within the Office of the President provides the secretariat together with two members of the private sector.

On the government side, cabinet ministers and their permanent secretaries – from commerce, trade and industry; finance and development planning; labour and home affairs; local government; lands and housing; and works, transport and communications – constitute the core membership. Others may be co-opted depending on the issues to be discussed.

The private sector has a maximum of 10 members who are nominated by private-sector groups. The Botswana Federation of Trade Unions, through its president, represents the labour movement while statutory and other organisations have four members: the Bank of Botswana, the Botswana Development Corporation, the Botswana Institute of Development Policy Analysis and the Botswana National Productivity Centre. Other stakeholder groups are also invited, depending again on the issues at hand. As such, membership is not cast in stone.

Today, the principle task of the main HLCC is to review progress made on recommendations and action points raised in earlier meetings, to receive reports on the sector-level HLCC meetings and as necessary to attend to matters that cannot be resolved at the sector level. These are usually issues of a crosscutting nature or which require a review of policy or law. The agenda of the main HLCC meeting is prepared by the secretariat based on submissions received from the private sector.

Usually, government representatives are asked to speak first on agenda items raised by the private sector, then the private sector is asked to respond. The presentation of formal papers is avoided to enable open discussion.

### **3.4 Sector HLCCs**

Each line ministry is expected to hold a sector HLCC meeting on a quarterly basis with relevant private-sector and civic groups. It is at this level that sector-specific issues can be raised, discussed and, as far as possible, resolved. Usually, when policy or legislative issues arise the matter is referred to the main HLCC. Ministries are represented by the minister, permanent secretaries and as necessary departmental heads.

BOCCIM has appointed ‘sector representatives’ to participate in the sector meetings on behalf of its membership. But other representative bodies participate too. Thus, for instance, in the education sector HLCC, the association of private English medium schools sends a representative independent of BOCCIM.

As with the main HLCC, the agenda for the sector-level meetings is prepared based on items submitted by the private sector, although government reserves the right to withhold items which it believes to be inappropriate, usually on the grounds of secrecy or confidentiality. The BOCCIM secretariat serves as the focal point for submitting agenda items on behalf of its membership.

Generally speaking, deliberations at the sector level focus on addressing technical and implementation matters. The point has been made that often policies are put in place but operational-level consequences are sometimes overlooked or simply unanticipated. The sector meetings therefore enable stakeholders to signal where problems are arising and to present possible solutions. To take one example from the education sector, private-sector representatives raised concern over the proliferation of unregistered private education establishments and called for a formal accreditation mechanism to be established.

## 4 An Assessment: Achievements and Weaknesses

On the basis of interviews with selected key informants, this section summarises the perceived achievements and shortcomings to date of public-private dialogue through the National Business Conference and the HLCC.

### 4.1 Achievements

Achievements can be divided into two broad categories. First, there are a number of issues concerning what may be termed ‘process’. Second are those concerning the attainment of concrete results in terms of influence on policy.

#### *4.1.1 Process Issues*

**Towards a trust relationship.** Most respondents commented on the positive evolution of attitudes and relationships between the private sector and the government as a result of their engagement in structured dialogue through the National Business Conference and the HLCC.

As noted earlier, the National Business Conference was perceived at the outset as a BOCCIM affair. But over time, it came to be viewed as a national event shared by government and the private sector. The decision to change the name of the event to the National Business Conference is evidence of this changed perception.

The fact that most recommendations raised at the National Business Conference have been followed up and implemented is indicative of the private sector’s being treated as a serious and legitimate partner in the policy process. Interviewees further suggested that engagement through dialogue has helped cement relationships between the government and the private sector and encouraged the move towards a climate of ‘smart’ partnership.

Similar comments were made with respect to the HLCC. A government representative noted that the process of regular dialogue had helped to break down barriers and created a climate for free exchange of opinions. Those from the private sector noted the process of engagement that had built up – a sense of working together towards a common agenda. As a result, there is now more talk of ‘we’ rather than finger-pointing as was the case earlier on. In so doing, a sense of trust, but also of mutual accountability had grown.

Evidence of this new climate is the fact that there now tends to be greater consensus between the two sides. When the government presents its report, it is discussed in the spirit of constructive criticism. The build up of trust also means that it has become easier to address issues considered politically sensitive or controversial and to talk frankly and straightforwardly between the sides.

