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# Building Process of Public-Private Dialogue During Major Reforms In Myanmar

Thet Thet Khine  
*Walden University*

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# Walden University

College of Social and Behavioral Sciences

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Abstract

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Dissertation Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Philosophy

Public Policy and Administration

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## Abstract

Since 1962, Myanmar has experienced stagnant economic growth despite its rich natural resources, demographic strength, and being located at the crossroad of Asia. To improve policy and regulation, Myanmar's private sector must advocate policy or administrative course of action to the government. Therefore, the purpose of the research was to evaluate the public-private dialogue (PPD) before and after the change of the government, and change of UMFCCI leadership during major reforms in Myanmar. Research questions were focused on the design, implementation, and benefits and risks of PPD. This qualitative case study, based on cross-sector collaboration theory, included semistructured interviews with 26 key participants who have deeply involved in the PPD building process since very beginning. Data were categorized for thematic analysis and the PPD building process was compared before and after April 2016 because there was a change of government and Union of Myanmar Federation of Chambers of Commerce and Industries leadership. Findings included differing levels of conceptualization, capacity constraints, and the need to coordinate among development partners. Additionally, differing commitment level among local and foreign businesses indicated that creating the right conditions and being able to establish a collective purpose are important for successful cross-sector collaboration. This study contributes to positive social change for policy makers and collaborators interested in creating a positive regulatory environment through collaboration.

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## Dedication

I witnessed myself that it is worth it to enroll in the Ph.D. program on Public Management and Leadership to put myself in a better position to contribute to the development of our people and society at large. That was a rigorous academic challenge for me, and now I am pleased with sense of achievement to be a Ph.D. graduate from Walden University, as upgrading myself to work for our people for positive social change in my country.

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## Chapter 1: Introduction to the Study

Private sectors can promote growth for an economy and are an agent for reducing poverty and strengthening society through investment, economic output, and employment. For a developing country, private sector development is a remedy for sustainable growth, and an innovating and growing private sector enhances the stability and advancement of a society. Public-private dialogue (PPD) plays an important role in private sector reform; for example, it can stimulate the private sector-led growth in Myanmar by creating and enabling business environment. Myanmar Business Forum (MBF) was designed as a PPD that serves as a formal platform for public and private sector actors to identify the business reform agenda, which can lead to a regulatory and policy framework relevant for private sector development (Herzberg & Wright, 2006).

This study addressed the problem of how the private sector can cooperate with the public sector for creating and enabling business environment during the expected major reforms in Myanmar. This problem needs to be addressed to develop trade and investment policies that are relevant to businesses and private sector development. To address this problem, the building process of PPD was studied to determine the factors that contribute toward establishment of PPD in an ongoing basis. The question of how the PPD was designed and implemented must be answered to discover policy solutions or administrative courses of action to either correct or improve the PPD building process.

This qualitative, formative evaluation of PPD expanded the knowledge on the mapping tool for examining PPD. Additionally, this study deepened the knowledge on the design and implementation of PPD for private sector development. The social

implications include private sector development in Myanmar by having productive and sustainable PPD.

### **Background**

Forming a PPD is initiated and technically assisted by the International Finance Corporation (IFC) and the World Bank Group. They start with finding the appropriate business members as candidates for the private sector champion who will represent the best interest of private sector development. In the last quarter of 2012, the IFC of the World Bank Group offered to provide technical assistance to the Republic of Union of Myanmar Federation of Chambers of Commerce and Industries (UMFCCI), the organization representing the private sector's interest to initiate the PPD for improving the business environment in Myanmar. The UMFCCI cooperated with IFC, negotiating until they reached an agreement by signing a memorandum of understanding. The IFC also advises the government of Myanmar about the importance of having PPD in transition economies for private sector development and buy-in on public-private partnership for economic growth and development. Furthermore, the National League for Democracy won in the Myanmar general election on November 8, 2015, creating a need for the private sector actors to create a working relationship with the incoming government to minimize potential delays in growth. Therefore, this study is important to evaluate the PPD for its effectiveness and for further improvements to the process and outcomes.

### **Public-Private Dialogue Importance in Developing Countries**

Civil society participation in drafting government policies is essential, and its influence is growing for improving the level of transparency, the effectiveness of policies, and government legitimacy in designing public policies in accordance with democratic practices and principles (Pinaud, 2007). When the private sector and relevant stakeholders raise issues and propose solutions, it can lead to better reform decisions and actions for businesses.

By engaging in the PPD on a regular basis, the government and private sector can build a mutual understanding and trust, which means there will be collective agreement on identifying common interests, national interests, and priorities. This can improve the transparency on the function of government institutions, and the quality of the inputs and suggestions that the government receives from various stakeholders will be improved over time with concrete evidence. Additionally, by with PPD to communicate issues, share information, and exchange ideas, business issues can be analyzed systematically from diversified perspectives, which can lead to sustained commitment in implementing the change ideas both by the government and the private sector.

### **Problem Statement**

Myanmar has been suffering from stagnant economic growth for more than five decades due to the economic management by successive governments from 1962 to 2010. Myanmar possesses rich natural resources, a youthful population, and is located at the crossroad of Asia, but each successive government did not develop the country using these assets. Myanmar needs trade and investment policy reform for economic



development to catch up with the growth of the neighboring countries in the region (Association of Southeast Asian Nations, n.d.).

Despite its past governments, with the multidimensional reforms led by the first elected government (from 2010 to 2015) in more than half a century, Myanmar experienced an influx of technical assistance by international development partners for capacity building in various areas (Asian Development Bank, 2015). Organizations such as the World Bank, Asian Development Bank, the IFC, and International Monetary Fund are some prominent examples. The spread of stakeholders' consultation practices has also been beneficial for the local community as the result of engaging with the experts from the international organizations. Recognizing the importance of the private sector, the government sees them as development partners, as cultivating the PPD will promote policy reform for trade and investment (Herzberg & Wright, 2006).

There is empirical evidence that cooperation between the public and private sectors in developing policies relevant for businesses has benefitted emerging economies (Pinaud, 2007). For example, Myanmar has PPD through the MBF, which has been in existence since the end of 2013. The MBF is a platform for business and government officials to share ideas and work together on important issues. It is also one way to facilitate business reform by creating a platform for the businesses and the government officials to work together to find the solutions for the issues that the businesses are facing. The building process of the MBF for PPD will be evaluated during the economic reform, and IFC has been technically supporting to the UMFCCI as the representative of the Myanmar private sector. Because the UMFCCI must work with the government, the

parliament, the private sector, and the civil society toward sustainable and equitable economic growth and development, it is important to answer how UMFCCI will serve the business community. Therefore, studying how public and private sectors collaborate in creating the enabling business environment is significant during this major reform in Myanmar. Additionally, the multidimensional reform and recent developments in the country necessitate evaluating the MBF for its effectiveness in establishing the business environment and addressing the changing external environment.

I sought to evaluate the building process of PPDs in addressing policy reform in Myanmar. Because PPDs are important for the economic reform process, it is necessary to evaluate how the PPDs have been built, as poor collaboration can impede growth. The findings of this study have implications for future research because no research has been done on the MBF or the structured PPD in the period of economic reforms in Myanmar. Thus, this study also addresses a gap in research and contributes to the discipline and professional field.

### **Purpose Statement**

The purpose of my research was to gather and analyze information about the collaboration and dialogue that can enhance the building process of PPD. In this qualitative study, I evaluated the building process of the MBF and the ongoing PPDs for establishing the business environment during major multidimensional reforms in Myanmar. Through the MBF, business practitioners can communicate the factors constraining their businesses to policy makers and can discuss the practical and relevant solutions for these problems. This is an ongoing process that can help the policy makers

to better understand how the market and businesses work. It can build mutual trust and understanding between private and public sectors' people, improving the dialogue between the two sectors as well as business performance, which contributes to the sustainable growth and development of the national economy.

### **Research Questions**

1. How was the Myanmar Business Forum public-private dialogue designed, and how has it been implemented?
2. How successful has the Myanmar Business Forum public-private dialogue been in reaching its goals, and what changes have been implemented in building public-private dialogue?

### **Conceptual Framework**

The PPD diamond was the conceptual framework for this study in addition to a focus on cross-sector collaboration and charter for good practice for PPD through the literature review (Herzberg & Wright, 2006). The PPD diamond helps map the status of four essential elements for PPD: public and private sectors, the champion on each side, and the instruments, such as capacity of the people involved in logistical matters and the availability of financial commitment (Herzberg & Wright, 2006). This study can have a positive social impact on private sector development by providing information for establishing the business reform agenda and developing the policies relevant for the businesses.

Policy reforms are the most tangible benefits from having effective PPD, because the objective of a PPD is to prepare the regulatory and policy environment for business

development through legislating new laws, amending or removing existing laws, removing or simplifying existing regulations, or standardizing existing procedures. PPD makes policy reforms easier in terms of identifying reform items and relevant policies and implementing these policies, as PPD can promote transparency, good governance, and cost-benefit analysis of the policies. Business advocacy can also be enhanced by designing an effective PPD structure, which can create a compliance culture by inviting governments to perform regulatory impact assessments, establishing checks and balances for private sector demand, allowing discussions of the consequences of the intended measures before actual enforcement, and nurturing a more rounded view of what is good for the economy. Through sustained PPD, the public and private sectors build mutual understanding, trust, and confidence, which can contribute toward collaboration between public and private sector actors in defining a reform agenda (Herzberg & Wright, 2006).

On the other hand, if PPD is not well designed, it will waste the time and resources of all the parties involved. PPD needs to have the common ground for private sector and national interest, because the private sector might have personal interests. That is why the PPD must be transparent and broad-based to prevent rent-seeking behaviors. Finding the right representation among different stakeholders will improve the policymaking quality, though it is challenging due to conflicting interests across different industry sectors (Schneider, 2013). An effective PPD strategy is to allow the discussions in the private sector working groups to be thorough and based on the incorporated monitoring and accountability mechanisms.

[add paragraph on how framework was used in the study/describing the framework's history and how it can be applied]

### **Nature of the Study**

The nature of the study was qualitative with formative evaluation on the MBF. I tried to understand how MBF was designed, who the implementers are, how they conceptualize PPD, and how it has been implemented during its inception phase. I identified the areas needing improvement for the PPD as it unfolds. Status design was used to assess the status of the implementation on the MBF building process to identify the problems and address them by determining what is happening in the PPD building process.

### **Significance**

The purpose of this qualitative study was to evaluate and identify the advantages and challenges in the building process of the MBF and PPD during the major multidimensional economic reforms in Myanmar. Without consulting with the relevant stakeholders of the business community, trade and investment policy developed by the government may not help business practitioners. New trade and investment policies are less effective without the private sector as a development partner.

The elected government of Myanmar (from 2010 to 2015) announced four waves of reform: political reform, economic reform, administrative reform, and private sector development. All the reform dimensions are interdependent and interrelated, and the procedures and processes must be in line with democratization. Economic reform will occur by making the business and trade related policies relevant with the changes in the

regional and global economic context. At the same time, the procedures must be transparent and efficient in delivering public services. The significant role of the PPD and partnership during national economic reform indicates the importance of the present study.

Investigating the building process of the MBF is also significant because the existence and institutionalization of well-functioning PPD is important in promoting the business environment in Myanmar. Only with a well-established PPD can business practitioners discuss the issues constraining their businesses to the policy makers and can propose practical solutions. This needs to be an ongoing process to improve business performance long term and contribute to the economic growth and development of the country. The findings of this study will provide information to policy makers about how the PPD process can be improved to contribute toward the successful development of the business-related policies.

### **Implications for Social Change**

This study may provide important information for the business community and policy makers, which can benefit the public through economic growth and development. This information can also be useful for future longitudinal research. Additionally, this study contributes to the professional field and may be replicable in other developing countries' contexts.

Investigating this topic can lead to social change because of the importance of PPD and private sector development for economic growth. Private sector development can lead to an innovating and growing private sector that supports the stability and

advancement of a society and alleviates poverty. Having a dynamic private sector leads to economic growth and development that is sustainable if there is heightened employment opportunity in the country. Investing in the private sector development improves national output and generates employment both in formal and informal sectors. With private sector development, the business community can create jobs, produce talented people, and develop the productivity in farming, industrialization, and services sectors. National competitiveness can be realized through the innovative and competitive businesses with a skilled, knowledgeable, and productive workforce. PPDs can be used to encourage corporate governance in the business community by advocating a regulatory framework for governance in the business entities. Hence, private sector development leads to an inclusive society in which equality and trust can be achieved among the citizens that contributes to social and political stability.

In Myanmar, the UMFCCI can facilitate economic reform by setting up the MBF, which is a form of PPD to promote private sector development. By establishing the MBF and having ongoing PPDs, the country can experience continuous improvement in business-related policies and the regulatory framework. The guiding principles of the MBF are diverse representation among business actors, geographic coverage, and industry, which creates equal partnership between the private sector and the government. The MBF will also address the practical business issues encompassing local as well as foreign companies, leading to a wider range of taxpayers and more foreign direct investments. Foreign direct investments can enhance the economic growth of the country by bringing in capital and technology, introducing a wider variety of products and

services, generating employment opportunities, improving human resource development, and producing an educated and skilled workforce. It also stimulates the growth and development of supporting industries and integration into regional and global production networks and supply chains. Finally, the private sector development through the MBF can increase in income, purchasing power, and the living standard of the people.

Practical issues can be identified through effective PPDs to find solutions through consistent long-term engagement with the public sector. The research on how the MBF is developed effectively can contribute toward forming the rules and regulations that help businesses to invest and operate. The MBF can be the tool for inclusive and sustainable economic growth and development through cutting the compliance cost of the regulatory framework.

### **Summary**

In summary, PPD plays an important role in private sector reform, which will stimulate the private sector-led growth in Myanmar. PPD will serve as a formal platform for public and private sector actors to work together in identifying the business reform agenda, which can lead to the development of regulatory and policy framework relevant for the private sector development (Herzberg & Wright, 2006). For a developing country, private sector development is a remedy for sustainable growth. Therefore, this study addressed how the private sector can initiate, advocate, and cooperate with the public sector to create the enabling business environment during the major reforms in Myanmar.

To address this problem, the building process of PPD were studied in this qualitative, formative evaluation study to determine the factors that contribute toward



establishment of the PPD in an ongoing basis. The research question was developed to discover potential policy solutions to improve the PPD building process by asking how the PPD was designed and implemented and how successful the MBF PPD has been in reaching its goals and what changes have been implemented in building PPD. The PPD diamond and design and implementation based on cross-sector collaboration were the conceptual framework to analyze the building process of PPD, the benefits, risks, and lifespan of PPD, and tools for diagnosing the status and potentials of PPD (Herzberg & Wright, 2006).

The findings have implications for future research because no research has been done on the building process of the structured PPD in the period of economic reforms. Thus, this study addresses a gap in research and contributes original research to the discipline and professional field. Investigating the building process of the MBF is important because the existence and institutionalization of a PPD is important in promoting the business environment in Myanmar. This study may be important for the business community and related policy makers, though the public also benefit from economic growth and development.