**The value of informal relations and access to information.** Respondents noted that the reported success is in part due to work that goes on between the formal meetings and to the ability to organise impromptu meetings or to pick up the phone to see how issues have been taken up. This has enabled rapid response at times to emerging issues. A far more amicable and informal relationship has thus evolved. Also remarked upon was the generally good flow of information between the two sides. Further, on instances, the government has formally invited the private sector to prepare studies and offer advice on specific policy issues and to participate in working groups and technical committees.

**Towards policy coherence; seeing the bigger picture.** One respondent suggested that the HLCC has been particularly useful for the country's head of state in so far as its discussion offers insights into policy issues that may not ordinarily come to his attention. The HLCC also helps the head of state see the bigger picture, especially in terms of how different policy areas affect one another. This can contribute to better harmonisation and coordination of policy.

**A mechanism for transparency and accountability.** The HLCC contributes to improving transparency and accountability within the public sector as well. Ministers are held accountable for progress in implementing issues tabled at the National Business Conference and in sector HLCCs, while the private sector is able to air its views directly as stakeholders affected by government policies. In this sense, the meetings provide a mechanism for monitoring public-sector performance and can perhaps be seen as complementing other initiatives currently being taken by government, such as efforts to improve the performance of the civil service through introduction of a performance management system.

The private sector further points out that the process of dialogue has helped it to better appreciate the complexities and constraints that government faces in managing policy and in reconciling competing and sometimes conflicting interests. As such, it is more tolerant of the time it sometimes takes for government to reach decisions and it is more appreciative of the need to engage in persuasive diplomacy.

#### *4.1.2 Influence on Policy*

The private sector is quick to point out policy areas that have been influenced in one way or the other by deliberations through the National Business Conference and HLCC. Government, too, acknowledges the important role that the private sector has played on occasion in tabling policy proposals or signalling issues that need to be taken up with respect to the implementation of existing policies. In general, the National Business Conference sets the broader agenda for policy recommendations which are then looked at in more detail through the HLCC.

A number of policies and initiatives are thus now in place that arose from the National Business Conference and the HLCC. Significant examples include the following:

- establishment of the HLCC itself;
- establishment of the Botswana Export Development and Investment Agency (BEDIA);
- the decision to scrap foreign-exchange controls;
- promotion of citizen economic empowerment which led to creation of the Citizen Entrepreneur Development Agency;
- initiation of the debate on privatisation which led to the adoption of a policy on privatisation;
- the concept of developing a national long-term vision for the country which led to the launch of the Vision 2016 initiative;
- raising the debate on public procurement and tendering which resulted in a new public procurement and asset disposal bill being passed;
- adoption of penalty clauses against government for eventual delays in settling invoices (the arrangement is reciprocal).

At the sector level, numerous implementation issues have been raised for which practical solutions have been found. Sometimes matters that might ordinarily be considered 'mundane' are attended to with immediate benefits for the groups affected. To take one example, concern was raised at the HLCC that 'tuck shops' were selling cigarettes and alcohol to minors nearby school premises. This resulted in the police and licensing authorities being directed to take immediate action to curb the practice.

## 4.2 Weaknesses and Shortcomings

The process of dialogue is not without its problems, however, and care should be taken not to depict a scenario without imperfections. Moreover, the process is recognised as an evolving one in which there will continue to be room for improvement.

**Risk of dialogue overload.** From the government side, there was admission of a growing weariness with the proliferation of consultative meetings/bodies that have to be attended to. There is an opportunity cost attached to such meetings and concern that they have a genuine pay-off. In this respect, there is a sense of being “overwhelmed” by such structures and a desire to streamline these to the essential ones. Yet there was no indication that the HLCC might be considered one of those that is expendable. The point is that there is little time for ‘talking shops’.

**Fluctuating commitment.** The private sector remarked that the effectiveness of the sector HLCCs varies from ministry to ministry. Clearly some ministries see value added in engaging with the private sector to resolve genuine problems and attend to policy matters. But for others there is a sense that the quarterly meetings are organised as a matter of duty more than anything else. It was suggested that personalities play a role in this respect and therefore the commitment shown by a particular ministry is influenced by the personalities involved. With the change-over of ministers and senior managers, it might happen that relationships established between the two sides have to be rebuilt, and certainly they cannot be taken for granted.