## Chapter 2: Literature Review

### **Introduction**

In transition economies such as Myanmar, private sector development reforms for inclusive growth are more effective when there is PPD that allows the multistakeholder beneficiaries to be involved in the stages of diagnostics, strategy formulation and execution, and monitoring and evaluation. An ongoing PPD involves cooperation and shared responsibilities among public and private sector actors. The problem with building an effective reform is the diagnostics for the design and implementation of a PPD. Therefore, this literature review includes a review of good practices in PPD and its building process. This includes the Charter for Good Practice for PPD that was developed in 2006 at the first international workshop for PPD held in Paris (Public Private Dialogue Charter, 2005). The charter involves 12 principles that serve as the comprehensive and practical guidelines to assess the building of a PPD.

The literature review helped explore the building process of PPD during major reforms in Myanmar. I explored the public-private collaboration in Myanmar, reviewing the growing importance of PPDs for those who would benefit and the PPD as a part of the development agenda to create conditions for sustainable development of the country. Researching the building process against the 12 principles from the Charter of Good Practice for PPD helped to address how Myanmar can build an effective PPD that can contribute to larger reforms for private sector development and sustainable economic development.

In addition to the 12 principles for PPD, I chose cross-sector collaboration as the theme for my literature review to connect to this case study on building PPD during major reforms in Myanmar. In the following sections of this literature review, I will present analysis on the basic tenets of cross-sector collaboration, why cross-sector collaboration became used to address complex societal problems, preconditions for successful cross-sector collaboration, types and levels of collaboration, and factors for determining the effectiveness and sustainability of cross-sector collaboration. In this literature review, I wanted to determine how the cross-sector collaboration concepts are evolving over time and how cross-sector collaboration has been managed to deliver the intended results. The primary purpose of this literature review was to bridge the theories and concepts of cross-sector collaborations to the practice of establishing the PPD during major reforms in Myanmar. The literature review is exhaustive with selection criteria of the most recent peer-reviewed articles related to cross-sector collaboration. Finally, I conclude with suggestions for further research by highlighting what must be done to advance theory and concepts related to cross-sector collaboration.

### **Understanding Cross-Sector Collaboration**

Cross-sector collaboration is important to understand because it helps address societal challenges. In the past few decades there has been a worldwide reduction in capital spending in the public sector resulting from shortage of financial and human resources, while there are rising expectations on service delivery by the public. This pushes the public sector to be more efficient in delivering higher quality service (Alter & Hage, 1993; Fleishman, 2009; Gazley, 2008; Thomson & Perry, 2006; Wankhade &

Murphy, 2012). However, there are public challenges that become progressively multifaceted such as poverty and social instability, crime, conflict, environmental protection and natural resource management, climate change and global warming, natural disasters, drug abuse, widening educational attainment gap, pandemics, migration, and terrorism. These societal challenges cannot be handled without collaboration among different sectors (Agranoff & McGuire, 2010; Bryson et al., 2006; O’Leary & Bingham, 2009; Vigoda, 2003). As a result, multisector social partnership has become essential to combat difficult societal challenges (Goldsmith & Eggers, 2004; Kickert et al., 1997; Korschun et al., 2014; Rethemeyer, 2005).

In addition to private and public sectors that are part of cross-sector collaboration, the nongovernmental sector—driven by its social missions and values—appeared as a third sector (Szymankiewicz, 2013). Nongovernment organizations have roles in advocating the government to respect policy objectives; conveying the services supplementing or relieving public services; facilitating solutions by operating with the public or private sector; cultivating governance by promoting rule of law or transparency; and helping businesses achieve local support in respective markets (Hudson, 2009). Failing to recognize the different roles of nongovernmental organizations by the government or business can distort their objectives and the value they can deliver to a social affiliation regardless of whether it is in the form of alliance or opponent to the government or businesses.

### **Definition of Cross-Sector Collaborations**

Collaboration has been defined as a process where groups can explore their different perspectives to search for solutions (Gray, 1989). Cross-sector collaboration has been defined as involving government, business, nonprofit organizations, communities, and citizens (Goldsmith & Eggers, 2004). Cross-sector social partnership is a form of interorganizational relations in which people in the participating organizations may shift their roles and responsibilities that are overarching across sectors and professions. A significant amount of policy decisions made in the context of multisector social partnership would not have been achieved in an individual organizational setting (Doberstein, 2016).

### **Rationale for Cross-Sector Collaboration**

Due to increasingly complex societal problems in the global community, it is important that the responsible organizations find innovative approaches to address these problems (Hiatt & Park, 2013; Korschun et al., 2014; Sisodia et al., 2007). There is a growing need for multisector collaborations among public, private, and nonprofit sectors to deal with pressing societal concerns that may be local, regional, or global (Gray, 1985; Stieger et al., 2012). Therefore, this literature review was focused partially on cross-sector collaboration, which also addresses the gap in collaboration literature that are more on institutional and organizational levels than the individual actors (Noble & Jones, 2006).

Longitudinal research has established that multisector collaboration is the only option if organizations want to handle social problems effectively and compassionately

(Korschun et al., 2014; Sisodia et al., 2007). Engaging in multisector social partnership is significant in addressing the issues citizens face that cannot be solved by individual organizations' efforts (Huxham & Vangen, 2005). To have more cohesive and long-lasting collaboration, the different groups involved must acknowledge that they are working to accomplish something that requires working together (Huxham & Vangen, 2005, p. 60), and multisector social partnership is the only way to overcome the limits of a single organization to address societal issues (Huxham, 1996).

### **Types of Cross-Sector Collaboration and the Levels of Impact**

There have been increasing interactions across sectors in recent years that represent four broad areas: nonprofit and business interface, government and business interface, government and nonprofit interface, and social tripartite interface (Selsky & Parker, 2005). These areas are made up of three different levels of interaction and impact: micro (individual), meso (organizational), and macro (societal) levels (Seitanidi & Lindgreen, 2010). Multisector social interactions and interdependences are examined at these different levels to uncover the processes that determine the results on multiple levels.

People, organizations, and the society profit when organizations pool their efforts and relate the role of different levels of inquiry in bringing results (Austin, 2000). Once the collective effort of organizations across sectors can create value at multiple levels, society will gain some governance. Gradual effects of individual interactions in and among organizations can exert widespread impact at meso and macro levels due to multiple roles and efforts taken by individuals at the micro level and can ultimately

spread to organizational and societal levels (Seitanidi & Lindgreen, 2010). Additionally, organizations that form alliances to address the social issues are transformative at individual, organizational, and social levels (Seitanidi, 2008).

### **Nature of Relationship**

Relationships can be collaborative, competitive, or neutral (Szymankiewicz, 2013). In multisector social partnerships, the relationship is collaborative to achieve viable reasonable advantage for all the organizations involved (Faulkner & Bowman, 1996). Among different combinations of cross-sector collaboration, the public-private partnership has developed as a pragmatic solution for public institutions when governments are facing budget constraints to finance public investment and leverage the private sector resources to finance the physical infrastructure and public services (Partnerstwo, 2013; Plawgo & Zaremba, 2005; Siwińska, 2008; Zadek & Radovich, 2006; Zysnarski, 2003).

### **Collaborative Advantage**

Cross-sector collaborations provide a unique platform for organizations to learn from each other, approach problems from different standpoints, and address difficult social problems by creating a common understanding among the organizations involved (Waddell, 2005; Dutta & Crossan, 2005). Multisector partnerships allow organizations to have a platform for knowledge sharing to come up with new structures, processes, and mechanisms in a way that they can reach effective solutions that could not have been achieved alone.

Interorganizational relations serve as the potential base for collaborative results such as pooling resources, sharing risks, increasing efficiency, and improving coordination through multilateral learning among participating organizations (Huxham & Vangen, 2005). Through collaboration, organizations are more likely to accomplish individual and collective objectives through a range of opportunities that can overcome their own limits of resources and possibilities. However, the best advantage of multistakeholder partnership among public, private, and nongovernmental organizations is having a better way of solving social problems.

### **Challenges of Cross-Sector Collaborations**

It can be problematic to reach negotiated agreements when organizations from different sectors work together (Bressers & de Bruijn, 2005). There are challenges like gaps in mutual expectations, establishing common ground, and identifying collective goals across different organizations (Jonker & Nijhof, 2006). Achieving shared goals and shared meanings in collaborative relationship requires management when different organizations work together to address common problems (Crane, 1999). Building governance and accountability mechanisms in collaborative partnerships is difficult, but it is necessary to be able to reach goals such as a new governance framework, public oversight mechanisms, and promotion of knowledge on governance within collaborative partnerships (Rochlin et al., 2008; Zadek & Radovich, 2006).

Collaboration should start with focusing on a single issue and learning successful engagement strategies before entering broader topic strategies. However, a key issue for multisector collaboration is to align the expectation of individual organizations in policy



design and implementation within the collaboration. Organizations working with the government in a collaborative arrangement are subject to interacting with different levels of government hierarchy depending on the size and complexity of the government (Murray, Haynes, & Hudson, 2010). There are challenges in dealing with government such as fostering long-term relationships and commitment in the case of government officials' turnover, especially when there is not enough handover or policy continuity when the key persons change. These kinds of disrupted relations can impose significant costs to the smaller organizations.

Building systems in collaboration also involves negotiation on prioritization, funding, proprietorship, and accountability across organizational boundaries (Eom, 2014; Hallberg et al., 1998). Obstacles to multisector collaboration include different sources of funding, differing values and ideology, procedural diversity, assignment of responsibilities across organizational boundaries, and concerns for legitimacy and domain (Hudson et al., 1999). Other scholars point out the inherent difficulties such as influence disparity, building trust, managerial intricacy, cultural frictions, concerns for autonomy, and lack of enticement for collaboration (Babiak & Thibault, 2009; Gazley & Brudney, 2007; Wondolleck & Yaffee, 2000; Youngj, 2000).

### **Precondition for Cross-Sector Collaborations**

Cross-sector collaboration involves organizations in two or more sectors sharing information and capabilities to achieve an outcome (Bryson, Crosby, & Stone, 2006). Bryson and Crosby (2015) proposed the following categories to describe cross-sector collaboration: “general antecedent conditions; initial conditions, drivers, and linking

mechanisms; processes, structures, and links between them; endemic tensions or points of conflict; and outcomes and accountabilities” (p. 4). The quality of leadership, having preexisting relationships and common intent on collaborative purposes, and interdependence among collaborative organizations are initial conditions for cross-sector collaborations. Cross-sector collaborations take place in the middle of a range of increasingly more powerful interorganizational relations in working for public problems (Bryson & Crosby, 2015). There are organizations that barely relate to each other at one end, and at the other end, there are organizations that are merged into a different organization.

### **Frameworks for Cross-Sector Collaboration**

According to Bryson and Crosby (2015), there are numerous parallel frameworks by Agranoff (2007); Ansell and Gash (2008); Gray (1989); Huxham and Vangen (2005); Ostrom (1990); Provan and Kenis (2008); Ring and Van de Ven (1994); & Thomson and Perry (2006) were published during the last decade. These frameworks categorize the important themes for cross-sector collaboration as external antecedent conditions, more proximate initial conditions, structural components, intramural processes, and resulting impacts. The underlying situations for cross-sector collaboration includes the necessity to address complex public issues, the features of the institutional environment, and the extent of resources readiness.

In the frameworks for cross-sector collaboration, it is important to have the processes that ensure inclusiveness for building relationships, trust and commitment, developing common understanding of problem, collective action, and shared

responsibility in managing cross-sector collaboration. In addition, developing a structure for norms and procedures is pertinent to promoting processes to accomplish the agreed agenda in terms of collective actions and goals. It is important to consider the degree to which collaborative structure can separate from the processes for cross-sector collaboration (Bryson et al., 2006; Kenis & Provan, 2008), or how the collaborative structure is incorporated in the processes (Agranoff, 2007; Emerson, Nabatchi, & Balogh, 2012; Thomson & Perry, 2006). Governance comes in where the processes intersect with the collaborative structure in cross-sector collaborations.

Leadership is another important element to consider in cross-sector collaboration. Leadership roles (Bryson et al., 2006; Thomson & Perry, 2006), leadership undertakings (Ansell & Gash, 2008), and a leadership core (Agranoff, 2007, 2012) are all important to consider as cited in Bryson & Crosby, 2015). Power imbalances and conflict because of multiple institutional logics have been highlighted in some frameworks (e.g., Agranoff, 2007; Bryson et al., 2006). There are various types of tensions and conflicts for collaborative partners to address between their own autonomy and the interdependence of collective interests (Thomson & Perry, 2006). It is important to balance the disparities between stability and flexibility, inclusivity and efficiency, and internal and external legitimacy (Kenis & Provan, 2008, as cited in Bryson & Crosby, 2015).

Additionally, evaluative assessments should encompass different stakeholders taking part in a collaborative process such as individual participants, member organizations, and the community in terms of process outcomes such as producing public value from the standpoint of different stakeholders (Agranoff, 2007) and the issue of

accountabilities, which often is problematic in a collaboration (Bryson & Crosby, 2015; Thomson & Perry, 2006). Most of the early frameworks offer critical insights into the standpoints of resultant outcomes and complex accountabilities, and Bryson and Crosby (2015) focus the sector failure as a driving factor to cross-sector collaboration.

As mentioned in Bryson and Crosby (2015), there are more recent frameworks on cross-sector collaboration, such as “collective governance regime” mentioned by Emerson et al. (2011) who advocate cross-sector collaboration as a system that is implanted in and intermingling with the external environment. In this framework, the process is given priority over structure and given attention to how the different contexts associate with different causal relations. The authors emphasize three major internal elements in collaboration, namely “principled engagement, shared motivation, and capacity for joint action” that drive collaboration and influence larger system (Bryson & Crosby, 2015, p.3). The external contexts, such as power structure, resources availability, and policy and the legal environment are the important determining factors of the collaborative governance regime. The authors identify a set of determinants that are independent of system context, and they are individual leadership, acknowledged interdependence, resultant motivation, and uncertainty.

As mentioned in Bryson and Crosby (2015), Koschmann, Kuhn, and Pfarrer (2012) hypothesize two major contributions to the literature, and the first is the significance of communication in terms of “authoritative texts” that define mutual understanding on problem definition, mission statements, and implied general directions and norms in collaboration (Bryson & Crosby, 2015, p. 4). Secondly, the authoritative

texts can call for voluntary agreement among participating organizations that will further invite other necessary resources that will, in turn, help the establishment of “collective agency” in cross-sector collaboration (Bryson & Crosby, 2015, p. 4).

In summarizing the frameworks, it is obvious that cross-sector collaboration is embedded in larger systems; fundamentally interdisciplinary, multi-actor, and multilevel in nature. There is a collection of significant instituting components that are subject to the influence of contextual contingencies and define collaboration effectiveness. Ansell and Gash (2008) signify the importance of acknowledging interdependence among partners, addressing resource asymmetries or power imbalances, and mitigating negative pre-existing relationships.

Bryson and Crosby (2015) stress the impact of power disparities, nature of cooperation, and competing institutional logics among participating organizations, while, Nabatchi, and Balogh (1976) commence the “causal logic model” with three specific features in the external collaboration dynamics where the cooperation is rooted (Bryson & Crosby, 2015 p. 4). Provan and Kenis (2008) suggest underlying relations between governance structures and the degree of trust, the magnitude of goal consensus, and the grade of network-level proficiencies among collaboration members, explicitly, while Agranoff (2007) supplements the outcomes of collaborative capacity.

O’Leary and Vijargue (2012) advocate the need for improvement in the research and management areas on public collaboration regarding the measurement of relevant variables and their effectiveness (Bryson & Crosby, 2015). There are calls for future research since the frameworks cannot encompass all the important considerations yet.

There are some areas that the research has not covered yet, such as the influence of the wider institutional and methodological landscapes on collaboration (Fligstein & McAdam, 2012; Scott & Davis, 2006); how the nature of the issue or task at hand influences collaboration; the requirement for balancing structural and process related considerations throughout the collaboration (O'Reilly & Tushman, 2013); and the collection of mindsets, capabilities and competencies for effectual cooperation, and the need to better understand collaborations as complex dynamic systems, in which the different contingencies are interacting within existing hierarchies; and the factors facilitating effective performance. All these call for longitudinal research for better understanding of collaborations over time (Bryson & Crosby, 2015).

### **The Three Elements of Strategy**

In formulating an effective strategy, there are elements, such as “context, content, and process elements” that can decide the ultimate model of a strategy by tackling these elements concurrently (Pettigrew, 1987; Wit & Meyer 2010) and envisage whether the strategy will be contributing to sustainable organizational performance (Ketchen et al. 1996). Process and content elements serve as a forecasting factor of an organization's performance while context elements act as a moderating feature, since the context element is related to situations and forces that have already existed in the environment in which an organization functions (Ketchen et al.,1996). For the sake of better understanding, Pettigrew (1985) divides the context into an inner context, such as organizational structure and policies, and corporate culture, and an outer context of

economic, social, and other competitive settings, over which the organization has limited influence (Al-Tabbaa, Leach, & March 2013).

The content element concerns the strategic directions, choices, and procedural matters for undertaking its planned objectives (Moser, 2001; Wit & Meyer 2010). The process element manages the procedures and activities regarding how a chosen strategy is instigated and implemented within a given context (Huff & Reger, 1987; Pettigrew, 1997).

### **Stakeholder Expectations (Context Element)**

Thorough deliberation is required in crafting and implementing new collaborations so that the diverse set of stakeholders, such as the public, the local community, and the media, can embrace their respective identity (Dacin et al., 2007). Different groups of stakeholders often hold different expectations, prospects, accountability, and the commitment to add value (Hoefer, 2000; Kearns, 1996; Conroy, 2005). In addition, cross-sector collaborations should develop a strategy that will overcome internal cultural barriers and differentiate them from other similar collaborations by reflecting on the features of their rivals.

### **Collaboration Level (Content Element)**

The depth and degree of collaboration within partnering organizations are varied depending upon willingness, stakeholders' expectations, degree of public scrutiny, and cultural fit between the partnering entities (Wymer & Samu, 2003; Austin, 2000; Hudson, 2005). The level of stakeholders' expectations influences the level of collaboration and the degree of compatibility among the partnering organizations, and stakeholders'

expectations predisposed the governance structure of the affiliation (Simpson et al., 2011). The level of collaboration prescribes required resources, level of commitment, and the amount of risks shared among the partnering organizations.

### **Strategic Position**

Identifying the strategic position of an organization plays a key role in differentiating it from other organizations and maintaining its competitiveness in a market (Porter, 1996; Kotler & Andreasen, 1996). The strategic positioning of a collaboration allows cross-sector collaborations to be distinctive and attractive for potential stakeholders (Kotler & Andreasen, 1996) and it will, in turn, enhance cross-sector collaborations' capacity to meet intended results (Porter & Kramer, 2002). Combining and disseminating the specialized knowledge of partnering organizations on respective issues will create a unique position for collaboration, which will be attractive to the potential stakeholders.

### **Power Imbalance**

Emerson (1976) defines power as “the potential to influence others' action” (Emerson, 1976, p. 354). Power becomes an issue when the interests of partnering organizations are not in line with the collective interests of collaboration (Das & Teng, 2001). Power imbalance is the manifestation of a situation in which one party is alleged to be in a stronger position or structurally stronger than the other (Mutch, 2011; cf. Huxham & Vangen, 2005, p. 162), or when the perceived value is unequal between partnering organizations, such as more control over resources by one party (Baur & Schmitz, 2011). Once there is a power imbalance, the proficiencies and properties of the



weaker party might be underutilized, and it will constrain the collective potential of the collaboration (Berger et al., 2004). Such likelihood should be anticipated, and some appropriate measures should be proactively devised during strategy formulation (Bryson et al., 2006).

### **Communication Channels**

Disclosing the collaborative strategy and possible consequences plays key roles for partnering organizations to deal with the stakeholders' expectations (Andre et al., 2008). Timely revelation of the anticipated benefit from the collaboration can induce stakeholder support (Austin, 2000). Stakeholders will perceive the collaboration positively, if they are informed about any possible risks and the measures needed to address those risks in advance. There must be inbound and outbound communications regarding collaboration strategies between partnering organizations and respective stakeholders. Sending information from the collaboration to the stakeholders regarding potential benefits and risks will relieve the adverse effect of possible resistance. Receiving real-time data, information, and feedback from the different stakeholder groups is important for strategy formulation and implementation of cross-sector collaboration (Clarke & Fuller, 2011) and it is useful in circumventing possible causes of conflict and ensuring smooth progress of the process (Gates, 2010). The higher the stakeholders' expectation, the higher the level of collaboration is needed, and the more engagement and interaction are required among more stakeholder groups (Austin, 2000).

### **Collaborative Mission**

The mission of an organization explains the reason why it exists (Bryman, 1988), “by which it communicates the stakeholders on what the organization aims to deliver for its stakeholders and society” (Moore, 2000, p. 190). A well-explained mission is respected by society and can induce stakeholder trust (Frumkin & Andre-Clark, 2000). By being transparent with the collaborative mission, stakeholders will be in a position that they can detect whether the collaboration derails from its mission over time (Tschirhart et al., 2005).

### **Strategic Management for Collaboration**

The nature of collaboration is determined by the types of partnering organizations and reasons why each partner is involved in a collaboration, which might range from time-bound affiliations to long-term coalitions (Cropper et al., 2008). In a cross-sector collaboration, there are issues that should be considered. Some of these issues are how information and resources are shared among partnering organizations, what the binding and controlling factors are, what the degree of trust within collaboration is, and how diversity and clustering of relationships will be addressed in the collaboration. The collaborative strategy prescribing clear ownership with accountability mechanisms and key deliverables with timeframes plays pivotal roles in aligning individual organizations to the collaborative initiatives and achieving the best possible outcome. Key performance indicators must be identified and adopted to monitor the collaboration once it is underway. Regular meetings are helpful to promote internal relationships and building shared understanding within the collaboration. Considering whether other agencies

should be involved in the decision-making process is desirable and is a meaningful approach to go beyond mere stakeholder engagement.

### **Open Strategy for Collaboration**

Multi-sector partnerships are the combined platform of the organizations from public, private, and nonprofit sectors devised for cooperation to address the issues common to all partnering firms. It is fertile ground to use open strategy by recognizing the significance of goal interdependence and strategic openness in the decision-making process. The model of open strategy process has five core components, such as goal interdependence, stakeholder legitimacy, participatory decision-making, transparency, and inclusiveness (Pittz & Adler, 2016).

### **Open Strategy for Value Cocreation**

Integrating all stakeholders and recognizing shared ownership and governance and interdependence through cooperation are significant and they shape how decision-making processes in multi-sector partnerships are undertaken (Gazley, 2010; Rondinelli & London, 2003). The suggested governance model in an open strategy is a genuine platform for value co-creation in achieving social objectives through a governance structure that enables teamwork and augments knowledge exchange critical for prolonged success (Payne et al., 2008). Value co-creation enables flexibility and durability through integration of all available resources by partnering organizations for mutual benefits. (Vargo et al., 2008, p. 145). The conceptual model of open strategy by Whittington et al. (2011) is enriched by Pittz and Adler (2016) with the addition of participatory decision-

making and stakeholder legitimacy. Pittz and Adler (2016) added goal interdependence as a prerequisite for effective partnership across sectors over time.

### **Stakeholder Theory**

Multistakeholder partnerships create a platform for all stakeholders to incorporate their concerns and voices in tackling complex societal issues. Multistakeholder partnerships with open strategies authorize governance that might diminish conflicts between external and internal stakeholders in a collaborative setting. Understanding factors influencing how multistakeholder partnerships make strategic decisions is crucial in a setting where key representatives of society are involved together with the organizational members (Freeman, 1984; Jones & Wicks, 1999; Korschun, 2015; Phillips, 2003; Sisodia et al., 2007). Multistakeholder partnerships should take stakeholders' legitimacy, power, and urgency into consideration in prioritizing and determining salience of problems if they want to be effective (Mitchell et al., 1997).

The influential aspect of stakeholder theory (Jones, 1995) reveals how organizational objectives are reached through stakeholder management, in which stakeholders are categorized and limited to impact or to be impacted by the organization (Ramirez et al., 2010; Tihula & Huovinen, 2010). It is important to have inclusion criteria in screening stakeholders for their salience to have a say in the strategic decision-making process in multistakeholder partnerships, which practice open strategy.

### **Open Strategy**

In open strategy, the strategic decision-making process is participatory and pervasive across organizational hierarchies as opposed to decisions held merely in the

hands of top management and contains both internal and external stakeholders as the notion of stakeholder legitimacy identified by Whittington et al. (2011). Upholding goal interdependence is critical in integrating governance in multi-sector partnerships that practice open strategy.

### **Dimensions of Open Strategy in Multistakeholder Partnerships**

The differentiating feature of open strategy is proactively inviting input from different stakeholders assigning decision rights to the legitimate stakeholders during strategy formulation by upholding the value of transparency and inclusiveness (Whittington et al., 2011). The common challenge of multistakeholder partnership is working with competitive concerns within limited resource environments where collaboration is a requirement to deal with intricate societal issues.

Having a sense of mutual dependency drives individual organizations to treasure partnership for achieving collaboration goals. Open strategy is a device to govern the interactive intricacy where partners work with intermingled knowledge structures to craft shared resolutions to perverse social problems.

### **Stakeholder Legitimacy**

Multistakeholder partnership is not a privilege but a necessity to recognize mutual interdependency and maximize value co-creation by practicing strategic openness in addressing complex societal problems. Reaching a consensus in identifying legitimate stakeholder in an issue (Maiardes et al., 2011) allows recognition of previously unrecognized stakeholders to have an authentic claim in the process so long as they have a stake in the organizational goals.

**Goal Interdependence**

Multistakeholder partnerships are formed when stakeholders appreciate a shared sense of goal interdependence, in which the partnering organizations recognize that their efforts are intertwined toward the accomplishment of the societal goal (Gray, 1985). The level of interdependency assumed by people depend upon the way in which goals are described, the way performance is compensated, and feedback is specified, how the resources are distributed, and how the roles are demarcated (Wageman, 1995).

**Participatory Decision-Making**

An essential feature of multistakeholder partnership is participatory decision-making, which allows stakeholders to have a candid voice in strategy formulation and strategic direction that, in turn, ensures sufficient power distribution among participating organizations (Gray, 1985).

**Inclusiveness**

Open strategy model maintains the internal and external stakeholders' participation in the strategy-making process as a genuine purpose (Gazley, 2010). Bringing together all the diverse standpoints through inter- and extra-organizational inclusiveness enables the strategy process to be resourceful and participatory that can prevent any potential resistance in the implementation phase (Detomasi, 2002; Elbers, 2004; Waddell, 2001). Insights of stakeholder legitimacy and participation in shared decision-making combined with transparency and inclusiveness leverage partnering organizations in dealing with complex social issues.

In conclusion, there should be impartial, proficient, and trustworthy facilitators in multistakeholder partnerships' development to link uneven power, resources, and information across diverse stakeholders (Ward, Fox, & Wilson, 2007). Cross-sector collaborations with accountability mechanism and a governance body will enhance acceptability, alignment, ownership, and harmonization among partnering organizations and relevant stakeholders (Edi, 2014). Yet, there can be pitfalls in multistakeholder partnerships, which include the autonomy of actors and the quality of interactions among actors. Researchers proposed that involving the parties to deliberate seriously about the quality of relationships among them, but that has yet to convert into systematic evaluation, which would call for future research to develop a new school of thoughts (Murphy & Bendell, 1997, p. 240). The social responsibility and sustainability aspect of cross-sector collaboration can be studied further as a new aspect in leveraging synergy, avoid duplication, and produce meaningful interaction (Hudson, 2009, p. 13). In summary, there should be more academic research on collaboration that deals with the wider systemic problem facing mankind.

### **Phases of Public-Private Dialogue from the Public-Private Dialogue Handbook**

In designing a PPD, phasing out the PPD initiative is advisable, while adopting the issues for sustainability (Herzberg & Wright, 2006). It is good to understand the phases of PPD to understand the trajectory of a PPD.

#### **Phase 1: The Discovery Phase**

The discovery phase can take one to three years depending upon how much the actors are ready to understand what works for identifying the reform context. This is also

the phase for the actors to learn how to interrelate with each other and build mutual trust. Devising private sector working groups, setting secretariats, and defining the scope of proposed reforms are important decisions and actions. The political sensitivity of the reformed agenda and the philosophy of the relevant leaders and actors should be considered in designing the dialogue process. The logistics also must be considered on both sides. This phase will not yield cutting-edge economic impact.

Focusing on quick wins is important for the stakeholders to witness early results from the endeavor. Putting bigger ticket items at the inception phase might not be the practical approach, since it can invite failure and undesirable consequences. Managing expectations plays a pivotal role, since the public officials could perceive it to be an unrealistic demand from the private sector people. Prioritization and sequencing among the suggested issues and reform proposals are key in this phase since the private sector might be overwhelmed with numerous reform ideas.

## **Phase 2: The High Impact Phase**

Phase 2 is supposed to be more productive, as quick wins and early results have been demonstrated in Phase 1. Private sector participants are more motivated with the results by phase 1, and the scope of what is achievable has been stretched to the public sector. The public-sector side also has expanded or broken certain limits in phase 1, and the government officers feel less pressure to accommodate private sector demands. Higher trust and confidence have been established among the actors, as they became more experienced at identifying, processing, and implementing reform items. Likewise, the issues and reform proposals became more workable with more streamlined and



professional technical inputs. The topics, such as tax reforms, land reforms, and financial reforms became increasingly significant. On the contrary, this phase bears the tendency to have potential conflicts and crises, when some existing working groups may be replaced with the new ones, and when some controversial issues and implementation failures may arise.

### **Phase 3: Sustainability**

Assessing the capacity of the public and private sectors is essential to determine how agreeable they are to engage in dialogue. The dialogue process must be designed according to the capacity and the readiness of the public and private sectors. The assessment process must be done after a series of stakeholders' consultations with the business members' organizations to identify that business membership organizations (BMOs) may play the role of private sector champion and which government department may play the role of public sector champion. Assessing the prevailing context and identifying the risk factors are advisable before designing the dialogue process. The evaluation and feedback system must also be incorporated into the dialogue mechanism during the diagnostic phase to address the emerging issues and problems along the way. The following are the essential elements to consider in designing and implementing the PPD process:

1. Exploring the relationships among the existing institutions for both sides, such as the cross-sector business members' organization representing the private sector and the government department, which could organize across the government ministries;

2. Drawing the dialogue structure indicating who should be talking to whom on which issues being raised by the private sector;
3. Deciding the right champions for both public and private sectors;
4. Engaging with the efficient facilitator;
5. Strategizing for attaining the targeted outputs;
6. Formulating a communication channel for effective outreach;
7. Developing a monitoring and evaluation framework;
8. Deliberating the possibility of sub-national level dialogue;
9. Crafting sector-specific and cross-sector dialogue mechanisms; and
10. Finding the optimum contribution from the local and international development partners.