**Self-interest versus collective interest.** Concern was expressed that the private sector sometimes uses fora like the HLCC to further its own individual interests or simply to complain about the government. There is a sense that it is always government that is ‘actioned’ to do something, rarely the private sector. In this respect, government representatives underscored the fact that their role is merely to provide an enabling environment for private-sector development. Moreover, in taking account of the concerns of the private sector, it must remain equally alert to national interests, including those of other stakeholders.

**Dialogue role not always appreciated or understood by members.** The private sector raised some concerns relating to their own constituencies. The policy advocacy role played by BOCCIM was perceived as not necessarily understood or valued by all its members. On the whole, the larger organisations were the ones to best recognise the strategic importance of participation in shaping government policy. Also remarked upon was the ability of the largest private-sector organisations to engage with the government directly. These organisations do not necessarily need to pass through a representative body such as BOCCIM. By contrast, smaller outfits are inclined to show less concern with the larger policy process. They tend to be more interested in the immediate services that BOCCIM can offer, such as training and technical assistance.

They do show interest when they see a direct benefit accruing to themselves or if they have a specific complaint to lodge with the government. However, the BOCCIM secretariat is anxious that its membership sees its role to address issues of national policy and not to fight the battles or defend the interests of individual organisations or, for that matter, sectors. As far as possible, BOCCIM encourages its members to take up sector-level concerns through the sector HLCC meetings. (This is sometimes essential as the BOCCIM membership is broad with the result that different positions are often taken which cannot easily be reconciled.)

**Members’ impatience for results.** The comment was made that some members want to see quick results and they do not necessarily appreciate the process of dialogue that is sometimes required before action is taken. As a result, members might lose interest in the process. At the same time, it was conceded that engagement in policy dialogue is time-consuming and relies on the commitment and dedication of a core group of members who recognise the benefits that can accrue and who are willing to put in the effort. BOCCIM has therefore set about raising awareness among its members of the importance of the policy dialogue dimension.

**Maintaining credibility through self-regulation.** Having earned a seat at the table with government on policy matters, BOCCIM is aware of the need to maintain the credibility of the private sector, to avoid the possibility of being seen as self-serving or as setting double standards. Efforts are thus under way to ensure self-regulation among the membership so that their standing is not undermined by members who might flout the law or engage in malpractice.

**Spirit of open dialogue not always honoured.** With respect to the government, the private sector noted that whilst a climate of open and frank debate prevails, there are clearly areas deemed off-limits, where the government side is unwilling to engage in debate. Reasons of confidentiality or security are usually cited, but there are occasions when private-sector actors feel that discussion is foreclosed or further private-sector involvement in the implementation or monitoring of decisions arrived at collectively is discouraged. In that sense, at a certain point, government assumes its responsibility for policy implementation.

**The challenge of changing attitudes and mindsets.** A commentator on public-private partnership remarked at the 2000 National Business Conference that all intentions of building public-private partnership as well as privatisation will fail unless significant strides are taken to improve the performance of the public sector. Specifically, he mentioned the need to change the attitudes of public servants vis-à-vis the role of the private sector and to allay suspicion about private-sector interests.

In this regard, the private sector noted its need to on occasion contend with obstructionism on the part of government officials, reflecting their possible resentment towards the private sector in terms of the access they enjoy vis-à-vis decision-makers and a sense of their authority being usurped.

## 5 Capacity to Dialogue and the Role of BOCCIM

It is clear from the foregoing that the evolution of public-private dialogue in Botswana has been intimately related to the initiatives of BOCCIM, which remains the principal private-sector representative group in the country. BOCCIM is also a member of the Association of SADC Chambers of Commerce and Industry (ASCCI), the Pan-African Employers Confederation (PEC) and the East, Central and Southern Africa Employers' Conference (ESCAEC).