### **Working on the Prerequisites before Building the Public-Private Dialogue**

The very first thing the task manager must do is to explore whether the PPD is needed as a new initiative, at what extent, and whether the current institutions can address these needs. Researching which regions need which sectors and defining the business reform agenda are advised before deciding on designing and implementing the PPD.

There is a wide range of PPD objectives, and the designing and implementing should be according to the PPD objectives, such as overall PPD on a broad range of issues or on some specific sectors or both.

Assessing the readiness and the capacity of the relevant stakeholders for entering the successful dialogue and recognizing the existing (fragmented) dialogues in any form are important before establishing the legitimate, well designed, and structured PPD.

Identifying the factors and striking issues is important to establish the PPD as a good first step by carrying out stakeholder consultative processes in the form of desk research, field interviews, and focus group discussions. The task-managers will also need to investigate possible obstacles that may arise later in the building process. The above-mentioned activities will be important steps toward better developing strategic management decisions before launching a dialogue. The reasons behind carrying out thorough diagnostics include better design decisions backed up by concrete information on the extent of investments in capital outlays and human resources.

### **The Public-Private Dialogue Diamond**

The PPD diamond is a conceptual framework including four dimensions that measure the strength of four elements, namely public sector, private sector, champion, and instruments on two vertical and horizontal axes that are essential at the outset of the diagnostic process (Herzberg & Wright, 2006). For the public-sector dimension, the information on the leadership commitment and “Political Will” will be explored together with their implementing capacity. For the private sector, information on how organized the private sector is, to what extent the entrepreneurs can speak out without fear of repercussion, and the level of leadership to successfully initiate the PPD are essential. Regarding the “champion,” it is important to assess the credibility and expertise to attract the media attention and earn the respect from the participants. As far as the “instruments” are concerned, there are few backup factors to be explored, such as the quality and capacity of support personnel, the funds available, and logistics facilities.

**Principle I: Mandate and Institutional Alignment**

Initiating a PPD with some formal mandate and clear impartial statement will help its legitimate existence and credibility. However, the legal mandate cannot be effective without the competency and mind-set of participants. In fact, aligning the PPD with the existing institutional framework and its priorities is of utmost importance to curtail possible friction and to augment institutional capital. Even though having a legal status by a formal mandate is preferable, it should not be at the expense of keeping the momentum on the practical reform efforts.

In establishing the mandate, there are few options to be considered with different sets of strengths and weaknesses, such as adhering to the mission statement, formal mandate, legal or regulatory mandate, memorandum of understanding, or temporary initiative with time-bound objectives (Herzberg & Wright, 2006). In the case of the mission statement, which is internally generated, it is faster to implement the dialogue with some flexibility. On the other hand, it will be difficult to get outputs from the public-sector agenda if it is totally within the private sector initiative. The strength of the formal mandate, which is originated from the high-level political leadership, such as the executive order from the head of state, leads to the PPD having immediate credibility, while the necessary confrontation can be reduced over the course of PPD. Enacting a law or regulation that introduces the mechanism by which the outputs of PPD are taken into account in policymaking processes is one of the options. It possesses the strength of introducing the formal procedure that ensures the PPD can feed the input into the decision-making process, while having the possible delay in initial phase, and once it is

stipulated, the structure, mechanism, and process will have the limited flexibility for change when it is necessary.

In the case of a memorandum of understanding, which describes how the PPD will work with existing institutions in terms of their role, function, and institutional alignment, it will be prescribed thoroughly while carrying the risks of hindering the natural evolution and potential organic growth of PPD. The option of temporary initiatives with time bound objectives, such as the committed range of business reforms in the first 100 days of the new government, creates the sense of urgency and momentum while compromising the quality of planning and preparation leading to the unfulfilled or ignored promises made by the PPD.

### **Principle II: Structure and Participation**

The dialogue structure should embrace broad-based participation and be flexible in nature for positive and long-lasting PPD for private sector development regardless of its form as formal, informal, or hybrid. To serve the PPD objectives, the existing processes and mechanisms, and the pertinent stakeholders representative of the industries must be considered in designing the PPD structure. The sector-specific or region-specific issues must be explained through a series of working group meetings to come up with effective reform strategies. The participatory process and coherent approach to the dialogue are necessary for the successful PPD structure to formulate overarching policy framework.

It is important to set up the secretariat to organize working group meetings and facilitate PPDs, provide research for the evidence, document the issues raised and

discussed, and follow up the implementations by the public sector. A secretariat will have to report to the steering committee composed of higher stakeholders including technical experts. The secretariat is supposed to prepare the invitation list, which must be approved by the steering committee, and circulate a coherent agenda, which indicates a clear purpose and focus in advance for the participants to have reasonably enough time for preparation. The working group chairperson must be neutral and knowledgeable on the specific sector and facilitate in identifying causes and solutions to the problems. Meeting minutes must be distributed to the participants, and the main discussion points, the commitments and agreements made, timeframe for the implementation, and any points of disagreement (if any), must be included for their commentary. These are the jobs of the secretariat, and the secretariat must arrange to get the signatures of the participants for a meeting after receiving the commentary from the participants. In devising the PPD structure, the organizers must make sure to have the government officials from the highest possible level, to avoid small and medium enterprises' (SMEs) underrepresentation, and to involve minority groups and women.

### **Principle III: Champions**

Choosing and backing the right champions for both public and private sectors is one of the most important steps in the PPD building process. If the process turns out to be dependent on the champion who is too strong, the agenda might become narrowly focused. That is why the champions should be knowledgeable, drive the process, see the big picture, and know when to take a break and a step back.

The roles of champions should be recognized as both in dealing with public skepticism and behind the scenes. For example, the champion may be required to convince reluctant potential players to come to a round table discussion and put high-profile performers in the media limelight for encouraging broad-based participation including small and medium enterprises (SMEs). It is important to be flexible to choose different champions for different sectors and sector-specific issues over the changing circumstances.

If typology for champions is concerned, there can be a spectrum of champions in the PPD building process, namely donors, high-level political champions, senior level but less visible champions, “energetic” champions, “reluctant” champions, and individual entrepreneurs (Herzberg & Wright, 2006). Donors are usually the initiators for PPD by providing resources, advocating for the relevant decision-makers, facilitating the process, and promoting awareness when political consensus is absent. High-level political champions, such as ministers or private sector leaders, who have a good understanding of the important roles of the private sector, can ignite instant credibility, since they can be well respected in the respective community.

Less visible senior level officials, such as permanent secretaries or parliamentarians, can work “behind the scenes” with the relevant authority to make things happen effectively. The “energetic” champions can be from the civil society like NGOs’ or BMOs’ leaders who can instigate enthusiasm at the grassroots level, while they might have less ability to remove obstacles at higher levels in government. The bureaucrats who received relevant training can be the effective implementers once they

become enthusiastic. Individual entrepreneurs can become champions, setting an example to peers, if there is the right mechanism in place for him or her to take effective endeavor.

Respecting the local culture and context is a good practice while being balanced with the international best practice perspective. Human skills play pivotal roles in engaging with consultants, champions, and staff according to their competencies. To develop the human skills across the board, the training needs may depend on training of the trainers, mentorship, facilitation, communication skills, and change management. The international staff or consultants should be regarded as neutral advisors with international best practice experience. The advantage of having the expatriates in the work team is feeling less political, social, and local pressure to develop a clearer message to link between the proposed reforms and the potential paybacks for the people affected. The international staff can assist the champions with their experience in articulating a logical and sensible justification for the need to reform, especially when it is the unpopular proposal.

Building supportive networks before gaining the initial political will is important to prevent isolation and to sustain champions' commitment. The champions must also be provided with the basic equipment and supplies for their sustaining efforts. In improving the capacity of champions, well-arranged study tours are beneficial for the participants to learn about new ideas and new ways of thinking and organizing for better sustainable impact over the long term.



**Principle IV: Facilitator**

A facilitator can earn respect from the stakeholders and create the reputation of PPD by moderating the dialogues with the proper negotiation skills, in-depth technical knowledge, smooth interaction with everyone in the work field, and introducing the innovative and entrepreneurial approaches. A difficult decision point regarding the facilitator is whether the facilitator should be a local or a foreigner.

Exploring the attentiveness, inclination, and the level of commitment of potential participants and reaching out to promote broad representation across the different sectors and regions within the private sector is of utmost importance. Like the champions, the dialogue facilitators must work both in the limelight and behind the scenes to identify opportunities, confer concessions, and develop a shared agenda to have policy position papers for the policy making process related to the private sector. The facilitator must coordinate with the development partners for expert opinions on policymaking, objective evidence-based advice, and customized technical assistance for the sake of dialogue quality and effectiveness in addition to choosing the right person to chair the meetings.

The role of facilitator is nothing but leading from behind while making him/herself at arms-length and sticking to the agenda and vision. In due regard, archiving accurate records and delivering objective and timely meeting minutes must be produced with the leadership of the facilitator. It involves a massive amount of preparatory work between meetings to sustain thrust and energy along the process. Trying and sticking to the agreed timetable and paying attention to logistical details are good practices to maintain the momentum. The facilitator needs a high degree of professionalism, have

industry experience, and be politically savvy on top of the mediation skills leading to the resolution over disputes among participants in a private manner. Sometimes, the facilitator must take the role of the honest broker to soothe over potentially controversial issues.

### **Principle V: Outputs**

Monitoring and evaluating the PPD outputs and outcomes start from formalizing the dialogue structure between private sector and government, holding a series of meetings and periodic conferences, and producing media programs for public relations. PPD process outputs should be measured with time bound, tangible, and quantifiable indicators. Identifying and analyzing business bottlenecks and assessing government service delivery will lead to analytical outputs, which should be fulfilling the mutually agreed private sector development objectives. Structure and process outputs should be accompanied by analytical outputs, which inform policy recommendations for legal reform issues, prioritization, and sequencing of development opportunities in respective regions or sectors.

According to Herzberg and Wright (2006), analytical outputs include position papers, reports on reviews and assessments, and policy recommendations informed by evidence-based surveys. The output can be recommendations for specific reform, such as amending or drafting new laws for a policy reform. Structure and process outputs consist of series of meetings, periodic plenary sessions, functional monitoring, and information dissemination programs. Once these mentioned tangible outputs are obtained, the “soft” outputs will be accompanied automatically, such as building mutual understanding, trust,

cooperation, and coordination between different stakeholders, which can be regarded as social capital.

Of course, problems may arise that require quick wins and quick fixes along the way, and they should be handled and resolved instantly by acknowledging that a problem exists in the work teams. They are the operational level problems like requiring internal procedures to be altered or information for business to be acquired and disseminated more efficiently. These cases must be documented and followed up by the secretariat to determine whether they are implemented.

The secretariat must archive the discussions at PPD, the agreed commitment by the government, and implementation that will be carried out by the government. Thus, the action plan is basically the monitoring tool for the business community on implementation of agreed upon measures by the government. It must include reform agenda to address the problems and issues to be solved, which stakeholders will take which responsibilities, when it is to be completed, and how the performance should be appraised.

When the root causes of some big-ticket items need to be resolved, such as land reform and valuation of land for taxation purpose, broader tax reform, trade facilitation reform, customs reform, and cross-border transport reform, which require major policy reform rather than procedural reforms, will call for medium- to long-term action plans. In these kinds of circumstances, a conceptual deliberation of the problems inherited with complex and multi-faceted issues can impose the decision-makers to arrange alternatives for the resolutions. In this scenario, the political support is unavoidable, and the

respective team should persuade the interested parties through dissemination of information and explanation for their consideration and approval, together with their comments.

### **Principle VI: Communications and Outreach**

Instilling a shared vision through common knowledge is of the upmost importance across the board. Opening the formal and informal communication channels to ensure common understanding is essential for trust building among stakeholders. Stakeholders need iterative interactions in workshops, seminars, roadshows, and the media. The business reform agenda must be identified in the private sector working group meetings and communicated strategically to the government through a concerted dialogue. Open media engagement is essential to convey the information efficiently to both the participants and the public. Transparency must be ensured throughout the process, including measurement and evaluation. Additionally, outreach to individual entrepreneurs and capacity building of business membership organizations (BMOs) can lead to workable ideas. A communication strategy through visual images is important for brand building.

Building a brand is a complex process consisting of multi-level connotations, namely product attributes, product benefits, brand values, and brand personalities (Herzberg & Wright, 2006). The service features and tangible results must be delivered to the stakeholders for product attributes such as trustworthiness, prestige, and functional performance. Also, the benefits of the PPD must be communicated to instigate rational and emotional values in the stakeholders. The brand values communicate the values

aligned between the stakeholders and the services rendered by the program (PPD). The brand personality means attracting the supporters who have matching personal or organizational images with the program.

It is the private sector expertise that will sell the idea of PPD better than the public institutions, explained with the same theme to the public. However, SMEs have less awareness of selling reform ideas through media in progressing a political agenda.

There are five steps developed by the World Bank in devising the effective communication by identifying the audiences, requiring behavioral change, providing appropriate messages, using effective communication channels, and monitoring and evaluating the communication process. Distributing public information and brochures and public broadcasting promote transparency and secure commitment, which also can be marked as significant milestones.

Social marketing can bring positive social change in target audiences through four classic stages of behavior. They are: 1) pre-contemplation: an issue or a problem is not recognized; 2) contemplation: starting to realize that a particular issue is a problem, which can be solved; 3) action: finding the possible alternatives for solutions and deciding the specific solutions through cost-benefit analysis; and 4) maintenance: seeing the benefits of contribution and maintaining the behavior (Herzberg & Wright, 2006).

### **Principle VII: Monitoring and Evaluation**

Monitoring and evaluating enables the PPD process to demonstrate its purpose and performance. The monitoring and evaluating framework should be designed as flexible and user-friendly that can reflect the clear internal process and promote

transparency and accountability. The appropriate indicators must be developed for periodic review with the clear definition on inputs, outputs, outcomes, and impacts with the reliable data collection procedures. Integrating the monitoring and evaluation techniques during the design phase can provide motivation for effective implementation and developing a baseline assessment can identify the need for potential advocacy and how it is progressing over time for its envisioned paybacks.

The appropriate indicators for the private sector forum should be measuring how many meaningful reform suggestions and issues can be raised from the private sector forum after cost-benefit analysis. For the government, the appropriate indicators should reflect how efficiently they can review and analyze the proposals by the private sector after the dialogue and how many proposed reform agendas can be put on the statute book and be implemented effectively. Monitoring and evaluating can promote accountability and transparency, which play a significant role in showcasing to both government and private sectors. Initiating a dialogue, itself, in the environment of low mutual trust can be a successful outcome. It is important to keep accurate and agreed minutes, and the bureaucratic process for the passage of critical legislation after PPD must be clarified.

### **Principle VIII: Sub-National**

Having the broad-based participatory consultation and decision-making at all levels is one of the most desirable dimensions in building the PPD process for integrating the voices of microenterprises and SMEs from the best possible local level. The local issues will be identified best at the local level, and the proposed solutions must be communicated to the appropriate level, where they can get resolution. There will be more

effective execution of national strategies once the local dialogues are aligned properly with regional and national level dialogues, and the agendas are prioritized at the local level. Regional economic competitiveness will be enhanced through recognizing the local differences. It is important to strengthen the local and regional level Chambers of Commerce and Industries mingled with product clusters in the local PPDs for better identification of local issues and solutions.

**Principle IX: Sector-Specific**

The stakeholders will be more focused and motivated to engage in the PPDs, which emphasize a specific range of issues in a sector. Also, it will ignite more incentives for the participants to collaborate and act. However, these sector-specific dialogues must be properly linked to a broader, crosscutting dialogue process to keep it on the right track in the big picture. Choosing the sectors should be transparent and dependent on how urgent or critical the issues in a sector need to be communicated and how ready the private sector actors are. The productivity and effectiveness of the sectors again is dependent on the time and resources invested by the participants, and there should be safeguards against rent-seeking activities by promoting greater transparency, open access, inclusive approaches, and explicit declaration of intended outcomes.

Sector-specific PPD plays a crucial role in promoting competitiveness, which calls for the government and private sector to collaborate in identifying opportunities and devising successful industrial strategies for the business growth (Herzberg & Wright, 2006). The key success factors for a sector-specific dialogue are local ownership and strong private sector champions. Holding a series of participatory workshops with

relevant associations, related institutions, and public-sector agencies provide a good starting point for discussing the cluster strategy, which should, later, be accompanied by a communications and outreach program for public awareness.

There should be a set of criteria developed transparently within the working groups that will guide the choice of the sector-specific dialogues for identifying clusters with potential investment opportunities and growth, such as availability of skills, raw materials and resources, substantial employment opportunities, export potential and foreign exchange earnings, and the common interest of private sector actors (Herzberg & Wright, 2006, p.113).

Nurturing a forward-looking mindset among the private sector actors to cooperate on common problems is important, since firms in sector-specific dialogue tend to be in direct competition with each other. It is the private sector that assumes the role of formulating and implementing strategies by providing the necessary resources, perspectives, and funds into the PPD development process. The process ownership will, then, be created to improve the quality of private sector inputs to public sector decision-making for the clusters to translate it into private sector-led growth and opportunities.

According to “Global Cluster Initiative Survey,” a successful cluster-based initiative is described as having broad membership based on shared and well-articulated vision and being a part of government efforts to improve competitiveness as adopted from the Cluster Initiative Greenbook, Orjan Solvell, Goran Lindqvist, Kristian Ketels, Cluster (Herzberg & Wright, 2006, p. 114). It is important for the private sector actors to keep in mind that it is better to have enough clusters to have an impact on crosscutting



issues, to refrain from the hazard of over-specialization and dependence on previously successful models, and to avoid a limited ability to exploit new opportunities. That is why it is advisable to promote PPD in numerous parallel sectors with crosscutting mechanisms among PPDs.

**Principle X: International Role (Public-Private Dialogue at International Level)**

There are multilateral policy dialogues at regional and international levels, and the representatives from the national PPD should participate in these negotiation processes to represent their interests. Additionally, the processing to participate in these policy dialogues should be broad-based and transparent between state and non-state actors. Countries are increasingly facing development challenges and global issues, and the progressive interdependence and interrelation among economies make public and private actors engage at the international level to influence the outcomes. For example, the issues of international trade, cross-border trade integration, tourism, infrastructure development, stability, and environment call for working with intergovernmental organizations like the World Trade Organization (WTO).

Affiliation with regional trade and investment blocks such as ASEAN Economic Community lets private sector groups present their interests and suggestions to the regional level. The national level PPD can serve as the prerequisite for effective engagement at the regional and international levels and participating in these regional and international policy dialogues can potentiate the effectiveness of the national PPDs. The private sector actors must be empowered in the international negotiation process of PPD, which must be in a proper institutional framework integrated to the government internal

structure, and the commitments made must be time-bound to be in line with what is best for the nation's broader economic interests. The private sector experts must take charge of the process of impact assessment of the international commitments made by the government, given the trends and capacity of the domestic industries in engaging in the ventures, such as the trade liberalizations. There must be regular and participatory consultative mechanisms, which can ensure the involvement of the respective stakeholders on an on-going basis for the effective outcomes in engaging the international level PPDs.

**Principle XI: Postconflict/Crisis Recovery/Reconciliation**

PPD is priceless in reconstructing the local economy affected by natural disaster, consolidating peace in conflict-affected areas, and rebuilding trusts in crisis environments' aftermaths of all these incidents. Restoring the local economy by emphasizing the precise and attainable aspects of small and medium enterprises, and building favorable investment climate, the local or regional governments can assist job creation and poverty reduction. Incorporating civil society organizations into PPDs and sharing of resources and building capacity are desirable in building trust and reconciling across diverse ethnic, religious, and political groups. In re-inculcating the rule of law in post-crisis and post-conflict areas, it is important to consider the inherent nature of informal economic sectors and the role of customary routines in the respective locality. Even though the international peacemakers might play the initiating role in jump-starting dialogues among diverse groups, there should be quick transfer of the PPD mechanism to local actors for their buy in and ownership.

In the post-crisis period, there can be shortcomings in both public and private sectors. Regarding the private sector, the management capability and business technical skills must be enhanced through business development services against the background of unstable, rapidly changing, and unpredictable business environments with high levels of mistrust. There can be a high possibility of breakdown in linking with external markets and perceived risks in business and political arenas. The inputs to the businesses, such as access to formal financing, rarity of land for development, and under-developed infrastructures, are limited, especially in the post-crisis period. In such a scenario, there can be more private sector activities in the informal sector, which is compounded by the limited capacity of the public sector to regulate and supervise with the backdrop of a lack of an effective court system.

That is why the post-crisis PPDs must improve in terms of government commitment, effective and neutral championing, and facilitation in the process; flexible design that will be responsive to the unexpected and emerging situation; and bridging public, private sectors, and civil society for acting on common goals by strategic communication and outreach programs. Having conversations on better investment climates for the conflict-affected areas can speed up the economic reconstruction. That will, in turn, boost the confidence on the PPDs through active participation of local people in consensus building on policy matters and better results on targeted issues.

The PPDs in the post-conflict areas can make higher-level government more responsive to the urgent situation to work with international development partners and propel economic development at the local level by empowering local constituents and

institutional development of government institutions and PPDs. PPD can be used as a medium in the long term for addressing broader post-conflict issues like national reconciliation, human rights reverence, fighting against organized crime, combating corruption, and arranging the return of refugees and internally displaced people to their homes.

### **Principle XII: Development Partners**

The efforts of development partners must be demand-driven and informed by the local social, economic, and political context through cooperation and coordination with the local public and private sector actors. The development partners (donors) can advocate public sector actors with international best practice on PPDs and assist the capacity building of respective actors by providing funds and facilitating dialogue to initiate a PPD. The development partners build trust and local ownership by being neutral, encouraging a transparent and conducive environment, devising the exit strategies, and considering the sustainability issues. The development partners must coordinate with each other to maximize funds' availability and circumvent duplication in supporting the host country.

A PPD should be integrated into a private sector policy and regulatory reform for enabling business environment. Donors can be a great help in building a PPD in a host country when they support the evidence-based policy analysis, regulatory impact analysis, and policy-making skills by highlighting international benchmarking, such as the Doing Business report by the World Bank group. Donors can hinder PPD when they have their own agendas by making a PPD responding to donor priorities rather than the

national interests. It is beneficial to involve the development partners in the PPD design processes, if they ensure that business practitioners will not ask for their own exclusive benefits, such as inappropriate bargaining on taxes, etc. The development partners must also safeguard the PPD not to refute or hinder the structural, top-down efforts.

### **Summary**

According to the literature, creating the condition for the effective PPD followed by thorough design and implementation are the crucial steps in building the PPD.

Creating the right conditions before inception of PPD is the pre-requisite for sound and fruitful PPD on a long-term basis and not to derail from the principal objectives of PPD. Recognizing the situations for effective PPD, such as the political will and mandate, the level of bureaucratic efficiency, the level of organizational development in both public and private sectors, and the preparedness of the people involved is the pre-requisite to circumvent sub-optimal engagement. Creating conditions for effective PPD involves subtle balance over upholding the stakeholders' integrity and autonomy while preserving sufficient interactions for sincere and candid dialogues. Having competent PPD is the manifestation of the business community's access to the government bureaucracy and of the public sector's capacity to participate in networking with stakeholders for enhancing national economy.

The literature reveals political will and mandate are the utmost contributing factors toward successful PPD. Without political will, the PPD cannot be genuinely achievable, even with its legal status. The prospect of a PPD is dependent upon a nation's political economy, which can evolve over time positively, and the PPD could also evolve

according to the progressing factors concerning political economy. A PPD begins in an informal setting, and it can progress to a more formal setting over differing issues. That is why it is wise to start with the issues that are politically less sensitive and that are presumably in line with the political mandate, for instance, the industry-specific issues first rather than touching on more general issues for private sector development.

The PPD can also start with cross cutting issues on the operational level, such as taxation, licensing and registration, and custom clearances. PPD must engage at all main stages of policy reform, namely, identifying the issues and problems, developing the solutions, implementing the changes, and monitoring and evaluating the resulting impacts. By doing so, the change process can be accelerated by introduction of new processes with promising initiatives. Understanding the relevant institutions and their interactions will help reduce the risks along the way.

## Chapter 3: Research Method

### **Introduction**

An increasing number of emerging markets are benefiting from the cooperation between public and private sectors on policymaking and business and economic development. In this study, I analyzed the process of establishing PPD called the MBF during major reforms in Myanmar. Potential policy reforms can be facilitated by having the platform for the businesses and government officials to work together to find solutions on the issues that the businesses are facing. Therefore, the purpose of this qualitative study was to discover and gain a deep understanding of how the PPD is being built for an enabling business environment during major reforms in Myanmar.

The research on developing countries that have been using PPD for business reform agenda has credibility and transferability to other countries that are experiencing similar situations. Despite the meaningful findings and the analyses, there were some limitations such as Myanmar not being included in prior research from the literature review. However, this is also why this study on establishing the PPD in Myanmar is a significant contribution to the literature.

### **Research Questions**

1. How was the Myanmar Business Forum public-private dialogue designed, and how has it been implemented?
2. How successful has the Myanmar Business Forum public-private dialogue been in reaching its goals, and what changes have been implemented in building public-private dialogue?

### **Design of the Study**

To study how PPD has been established and how it can help the business reform agenda for economic reform in Myanmar, I used a qualitative case study design. Semistructured interviews were used to allow for modifying the research process as needed. I collected data through interviewing the key persons from both public and private sectors and from both public and private sector MBF secretariats in addition to analyzing relevant source documents.

I chose the participants in line with the purpose and the questions being asked in the study. The purpose of this study was to determine the building process of PPD, collecting the data regarding the factors contributing toward the establishment of PPD and constraints, and the experiences of the people involved in the building process. Therefore, the purposeful selection of the participants from the different strata within the PPD was appropriate and was useful for providing information on the building process of PPD during major reforms in Myanmar as a case study.

An ideal sample size is achieved when a saturation point at which no more new information is presented has been reached (Lincoln & Guba, 1985). Thus, redundancy is the prime criterion in deciding the sample size in qualitative research (Patton, 2002). When conducting this case study, I was able to determine sample size based on whether the data were in-depth and comprehensive. Even though there was a smaller sample size, which limits the generalizability of results, in-depth data were gathered from the participants from interviews that revealed their experiences and opinions. Additionally,



purposeful sampling helped provide a sample that was representative, heterogenous, and diverse in views of the population (see Creswell, 2002).

### **Design Rationale**

I chose a case study design with semistructured interviews because it provided in-depth information on establishing the PPD and its effectiveness and implication on the business sector development. I gathered data through interviews and a thorough document review. I analyzed the data by determining its themes on building processes of the PPD. The research intent was to articulate the evidence supporting the factors contributing to the building process of the PPDs. By having PPDs, the business practitioners can communicate the issues constraining their businesses to the policy makers and suggest solutions. The PPD can also help build trust between the policy makers and the business people, which can contribute to sustainable growth and development of the national economy.

### **Role of Researcher**

In qualitative research, the researcher is the research instrument, and the participants become the coresearchers. It is important to create a working relationship with those who are interviewed, though it is challenging (Maxwell, 1986). I did this by building rapport and making the participants feel that they also benefitted from the research findings. I also listened to participants with cultural sensitivity.

Another role I fulfilled as the researcher was the one analyzing data throughout the data collection, interpretations, and written reports. The theoretical lens and perspective of participants was considered when analyzing the data. The theoretical lens

was used to find social, political, and historical context. Additionally, my background and prior understanding may have been involved in interpreting the data.

### **Methodology**

It was important to choose the interpretive framework appropriate for the research and be mindful of my own beliefs, assumptions, values, expectations, and experiences. I discovered the experiences and opinions of the key actors involved in the establishment process in Myanmar and how they interact and collaborate with each other, which were variables in my research for theory contribution rather than theory confirmation. Understanding the phenomenon in PPDs and the business issues that are constraining business growth are the core of this research.

### **Theory Considerations in Qualitative Research**

It is important for researchers to acknowledge their beliefs, assumptions, values, experiences, and expectations (Creswell, 2013) from the perspective that there can be different views. It is important to recognize that different people hold different values that can influence interpretation of the research findings. Additionally, the researcher's beliefs influence how the research problem is defined, how the research questions are developed, and the data are analyzed (Huff, 2009). Furthermore, the researcher's perspective can be influenced by being open-minded throughout the research process.

I used a mixture of social constructivism, transformative/postmodernism, and pragmatism as philosophical assumptions to guide my research design. First, for social constructivism, I recognized that different people have different life experiences and that though my perspective may be different, participants' assumptions and beliefs

contributed to the findings just as my own did. In a transformative/postmodern interpretative framework, issues are explored via evaluating and examining the individuals' values, beliefs, assumptions, and experiences through participatory and collaborative processes (cite). Finally, I used pragmatism to be results oriented and determine how to get the research questions answered (see Ross & Wilson, 1985). Pragmatism also allowed me freedom in choosing the research methods and procedures to meet the research needs and the research purpose (see Cherryholmes, 1992; see Murphy, 1990). Therefore, the choice of interpretive frameworks considering the philosophical assumptions guided my decision in choosing the research design and methods.

### **Data Collection Methods**

Participants from businesses who actively took part in the private sector working group meetings, the government officials from the relevant ministries, and the secretariats in both public and private sectors were the participants in my research. The research sites were where there are private sector working group meetings, secretariat meetings, and the PPDs. Therefore, they were at the Ministry of Commerce for Myanmar, which is assigned as the focal ministry for coordinating with the private sector and the other ministries, as well as at the UMFCCI where the private sector working group meetings occur. As a member of parliament, I had unique access to the key individuals and interview sites.

Data collection in this qualitative study included interviewing the participants from four different groups of people and analyzing source documents. To reduce biases

and limitations of the information and address validity, triangulation was used in data collection by combining the interviews with reviewing informal and formal documents such as the position papers submitted by the private sector working groups, the meeting minutes of related PPDs, and documents on structure, process, and mechanisms for the PPD. The interview and the source documents were used to determine the contributing or constraining factors toward the PPD building process and its effectiveness. The field notes will be kept in a locked place, and the electronic data will be kept in a password-protected computer for 5 years in my home.