BOCCIM has evolved from humble beginnings over the past 30 years and has increasingly come to recognise its role in policy advocacy alongside its other functions. The secretariat and executive council continue to place significant emphasis on this role. BOCCIM considers the creation of formal structures of dialogue with the government among its main strategic achievements. In its 2000 Annual Report, BOCCIM makes the point that *“The year 2000 proved once more that the power of dialogue is stronger than the power of conflict and suspicion.”*

BOCCIM's internal structure and funding base have played a significant role in ensuring that the private sector is a credible and capable partner for the government.

### 5.1 Internal Structure

The structure of BOCCIM is highly decentralised and it operates on the subsidiarity principle. Currently it has some 1,600 members, but the secretariat itself is a small unit with the bulk of activity taking place within the sectoral and regional councils. There are 18 sector councils and 14 regional councils, each with its own appointed representatives. This system helps ensure that relevant issues emerge from the bottom up and that, as far as possible, issues are resolved at the lowest level feasible. It also enables expertise to be mobilised from the broad membership to attend to matters that arise.

Small businesses, defined as having between 1 and 25 employees, make up approximately three-quarters of the membership, while just under 18% of the membership comprises medium-sized businesses (25–100 employees) and a little over 6% are large businesses (more than 100 employees). Members with appropriate competence and experience can be asked to participate in working groups, review documents and prepare papers for discussion with government. Moreover, as necessary and within budgetary constraints, BOCCIM occasionally commissions work from consultants.

Whilst in the past BOCCIM had a full-time policy analyst within the secretariat, it now relies on members including the Botswana Institute for Development Policy Analysis (BIDPA) to provide policy analysis inputs. Such inputs, for example, were useful in redefining and fine-tuning the privatisation proposal and paved the way for a conference on competition, productivity and privatisation.

BOCCIM's set-up mirrors that of the HLCC. Thus, representatives of sector councils participate in sector-level meetings addressing the issues raised by their sector members, while representatives of the executive council are expected to meet with government at central-level meetings. In preparation for these main meetings, sector representatives meet to prepare a strategy. Each sector briefs the others on issues they want to present. Together, they try to ensure coherence and determine what additional work needs to be undertaken, either in terms of lobbying by the secretariat or by members of the executive council or in terms of research and analysis.

As a general rule, the BOCCIM secretariat attends only to matters that cannot be sorted out through the regional and sector-level councils. As far as possible, it seeks a common platform among members before broaching issues with government. Inevitably, however, matters arise that cannot be easily reconciled. For instance, BOCCIM contends with conflicts of interest or irreconcilable policy perspectives such as those between manufacturers and traders over the valuing of the currency.

Meanwhile, the regional councils are expected to dialogue with their counterparts in local government. For instance, the Gaborone Business Council liases directly with the Gaborone City Council on issues relevant at that level, but it goes through the BOCCIM secretariat on national issues.

## **5.2 Funding Base**

From a financial point of view, BOCCIM meets almost all of its costs from membership fees and fund-raising activities. It no longer receives financial support from an external donor. Nonetheless, almost all of its budget derives from its 400 largest members. And those organisations that contribute most are likely to see to it that the policy issues of concern to them are given adequate attention. The spirit of volunteerism is emphasised however. For instance, the Gaborone Business Council receives almost no core funding and depends instead on in-kind support from its members. It is also worth noting that the executive council operates entirely on a voluntary basis.



## **6 Note on the Ninth EDF Programming**

A country strategy paper for Botswana was prepared during the first half of 2001. However, the programming process had already begun in mid-2000 with a first meeting to discuss the proposed focal area. The private sector and civil society were involved in the three main meetings organised at the beginning, middle and end of the process to prepare the strategy paper. They also had direct discussions with the consultants hired to facilitate the process and help with documentation. However, tight deadlines precluded more intensive involvement of the private sector in the programming process.

BOCCIM was involved in the process in a number of ways. First, it attended, together with the government, a representative of civil society (the Botswana Council of NGOs) and the EU delegation, the regional meeting organised in Windhoek to introduce the new Cotonou Agreement and explain the new procedures and guidelines for the preparation of the country strategy paper. Second, it participated in a series of workshops organised by government to brainstorm suggestions and ideas related to the selected focal sector: human resources development.

This focal area was selected by government using as its reference the Vision 2016 document as well as previous EU support to this sector. The fact that Vision 2016 was the product of broad-based and intense consultations, including private-sector participation, was seen as assurance that this focal area would enjoy broad support and legitimacy.