Developing the interview questions helped answer the research questions in this study, which related to finding the contributing or constraining factors toward the building process of the PPD. In the interviews, the following details were examined: the structure and process; key interpersonal interactions and the working relations; the frequency of meetings and different levels of meetings; the quality and specificity of the issues submitted by the private sector; the capacity and the willingness of the public sector officials in addressing these issues; the barriers and potential resistance; the capacity and commitment of secretariats; the overall cooperation, coordination, collaboration; the leadership commitment; the performance measures; the role of the experts and the technical assistance; and the pace of the policy change, or procedure change, initiated by the MBF.

The interview questions for the business practitioners were as follows:

1. Could you please explain how the PPD is designed in terms of its structure, process and mechanism?

2. Do you think the PPD has been implemented as it is designed?
3. Could you please explain how the PPD has been executed among the public and private sector member organizations, and is it being applied uniformly?
4. Could you please tell me to what extent do you understand the concepts of PPD in contributing toward the private sector development?
5. Do you think the implementers are aware of the risk factors and can identify and address problems as the PPD progress?
6. What facets of the PPD do not seem to be working as they are intended?

The sequence of the interview questions was designed to help answer the research question. Collecting the data through interviews allowed me to identify the common features and the characteristics that contribute to the MBF being more effective.

### **Sampling Strategy and Population**

Developing a coherent design by planning the study in line with the research questions was an important part of the research process. Stratified purposeful sampling was used, followed by snowball sampling and criterion sampling for flexibility. I used this sampling strategy to create a representation of the population with the emphasis on the government and the business community.

[add information on how participants were recruited].

Because the MBF is the PPD, the samples were selected from both public and private sectors. There are seven private sector working groups and the secretariat on the private sector side, and the government taskforce and the government secretariat on the public-sector side. I purposefully chose from the four different groups involved in the

PPD building process, and there are two each from seven private sector working groups, four from the public-sector secretariat, two from the private sectors secretariats, and five from the government taskforce. Altogether the minimum expected sample size was 25 participants. The following are the persons chosen as the samples in my study:

- Chair, cochair and three other members from Business, Trade and Investment Promotion Taskforce;
- The permanent secretary, Ministry of Commerce;
- The director generals, Trade Promotion Department, Ministry of Commerce;
- Two directors, who are appointed to work in the public-sector secretariat for PPD, Ministry of Commerce;
- The senior coordinator, private sector secretariat;
- The executive secretary, private sector secretariat; and
- Chair and cochair from seven different private sector working groups.

### **Ethical Considerations**

Inclusion of social justice in the research process was an important ethical consideration, which led to the impartial interpretation of the findings. I used the social justice framework in the process of writing the problem statement and developing the research questions so that certain groups of people or cultures were not marginalized. As such, in the data collection and analysis phase, I respected the participants and the research sites with regard to social justice so that people were recognized as individuals rather than categories like gender and ethnicity.

Another ethical consideration was that participants' interview responses were recognized as their subjective positions, and any account built together by me and the participants were acknowledged as collective ownership. I requested the interviewees to read the project brief and how the research would be conducted in advance. I explained that participation was voluntary and made sure participants understood that having a break at any time was fine as well as informing them that the interview would be recorded and notes taken. I ensured that participants' opinions are respected and will guarantee the confidentiality and anonymity of the participant. How the study will be presented, such as publication, presenting in conferences, and professional meetings, were explained to the informants. The informants were kept anonymous to keep the participants' rights protected.

### **Data Analysis and Interpretation**

Researchers should be prepared for possible data overload or data loss in dealing with massive data in qualitative research. Using a data accounting log, contact summary form, and case analysis meetings can help prevent these unintended scenarios (Miles, Huberman, & Saldana, 2014). Data serve are the units of analysis that involves authenticating the explanations by the participants or an emerging proposition. Therefore, keeping a data accounting log by documenting a single form to record what types of data have been collected from which participants, which sites, and when can be noted with any supplementary data. I created a comprehensive data accounting log to track the data collection in progress and attaching it to a contact summary form helped me plan the subsequent steps of data collection. Analyzing the data accounting log led me to identify

additional forms of data that needed to be collected. It was also used as a reference for auditing the research and an appendix in the technical report session.

Regarding the contact summary form, I kept a one-page document that summarizes the answers, discussions, and the explanations by the individual participants after a write-up without losing the basic information to which it refers. It was an effective way to condense the data reflecting the main points, themes, impressions, and aspects for a contact I could refer to further analysis. I also noted any remaining questions, subsequent thoughts, or the new target questions; I included my reflective remarks on any new propositions or themes. The information on the case, field contact, date, and field-worker should be indicated in the contact summary form. The codes were applied in the contact summary form, and I kept the contact summary that summarizes all the contact summary forms, indicating the contact, the themes, or aspects together with the page number for easier reference. The new codes were asterisked, comments were put in double parentheses, and the theme or aspect was written in capital letters.

The case analysis meeting was held to summarize the current situation of the case with a series of predetermined questions, and the discussions and answers were noted. The approach to the case analysis can be handled in different ways, such as focusing a theme in one case or over several cases to build logical constructs to guide analysis at a later phase with fast reclamation of impressions, issues, themes, and aspects. It is noted that the adverse effect of conducting the case analysis meetings can lead the researcher to premature generalizations.



### **Data Analysis Strategies**

Having insights in finding the factors for effective dialogues augments the researcher's ingenuity, such as the structure and the process. Knowing the audience is of great advantage in deciding what message is to be delivered to them. It guided the researcher to analyze the interview data by being able to predefine the codes and identify the themes that are emerging during data collection. In fact, revising these pre-specified codes plays the pivotal role in data analysis. Specifically, the interview questions were coded to retrieve the relevant information on a systematic basis. The researcher has revised the codes and added up the new codes or sub-codes according to the emerging situation depending upon the frequency of keywords used by the informants, their ideas, opinions, and experiences. By doing so, the codes evolved into a hierarchy, and the quantity grew. By transforming the data into the meaningful information, the proper guidelines and procedures were followed while maintaining the researcher's judgment and creativity to converse with the audience of scholarly community, the policy makers, and the business community for their usefulness and applicability.

### **Describing the Themes and Patterns from the Results**

Balancing between describing and interpreting the findings is an important consideration after summarizing the responses. The substance was retrieved from the findings to harmonize with detailed information to elucidate the evidence from the data collection. The description and interpretation must lead the reader to understand the themes and patterns resulting from the data collection. The participants answered the questions on the structure, mechanism, and processes, and they also will reflect on the

human factors (such as the leadership skill of the key persons, the level of diligence, tolerance, ability, and interpersonal skill) that make the public-private sector effective. The interview data will show that it is leadership ability, determination, foresightedness, and persistence in taking charge of the teams from the public and private sectors' individuals that would make the successful implementation of the MBF by the evidence of building mutual respect and trust through frequent interactions, hosting different levels of meetings, and the number of hours per week that the people spent for the MBF related tasks. It is true to say that the research findings will show the competencies and commitment of the people who are involved in the process on both sides in identifying the issues scientifically with efficient follow-up activities of the secretariats. It is the expert from the IFC who will advise on the effective structure and working mechanism and the performance measurement system in the PPDs.

### **Validity**

Before collecting the data, I made sure that the research questions were clear, and they were addressing what I wanted to learn about the MBF. Then, I developed semistructured interview questions, which were in line with the research questions. I am also aware of my role in the MBF, and I will disclose my role and status explicitly in the dissertation write-up. During my data collection for the mini-project, I kept in mind that the data I am collecting are from the real world, and it will have a real impact on the people involved and the business community. I also noticed that the researcher is the key person in deciding, which area will be given more attention and which facts will be more relevant to the research purpose. I perceived that having long and persistent relations with

the key persons in the MBF was of great help in collecting the data by interviewing the people and gathering the relevant source documents.

Having trust with the informants and sharing the culture with them helped me facilitate the data collection process and the member checking for soliciting their views on the findings and analyses. By doing so, it was easier and more practical for the researcher to have the feedback on the credibility, the accuracy of the research findings, and the interpretations. I paid much attention to triangulating the research methods, data sources, and the conceptual frameworks, starting from the development stage of the research design to validate and confirm the consistency of findings across the different sources of data. The dissertation committee will act as peer reviewers for rigorous methods, systematic analyses for credibility, and integrity of the study.

### **Evidence of Quality**

The researcher must be open-minded, flexible, and impartial in dealing with the data. The analyst engages in a logical search for different ways of organizing data that might lead to alternative patterns, divergent themes, and competing explanations to reinforce the integrity of the analysis. It is wise to communicate the individual perspectives, assumptions, values, experiences, biases, and prejudices to the audience for them to understand the researcher's position that will have an impact on the inquiry. The researcher must be passionate about the topic and conduct holistic thinking on the naturalistic inquiry. The researcher must write the rich description by using direct quotes and interconnecting details to allow the readers to have the whole picture on what is written and what could be transferable to other settings. By writing the rich and thick

description, the audience will be empowered to determine the researcher's interpretations and conclusions. In conclusion, the researcher will have to pay attention to the practical guides for ensuring the quality of conclusions such as objectivity, reliability/dependability, credibility/authenticity, transferability, and applicability (Patton, 2002).

I decided to use a precoding scenario in which I will try to generate a set of more general coding schemes that are not content specific, and the new generations of codes related to the pre-codes will be applied inductively along the way. According to Lofland's (1971), Bogdan and Biklen (1992), it is good to create general codes, such as actions, activities, events, meanings, settings, wider situation, participations, relationships, strategies, perspectives, ways of thinking, process, social structure, and methods. Along with the data collection, more specific codes were developed nested in the first set of coding through revising the codes while paying attention to the structure or hierarchy of the codes together with proper definition of codes for consistency throughout the data collection and the different levels of analysis.

According to Miles and Huberman (1994), I decided to predefine the codes to be used in my data collection. Designing the interview questions to answer the research questions is useful to find the effectiveness of PPDs for establishing the enabling business environment in Myanmar for my qualitative study. I developed three sets of interview questions, since I am using the stratified purposeful sampling in my study, and these different groups of samples are the business practitioners, the people from both private and public sectors' MBF Secretariats, and from the government officials who are

taking part in the PPDs. The pre-determined codes were used to find the factors contributing to the effectiveness of the dialogues, such as the structure of the overall dialogue, the mechanism, the process, the working procedures, and the issues faced by the private sector actors.

Of course, the details will emerge, and expanding the pre-existing codes by putting the sub-codes or the new same-level codes is unavoidable. Revising the codes according to the emerging situation is correct for coding in analyzing the data collected. At the outset, for example, the structure proposed by the private sector was ignored, and the government tried to exclude the proposal by the private sector. It shows that there was some resistance and reluctance to cooperate, coordinate, and collaborate on the matter that was initiated by the private sector. It is natural that negotiating to have an effective, parallel structure for equal partnership took a while, since in the past oppressive regime the government routinely took the role of commander. Now in the democratization, the government is not comfortable with the private sector initiative. This was all about changing the culture and proposing and counter-proposing the structure took time, and it was the symbolic representation of the changing regime from tyranny to democratization. There are both top-down and bottom-up approaches in the new era rather than just a top-down nature as in the past regimes.

### **Potential Design and/or Methodological Weaknesses of the Study**

Deciding on the design and the methodology in the qualitative study requires the researcher to be flexible. This is a weakness of the study. In analyzing the collected data, it is important to use coding as a tool, and by doing so, the researcher can review and

synthesize the field notes meaningfully. Therefore, the decision on when to code becomes a fundamental issue. Coding involves assigning the codes to the information, whether they are descriptive or inferential, so that the data are organized and can easily be retrieved to set the stage for conclusions. Of course, some advantages and disadvantages attached to whether the researcher chose to use a predefined or emergent coding method are present. The qualitative researcher must deal with the challenges of data overload and data retrieval from the massive data coming from different sources of data collection methods.

If the precoding is concerned, there will be more advantages than disadvantages for the starter since I decided to use the case study approach rather than the grounded theory approach. Pre-coding allowed both early and continuing analysis, and the researcher started analysis from the outset, which will also drive enduring data collection and lead to revising the codes as the research unfolds. With open-mindedness of the researcher, pre-determined codes can expose changing perspectives or contexts, the possible sources of bias, and data incompleteness that might be explored further. On the other hand, the inductive approach would be time-consuming, since the researcher will develop coding structure or hierarchy only when the data collection is finished, and in this scenario, the analyst must be more context-sensitive to match the findings with a theoretical or conceptual framework.

### **Feasibility and Appropriateness**

This study was useful for other practitioners who were setting up the PPD in their culture. The contribution to the field was significant, and it can be replicable in other

developing countries' context. This study is important for the business community, policy makers, and the public who will be the ultimate beneficiary once the economy grows and develops through the presence of the enabling business environment in the country. It will also be useful for the scholars who want to take further steps for research in the future as part of longitudinal research. Implications for future research exist, such as countries with upcoming PPDs for their economic policy reform, and it does have implications for the policy makers and business practitioners.

### **Summary**

In summary, investigating the research question of “what are the challenges and opportunities with which the private and public sector actors are confronted and combatted in building the process of PPD during major reforms in Myanmar?” will employ the qualitative research method as a case study guided by ten principles in Charter of Good Practice for PPD and the PPD diamond to understand the experiences of the key stakeholders involved. The findings will inform areas of improvement regarding PPD structure, mechanism, process, and readiness of the stakeholders involved. This research added to the knowledge in diagnosing the status and potentials of PPD in developing countries, and ultimately it will build up the knowledge on acquiring pre-requisites before PPD, planning its phases, and addressing the promises and hazards of PPD.

## Chapter 4: Results

### Introduction

The purpose of this study was to gain a deep understanding of how the PPD is built in the private sector trying to advocate to the government for improving the business environment in Myanmar. I used a qualitative case study, collecting data through interviewing the key persons—government officials, business practitioners who involve in PPD building, and MBF secretariats for both sides—for their personal experiences and opinions until no new information appeared. Participants were selected using stratified purposeful sampling of information-rich cases.

The followings are the research questions for this study:

1. How was the Myanmar Business Forum public-private dialogue designed and how has it been implemented?
2. How successful has the Myanmar Business Forum public-private dialogue been in reaching its goals, and what changes have been implemented in public-private dialogue?

### Analysis of Data

The data were analyzed through the lens of cross-sector collaboration with the concepts of open strategy, which consists of stakeholder legitimacy, goal interdependence, participatory decision-making, and transparency and inclusiveness. Additionally, I considered general antecedent conditions, power imbalance, level of collaboration and collective mission, and process and structure, and the link between them. The social constructivism, transformative/postmodernism, and pragmatism were



used as an interpretative framework. The data were interpreted throughout data collection and reports were written using Nvivo. Findings are meaningful for both me and the participants.

### **Chapter Organization**

This chapter includes background information, why PPD is needed in Myanmar and establishment of MBF, which is followed by change of government and change of UMFCCI leadership in 2016. Then PPD is discussed in two sections, before and after April 2016. The next sections include information on when the government of Myanmar was changed and the challenges being faced by private sector and public sector including coordination among development partners.

#### **Background**

In Myanmar, there is a history of a socialist ideology and practice with the private sector dominated by the government. Myanmar has not promoted any private sector businesses during the socialist era, and only in 1990s did the country start a market-oriented economy, which promotes private businesses. The current constitution was introduced in 2008 and there were the general elections in 2010 and 2015 that led to the military back up Union Solidarity and Development Party ruling the country as the first ever elected government in about 50 years. In this democratic era, it is important for the new government to listen to the people and businesses who are operating in the country.

#### **Existing Situation**

There are more than 70 national level trade associations, and these associations are engaging with the ministries concerned on their own. The relevant ministry and

private sector associations are directly advocating with the relevant ministries, but the PPD is fragmented, and it is difficult to have inter-ministerial coordination, meaning the private sector is coping with the unfavorable legal and regulatory environment. PPD can provide a platform for both public and private sectors to have dialogue that will promote inter-ministerial collaboration as well as allow private sector actors to work on raising the issues to propose the solutions to the public sector.

### **Why Public-Private Dialogue is Needed for Myanmar**

According to the data, the private and public sectors have never worked together. If Myanmar leaders want economic reform, the public and private sectors need to cooperate, and the public sector needs to listen to the private sector's requirements and proposed solutions, which means creating a PPD. Respondents indicated that the power distance between public and private sectors is high in Myanmar. Additionally, the public sector has not realized that it is important to listen to private sector to establish the enabling business environment. If they do not have a platform through which the private sector actors can interact with public sector people, it is difficult for the government to understand how the market and the businesses are run and what difficulties the businesses are facing on their day-to-day operations. The interviewees agreed that the government wants the businesses to do well for the growth of gross domestic product that leads to socioeconomic development. As far as the legal and regulatory environment for the private sector is concerned, interviewees pointed out that it is in need of improvement and reform because the private enterprises are bearing compliance costs in running their businesses.

Three informants explained that civil society and nongovernmental organizations participated in the private sector groups and encouraged people to participate in the MBF for PPD because it is needed to improve laws that businesses can follow to be responsible businesses. Businesses need to obey the law to be a responsible business, but the laws need to be practical and realistic for private sector people to obey. However, because the laws are not being made with any systematic business inputs, they are not implemented by the businesses. It is common that when nongovernmental organization people go to states and regions for responsible business workshops and seminars and educate businesses on obeying the law, people from the business community reply that the government and civil society do not understand how difficult it is to obey the law. The findings from this study indicate that the laws need reform, and business practitioners need to engage with the government to make the legal framework better. Respondents said that they expected the government to recognize the importance of stakeholder consultation in the process of drafting laws and regulations.

Another reason that PPD is important for Myanmar is that the business community does not know how they can engage with the government for establishing a better business environment. The nongovernmental organizations for responsible business should advise them to join business associations and chambers of commerce and industries. However, respondents expressed that the business associations and the chambers of commerce and industries seemed like they were engaging with the government for their own interest to meet business dedication. That is why Myanmar needs groups like the chambers of commerce to advocate for businesses. Therefore,

respondents agreed that there is the need to raise awareness on effective and collective advocacy and the role of trade associations and chambers of commerce and industries. For example, there is a business membership organization called the UMFCCI that has more than 70 affiliated trade associations and states and regions chambers of commerce and industries across Myanmar. However, it needs processes to convey the representative voice of the private sector to the policy makers.

PPD can also help build trust between public and private sectors, which include people with different expertise, professions, backgrounds. For example, private sector businessmen may expect something to happen that they need to happen, but there may be a regulatory constraint that regulators decide. To build trust, respondents indicated that the public sector needs to know how the market and the businesses are run, and the private sector needs to understand how the bureaucracy is run and why certain rules and regulations are needed. According to three participants, the government officials in Myanmar assume that private sector people come to bargain, and the private sector people think that the government officials do not work on private sector development. Therefore, interviewees called for a proper platform for both sectors to interact at the same time, which must be legitimate and recognized by both sides. This platform is PPD, which is a dialogue with a process by which the private sector actors can meet government officials to have common understanding and identify the challenges to create solutions for the private sector to grow further. Only when the people from public and private sectors work together with common understanding and common goals can a working relationship and mutual trust be fostered.

### **Establishment of the Myanmar Business Forum**

Six informants explained that the IFC has been assisting transition economies to set up PPDs in developing countries. The IFC started the idea of building PPD in Myanmar around the end of 2012 under the name of the MBF. The IFC selected UMFCFI as the private sector representative organization after consultation with various trade associations. Eventually, after a series of meetings on how PPD would be implemented, the UMFCFI and IFC entered into agreement and signed a memorandum of understanding. After that the UMFCFI and IFC together tried to advocate to the government to set up the MBF as a PPD to identify the business reform agenda and create a better business environment for economic reform.

To implement a PPD, the government of Myanmar formed the Trade and Business Promotion Taskforce on August 8, 2014, chaired by the minister of commerce and cochaired by deputy ministers from other ministers and the chair of UMFCFI. The Ministry of Commerce was assigned as a focal ministry for the MBF. The Ministry of Commerce formed a secretariat to coordinate among ministries and private sector working groups called the public sector MBF secretariat. The private sector actors and IFC officials accepted the government's decision, which has led to productive meetings between public and private sectors organized by the MBF secretariats of both public and private sectors.

In developing the MBF, the IFC arranged for executives from UMFCFI to go to Vietnam four times to witness the Vietnam Business Forum and how the Vietnamese government engaged with the private sector actors through dialogues. The information

from the trips revealed that the Vietnam Business Forum 6-month is published after the plenary (which includes witnesses, diplomats, and media), and it covers the PPD process and issues solved and outstanding in the last 6 months. Additionally, the business practitioners and law firms sponsored to get PPD established. Information on the Vietnam Business Forum indicated that PPD needs understanding of both public and private sectors on the objectives and its process. It also needs top leaderships' mandate and the right institutional alignment among government departments and the private sector working groups. The secretariats on both public and private sectors also have a role in coordinating the whole process. After members of the UMFCCI went to observe the Vietnam Business Forum, there were series of stakeholder consultation meetings and brainstorming sessions to formulate the MBF that would best fit to Myanmar's context. However, once UMFCCI and IFC prepared the design and submitted it to the government, the government did not buy into the idea of MBF.

Data revealed that when the first MBF was launched, there was a low level of understanding on how the MBF would be conducted among ministries and private sector people. The private sector actors had issues prepared from private sector working group meetings. At that MBF launching, private sector people who usually did not show up in the working group meetings came to the launching meeting and sat in the front seats to get the chance to talk to the government officials. However, according to the respondents, all the deputy ministers gave speeches rather than giving time for the private sectors to raise the issues. The participants recalled that one of the deputy ministers admitted that he intentionally took a long time giving a speech to reduce the time allowed for the private

sectors to raise issues.

To address issues with the MBF, the UMFCCI management committee (2013-2016) was determined that the MBF did not only mean PPD; the steps after it are important as well. After the dialogue, there should be an understanding of the results from the dialogue such as a method to solving the issues, which can build confidence between regulators and business practitioners. Additionally, in the MBF it is important to clarify how the market is run and what the economic reform agenda is, which can help the government prioritize the issue and the sequence of required actions. It helps the government and the private sector to have a holistic view of the economy to decide what can benefit it. In MBF, having a step-by-step dialogue is important. One person said, “You can’t suddenly bring up your issue or whoever’s issue and discuss with the top level.” That should go step by step. Some private sector actors presume that meeting with top-level officials is the only solution, and along the way, there were the evidence that these meetings are not effective and there was no outcome from this kind of meeting. However, it’s obvious that it is no need for the top-level officials to come to the discussion at functional level with the director general from different departments. Based on participant responses, issues should be discussed with regard to relevant steps and whether it is departmental level or ministerial level or interministerial level and when the issues should be presented to the top leadership level or sent to parliament. Overall, the issues that would benefit the whole industry or the whole economy should be implemented systematically.

Interviewees agreed that business forum like MBF is the brand name since the

IFC has been helping the transition economies to set up the business forum, which is the well-structured PPD around the world. It is easy and noticeable about its function when people say business forum. MBF is the brand name. The business forums, assisted by IFC in the developing countries are well known among multi-national corporations. For instance, the participants from the British American Tobacco said that they had an experienced with Vietnam Business Forum, so they joined the private sector working groups' meeting of MBF immediately when they received the invitation from MBF. Some chief financial officers from foreign companies came to Myanmar just to attend the meeting about taxes. They know that they must work for more effective policy advocacy, which MBF can offer. Data revealed that MBF is not well known among the local business community and most of the local businesses send only their staff to MBF private sector working groups' meetings and the owners of the local businesses usually choose to attend the meetings with the ministers.

Three interviewees agreed that rather than solving all the problems in one meeting with the vice president chairing it, there should be announcement to the public that such thing as PPD is going on in this country. This will bring much enthusiasm to this process. This can also be a marketing strategy for the government of Myanmar as a tool for a public relationship. That should be working groups meetings that regularly solve the issues raised but a meeting where the vice president is attending should be used as a marketing tool to show off the whole country that this government is listening and taking care for private sector development. The more the public sector interacts with the government, the higher will the participation of the private sector be. MBF is all about



creating enabling business environment through public private dialogue. The most important thing is to create the enabling business environment for private enterprises for more productive capacity, trade, and investment. The first thing they must tackle is removing the unnecessary barriers to promote trade and investment. For example, laws and regulations, liberalizing the formalities, to promote trade and investment.

Research denoted that before December 2014, the UMFCCI, IFC and the Government of Myanmar were struggling with design development of MBF, which will be best suited for Myanmar. During December 2014 to August 2015 – more positive and good progress were seen with the leadership commitment of both public and private sector. Respondents agreed that only when Dr. San Lwin, the deputy minister of President office started involving in the MBF, the process could run better with the specific decisions on the mechanisms such as who will meet first, and which ministers will be there. The working team on the MBF design tried to involve monitoring and evaluation during the design development phase of MBF. A set of criteria was developed to measure the effectiveness of MBF and the impact assessment model was institutionalized as well.

As per respondents' explanation, the formation of private sector working groups should have been more strategic and professional since it has been proven over time that without the reasonable negotiation skills of private sector actors, there will not have effectiveness and impact on the business environment, except a few successes in the regulatory reform. Most of the private sector actors failed to recognize that forming up the private sector working groups and actively involving in the discussions and debates to

identify and raise the issues are the most important part of MBF. It was in early 2014 that some working groups were formed up such as Manufacturers, Trade and Investment working group and these working groups were working out as they work along with the various representatives of the government. There were two types of working groups, the first type is the working groups that are related to the industry and the second type of working groups concentrate more on the crosscutting issues like 'Tax working group' and 'Land usage working group'. The private sector working groups are supposed to identify, analyze and filter the issues that are representative of an industry or a topic like taxation, access to finance and land usage.

Respondents expressed that the atmosphere in the working group should have been liberalized and harmonized among the participants and the chair must encourage the group dynamism, and to focus on the relevancy and legitimacy of issue going to be raised to the government. However, culture is one of the hindrances for Myanmar people and people dare not speak up freely on the issues at the beginning of the working group meetings. Business people are busy with their own activities and there needs to have a secretariat for the private sector to follow up on the issues raised during the meetings. Once the secretariat prepared for the matrix summarizing the issues and position papers, the private sector actors are ready to meet with the government. At the beginning, the pre-PPD meetings are needed to digest what the private sector working groups want to say. The matrix and position papers are sent to the government counterpart and once the government departments are ready, PPD was organized by the public-sector secretariat. The plenary that the Vice President will be chairing, should be held every six months and

the issues solved at the functional levels will be reported and whatever the outstanding issues will be brought up to the chair of the forum for his or her facilitation among different ministries at plenary. The line ministries are supposed to respond to the outstanding issues at the plenary. The Secretariats from both Public and Private sector must assist this process until there is a concrete response from the government. And, it is impossible that all the private sector people are aware on this process and the MBF was started with people from different background with different interests. Hence, it was difficult for the participants to raise the issues and the whole meeting was lacking focus.

### **Preparation for Myanmar Business Forum Plenary**

According to the data, MBF plenary could not be held in the previous administration (from 2010 to 2015). In July of 2015 the MBF Secretariats from both sides started to plan and organize the event for the first ever plenary chaired by Vice President. Even though MBF was making progress in private sector side, and PPD at functional level, there wasn't any opportunity to organize MBF plenary sessions since there was a major flood in August 2015, and after that the campaign period for November 2015 General Election was drawing nearer and the ministers' focus and interest were changed, and they lost their attention to pay on hosting a plenary. The general election in November 2015 was significant when the National League for Democracy won, which was sworn in on 1-April-2016. It took 8-9 months for the new government to engage with private sector representatives. The MBF Plenary was supposed to be chaired by the vice President, which would be open to media and diplomats. The MBF plenary would be the reporting session of what issues have been addressed at functional level in the last six

months and what are the outstanding issues that needs the Vice President to lead the ministers to cooperate, coordinate and collaborate to address the outstanding issues.

### **Change of Government**

Data revealed that after April 2015, the government slowed down in engaging with the private sector and they started to focus on elections. In August 2015 the government was busy with the major flood happened throughout the country and there came campaign season for the General Election in September 2015. The government lost interest in holding MBF plenary. The National League for Democracy won landslide in 2015 General Election in November 2015 and the new government came into power on 1<sup>st</sup> of April 2016. When the new government sworn in, the private sector representatives tried to engage with the new National League for Democracy government to have the picture on MBF in its early days. Respondents seem to indicate that at the beginning of the new government, the new Cabinet members were overwhelmed with totally new dimension of work scope and they couldn't digest the concepts of the MBF instantly. It took 8-9 months for the new government to engage with the private sector till the new government decision to form the Private Sector Development Committee. The framework has changed, and the mechanisms were also changed. Respondents agreed that in private sector development, the mechanism of MBF was over-simplified that it was almost completely disregarded the process and mechanism of the pre-existing PPD. There were no more private sector working groups' meetings and both the private and public sectors' secretariat were faded away.

The private sector development framework was technically assisted by the Asian

Development Bank, and the MBF was technically assisted by IFC. In private sector development, there are 5 different pillars and they are 1) Improving the legal and regulatory environment, 2) Ensuring access to finance, 3) Promoting trade and investment, 4) Restructuring State's role in business enterprise and service delivery, 5) Building Myanmar human capital base. All of them are very good for private sector development and only the legal and regulatory pillar is very similar to what MBF has been dealing with. The new government pick the private sector development framework, which has wider scope and the IFC initiated MBF is faded away, and some more, the mechanisms and process of MBF were not used anymore. There should have been more recognition by the government and private sector that MBF can be part of the private sector development framework, instead it was a parallel competing idea to private sector development. When there was the change in government, the Trade and Business Promotion Taskforce was taken care by the Ministry of Commerce decided not to use anymore since they decided that private sector development would be the prevailing framework. It is the misinterpretation that MBF is parallel competing to one of the private sector development pillars that is legal and regulatory framework. Even though if it is the case, the methodology, mechanism and process that were used in MBF would have been continued since it is the proven model for several transition economies that have been helping countries to establish enabling business environment. The methodology of MBF could have helped for having more effective and efficient PPD. private sector development needs well-structured, legitimate PPD. The mechanism and process should have been perfect for the government to interact with private sector actors

effectively in implementing private sector development. According to private sector development framework, there will be more than establishing enabling business environment, and it is meant for private sector development.