As a broad and crosscutting theme, human resources development will absorb not less than 80% of the indicative programme. Although the programme has earmarked support primarily to the education sector including the university, the framework allows for non-governmental sectors including the private sector to submit proposals for consideration. It also sees both civil society and the private sector as potential suppliers of services and as recipients of support. The remaining 20% of the indicative programme is set aside for non-focal area initiatives. These might include institutional support for non-state actors and civil society in general. Other possible areas for support are development of negotiating and analytical capacities with respect to trade issues, support for HIV/AIDS initiatives, natural resources management and micro-projects.

## **7 Lessons on Promoting Public-Private Dialogue**

Based on the foregoing, a number of lessons are drawn on promoting public-private dialogue.

### **7.1 A Long-Term Process...**

The development of structured public-private dialogue should be treated as a long-term process. Perseverance and patience are the keys to success. Failures or rebukes encountered early in the process must be cast aside and investments made in building relationships based on trust.

### **7.2 Seeking Win-Win Solutions...**

Successful public-private dialogue must be built on the principle of ‘smart’ partnerships, whereby both sides – government and the private sector – recognise the value added by the input and perspectives that each side brings to the table. This is equally important in terms of assuring that the proposals and viewpoints of either side are treated seriously and acted upon.

### **7.3 Developing Appropriate Advocacy Skills...**

The private sector needs to learn how to do business with the government and, in this respect, learn negotiating skills and recognise the virtues of diplomacy and the art of persuasion. Equally, private-sector actors need to take the time and commit the necessary resources to ensure that they can effectively take on the issues they wish to address.

### **7.4 Credibility as a Function of Competence, Legitimacy and Independence...**

The private sector has to organise itself and mobilise requisite capacities to participate as a credible partner in the policy process. Institutional structures that promote representation from the grass-roots level, as well as accountability to members, are a prerequisite. Adequate internal systems for self-regulation are also needed to maintain the sector’s credibility. Financial autonomy, or a diversified funding base, can serve to promote the independence of the organisation.

### **7.5 High Standards of Corporate Governance....**

Whilst formal structures provide an institutional framework for dialogue, informal channels of discussion can play an important part in building trust and ensuring that there is follow-up on decisions taken. However, care must be taken to ensure adequate transparency in relationships and that the lines demarcating appropriate roles and responsibilities are respected. Issues of corporate governance to thwart risks of corruption arise in this regard.

## **7.6 The Voluntary Spirit...**

Investing in policy dialogue is a time-consuming activity with rewards often materialising only after a long time. To work, dialogue needs to be supported by private-sector representatives who are enthusiastic, committed and willing to work on a voluntary basis.

From Dialogue to Action; Ensuring Adequate Implementation Capacity....

For the fruits of dialogue to have developmental impact, attention must be given to ensuring that adequate implementation capacity exists on both the private-sector and the government sides. Without this, the dialogue process risks becoming little more than a 'talking shop'. Part of the answer to securing follow-up lies in building in reciprocal accountability.

## **7.7 Creating an Enabling Environment for Public-Private Dialogue...**

Having a policy framework in place that acknowledges the role of the private sector in the development process and as a partner of government obviously makes it much easier to set up structured mechanisms for dialogue. However experience also shows that in the absence of such a policy framework, initiatives to promote public-private dialogue, even when fraught with resistance and other constraints, can play a critical role in opening debate on the value of public-private partnership. Public-private dialogue initiatives can instil new attitudes and mindsets regarding the economic but also social roles that the private sector can play in the development process.

## Annexes

### Persons Met

- E. Dewah – Executive Director, BOCCIM.
- T. Farrington – NAO Advisor, Ministry of Finance and Development Planning, GOB.
- A. Gergis – Senior Research Fellow, Botswana Institute of Development Policy Analysis.
- K. Jefferies – Deputy Governor, Bank of Botswana.
- M. Modise - Permanent Secretary (Development), Office of the President, GOB.
- B. Molosiwa – Secretary, Economic Affairs, Ministry of Finance and Development Planning, GOB.
- T. Mothibatsela – President, BOCCIM.
- E. Ndlovu - Chairperson, BOCCIM Education Sector Committee.
- F. van Wyck – Chairman, Gaborone Business Council.

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