In private sector development framework, the Ministry of Commerce also was appointed as a focal ministry. Private sector development is a very broad scope and private sector people think that the President should lead the whole agenda. private sector development needs very intense level of inter-ministerial coordination and cooperation. It is not as if one ministry can tackle it alone, so, having a focal ministry for private sector development cannot be effective. The private sector community wishes that the President or Vice President were chairing the whole private sector development process. In MBF PPD structure, it was in the Vice President chairing the plenary since having favorable legal and regulatory framework is national level issue, which is cross functional.

Data revealed that by the time, Myanmar was having the General Election in 2015 was the crossroad that the government from 2010 to 2015 worked with Asian Development Bank for private sector development since they formulate four waves of reform, which involves political reform, economic reform, public administration reform and private sector development. That is why the previous government tried to be strategic in private sector development matter and the private sector community together with IFC tried to initiate a well-structured, legitimate PPD called MBF in the previous government. It is natural that the current government tried to understand what the previous government has done and continue the way. It is the Ministry of Commerce officials who have the control over how to interpret and integrate private sector development with

MBF and the established methodology, mechanism and process of MBF should have been used in private sector development framework when it comes to have PPD with the private sector.

### **Change of UMFCCI Leadership**

According to the data, the UMFCCI leadership was changed after the August 2016 election, and the new leadership followed the new government private sector development framework. There is still PPD in the private sector development framework and the new UMFCCI leadership failed to use the proven mechanisms, processes and practices of MBF. It was a waste no matter how good the technical assistance is, if the government and the ministers do not really understand the methodology.

### **Public-Private Dialogue Before April 2016**

#### **Private Sector Working Groups**

Respondents said in MBF private sector working groups' meetings, the participants had the opportunity to take part in identifying, digesting, and debating on the issues, which are representative of the whole industry, and trying to figure out how long it will take to present to the government, who it concerns, how the issues should be solved and what will be the relevant government department. There is the reasonable quality of discussion with different points of views. Different people have different interests and needs. In the private sector working group meetings, the issues were analyzed to differentiate which issues are better in representing the industrial or economic interest, and what would be the indicators that prove that an issue is addressed. In this stage all the issues of individual interest are cut off. Therefore, private sector working

groups' meetings represent the collective and consolidated voice of the relevant industry, and for the crossing cutting issue like tax, land, and access to finance are for the private sector.

The private sector working groups and their meetings are the important part of MBF. It didn't work very well at the beginning of the private sector working groups' meetings and the Pre-PPD and PPD meetings. Private sector working groups' meetings became more organized and effective with the help of the private sector and public sector's secretariat under the selfless commitment of, then, public sector champion, Dr. San Lwin. The private sector working groups' meetings must have quality of discussion and different points of views must be discussed around an issue. Everything should have been cleared out in the working group meetings. If needed, the secretariat works on follow-up interviews with the participants to have in-depth knowledge on an issue. After getting consensus on an issue, the private sector secretariat compiles the summary of issues in a matrix mentioning the issues, why they are the issues selected by the private sector working groups and how they are hindering the day-to-day operations of the businesses and how they should be addressed and come up with position papers that describe the individual issue in detail.

Respondents seem to indicate that the private sector secretariat made sure that everyone reachable is invited regardless of local or foreign companies so long as they are registered with the government of Myanmar. The invitation letter was designed to include a list of working groups, so that the potential participants can decide which working group they will be joining. During the meeting, the participants were explained the



working mechanism and they became to understand that the meetings would be ongoing. The participants could have the chance to join what they think is relevant to them. However, participants thought that they should be included in topic choosing for working groups. By the time the participants received the invitation letters, UMFCCI MBF taskforce members and experts from IFC jointly already decided some of the working groups. Of course, the working groups can be emerging as MBF progresses. Tax working group, and Land working group emerged as the process has unfolded and it is the sign of having participants involved in decision-making process for topic choosing for emerging working groups. Participants became more active in working groups' bilingual discussions with the simultaneous translation facility from Myanmar to English and English to Myanmar.

Some think that having foreigners in the discussion is good since both local and foreign participants get a chance to know each other and learn from each other's experience. And usually both raise the same issues that would benefit the whole industry and economy. The group also filtered if the issue was out of own interest or it is for the betterment of the whole industry. During MBF time, there was research on the international best practices when it comes to an issue by the private sector. And, the private sector came up with evidence-based advocacy referring to the international best practices and has the government convinced on how to address an issue. It is the rule that in private sector working group, whatever the issue raised is debated and discussed within the private sector working group and only when there is the consensus upon the issue and the suggested solution, the issue is presented to the government. Private sector working

group meetings are supposed to come up with the collective and consolidated voice of the industry concerned. Only people with industry knowledge and subject matter experts can understand the issues in-depth that are related to an industry. So, the private sector working groups are essential in raising and screening the issues. Otherwise, private sector can confuse the government who usually do not have thorough understanding how the private sector is run.

Interviewees agreed that in working groups' meetings, the role of facilitator is very important. How the working group chairs are facilitating the meeting is very important to narrow down the scope and pin point what the participants want to say and make the meetings productive and come up with common understanding, mutually agreed outputs. That is why, selecting the right chair for a working group and the chair selecting mechanism also is prime for working groups' effectiveness and sustainable positive attitude within the working groups. The criteria should be motivated and committed people with proper industry knowledge and negotiation skill. It was evident along the way that the most successful working group in PPD is the one, which has both international and local participants. MBF was somewhat effective primarily because it was bilingual and involved foreign and domestic businesses and was very practical as in pulling together regulatory issues and attempting to feedback to the government.

Respondents admitted that in the end Businesses both international and local have far more in common when it comes to regulations. The participants must have the chance to discuss actively within a working group. The working group could come up with the consensus on the issues and raise consolidated, collective, and representative voice to the

government by compiling them in a position paper. Once the position papers are submitted to the government, then, do presentation to the government.

If the same issues were raised in more than one working groups, the participants and the secretariat agreed that these issues are cross-cutting, and the new topics emerged. These are 'tax working group', 'land working group', and 'electricity working group'. Sometimes they should divide by issue. They were design to be across all sectors. People needed more similar requirements. Especially in the land group, there were agricultural and fisheries which had entirely different requirements, the retailer which only needed urban land. So again, it was very hard to focus on issues even in one working group because people were from broad range and ultimately, more people were concerned with forming up the sub working groups. This is how the working groups should be identified, prioritized, evolved and formed. Tax working group is much more crosscutting than other working groups since there are different people from different industries. So, there should be sub-working groups and we can have consensus from each industry and we can then collectively raise the main issue that represents everyone in the industries to the government.

Having the consensus among participants through negotiating and debating within a private sector working group means prioritizing the competing issues. The issues raised are being prioritized through dynamic discussions among the private sector actors in the working group. For instance, the Manufacturing, Trade and Investment Working Group that includes manufacturers, traders and investors. They have different needs and wants. They would be discussing in the working group meetings about what they want to happen

and come up with a consensus on what everyone could agree. These issues are summarized in a matrix format. That was only a list of issues. Once the government officials pick up the issues for the quick fix will be another step of issue prioritization in terms of practicality. There is another form of 'Tax working group' and 'Myanmar Company Law working group' in UMFCCL, which was formed to respond annual Union Taxation Law, and upcoming Myanmar Company Law, these working groups are to advocate with the Bill Committee in parliament. It was as if they disregard the MBF even though they sought the information and contact from MBF tax working group.

Eight respondents agreed that working group meetings are essential. If the businesses raise the issue only about what they want without the proper understanding of laws and regulations, it would be very difficult for the two sectors to cooperate. Informants indicate there should be research groups and an advisory board that is made of people with industry knowledge. Nobody knows everything hence private sector working group need more people engaging to get the right decision.

### **Commitment Level Among Local Businesses and Foreign Businesses**

According to the research, the local private sector appreciates and recognizes more on the meetings with the government officials. Whenever there is private sector working groups' meetings, most of the local companies send their employees with no in-depth industry knowledge. Only when there is the meeting with government officials, the companies' owners came, and these companies did not know what was discussed in the private sector working group meetings because the secretariat prepared the PPD meeting agenda and the issues discussed in the working group meetings were put in the agenda.

Therefore, the quality of Inputs and the level of commitment with the local private sector is that just the managers not the business owners who know more the industry-related issues attend the working group meetings. In contrary, the participants from foreign companies are well prepared and they always tried to engage actively in the private sector working groups' meetings.

One aspect is the awareness of the foreign companies on the Country-level Business Forum technically assisted by IFC in the transition economies. The local business community is not aware of the brand name of Country-level Business Forum. They presume MBF is just a name and they do not know the MBF itself is the brand name in it. Hence, the foreign companies send out professional employees to the working group meetings and the issues raised by them became more relevant and more representative of the whole industry. It is more appropriate to see an issue from the perspective of how representative an issue is for an industry than which company submits the issue in the working groups. It is obvious that if the private sector actors do not prepare enough to present the issues and explain thoroughly why they must put up an issue and how they want to see this issue addressed by the government with the effective written follow-up, the PPD will not be effective and it will not produce the appropriate outputs from having PPD. The local businesses do not use services from the legal firms or they have in-house lawyers for systematic understanding on the laws and compliance on the existing laws. What is different with most of the foreign companies is that they usually are trying their best to comply with the home country's existing legal and regulatory framework, so they have used the services from the legal firms or appoint in-

house compliance officers.

The research revealed that in private sector working groups' meetings, participation of foreign organizations is always proactive. They prepared before they join the meetings. So, the quality of participation between the foreign companies and local companies are different. Foreign companies are proactive, as they know the benefit of PPD. On the other hand, the foreign investors' perspective is that MBF is under UMFCII and it is very difficult for them to involve. So, they had to send local lawyers to the meetings. And thus, MBF has no international lawyers contributing a lot to the working group and it is very difficult for them to contribute because the working groups have much more focused only on Myanmar context rather than how Myanmar can improve its business environment by considering on what are the international best practices that will suit to Myanmar situation.

### **Private Sector Secretariat**

Seven respondents acknowledged that the private sector secretariat is essential. Since the businessmen are very busy, they need the private sector secretariat to organize private sector working groups' meetings, follow up interviews and meetings with industry experts, prepare matrix and position papers on behalf of working groups. The private sector actors must provide necessary information on an issue with background explanation and why the issue is brought up and how it is disturbing on daily business operation and how inefficient it is for them to have such kind of issue. And, this issue explanation should be followed by the suggested solution by the private sector. MBF secretariat was presenting the position papers, which express what is happening and

what negative impacts it has and hence to have this matter fixed by the government. The matrix and position papers are very good since working group meetings were well organized under MBF. Back in MBF, Dr. San Lwin, the public-sector champion himself would ask around if he has something that he doesn't understand well in pre-PPD meeting. The matrix and position papers that were prepared by MBF private sector secretariat are well organized and mentioned what the issues and interests are from the private sector working groups, how long it will take to present to the government, who it concerns and who can directly discuss and answer from the government department to the issue raised. According to one respondent, when there is a list of issues with the separate case files, the solution of how to push up to the answer is easier and if it were started doing the most prioritized issues, everyone would get enthusiastic. The mechanism for prioritizing the issues is also needed to improve since there can be so many issues for the industries. The case file should have been created for an individual issue. The prioritized issues should have been identified and thoroughly discussed and selected within a working group. If the secretariat had case file for each prioritized issue and people would have been more focused on what they could do to solve it with continuous follow up with the government officials. There needs the strong secretariat to organize and facilitate the meeting effectively. It is the duty of secretariats to follow up on the issues in both sectors. Hence, the two secretariats from both sectors should be working closely. And the important role of secretariats would show how long it takes and how effective it is to solve an issue.

### **Government Secretariat**

The Ministry of Commerce was appointed as focal ministry for organizing the MBF and to work on inter-ministerial coordination. So, the Ministry of Commerce formed up the government secretariat. There was clear consensus that there needs the strong government secretariat to organize the Pre-PPD and PPD meetings and the inter-ministerial coordination and cooperation. It is the duty of secretariats to follow up on the issues in both sectors. Hence, the two secretariats from both sectors should be working together for effective MBF. And the important role of secretariats would show how long it takes and how effective it is to solve an issue. Inter-ministerial coordination was difficult; there was no follow up between them. All the ministries concerned should be there in the round table discussion on the issues raised by the private sector. The officials from discussed for many times and tried to digest the process and mechanism of MBF and discussed about mechanisms such as who will meet first, and which ministries will be there.

### **Launching of Myanmar Business Forum**

A few respondents said, “Naturally, at the beginning of MBF, there was lack of common understanding among private sector actors and between public and private sectors people”. Therefore, there were tensions and frictions between government officials and private sector representatives. However, both sides could agree on the dialogue structure, process, and mechanism along the way and start to find consensus in issues that were acceptable for both sides. The issues should be read and understood clearly by the participants both the issue raisers and those who are responsible to solve



them. Only then, there will be common understanding by both sides. The issues should be thoroughly discussed among private sector people and scrutinized in the private sector working groups before bringing up to the public sector. Dialogue cannot end at the round table discussion. What both sectors must be determined is to implement the decisions from the PPD. It must be process as well as result oriented and it must solve each issue and implement it with proper methodology. The rule of working group is not to raise new issues in Pre-PPD and PPD and just to elaborate only on the issues with consensus from working group meetings. The government officials may not be ready to interact with the private sector if they raise new issues in the meetings.

Some participants witnessed there were tensions between public and private sectors at the launching of MBF. The thing is that the effective chairing and moderating was lacking to keep on time and keep on topic. So, manufacturing working group didn't have time to go through their concerns with the government. When the first MBF was launched, all the Deputy ministers, the taskforce members gave speeches for a very long time rather than giving time for the private sectors to raise the issues. IFC was acting as a chair and unfortunately one of the deputy ministers from the taskforce, at the time, ended up speaking for one hour. After their opening speeches, the time was almost finished. Even though the issues were readily prepared within the working group meetings before the first MBF meeting, one of the Deputy ministers admitted that he intentionally took a very long time giving speech to reduce the time allowed for the private sectors to raise issues.

Another thing that the MBF launching meeting has had the issue is that even

though the invitation to the launching meeting should only be done by the secretariats the private sector people who usually did not show up in the working group meetings came to the launching meeting and sat in the front seats to get the chance to talk to the government officials. However, the agenda is set to include the issues, which have already discussed and approved in the working group meetings. Therefore, it can be said that there was tension among the private sector actors. The central executive and executive committee members of UMFCCI knew that there would be the launching MBF meeting, they invited some people who have never been to the working groups. It was a launching meeting only intended for the working group members who have participated and discussed within the working group meetings. The agenda is already set according to the discussions in the series of different working groups' meetings and the private sector actors who only come to the launching MBF meeting will not have any floor to discuss and it was shown that the private sector actors did not bother to understand the process, structure and mechanism of MBF and they wanted to join only when there are ministers and deputy ministers are around.

According to MBF design, it was planned to have equal partnership between public and private sector, but it was not that successful at the beginning. It can be said that the private sector actors were struggling till the President Office Deputy Minister; Dr. San Lwin was appointed as the public-sector champion. Even though from Dec'2014 to Aug'2015 there were more positive and good progress with MBF, after Aug' 2015 there were major flood in the country and the previous government lost attention to hold the plenary.

**Pre-Public-Private Dialogue and Public-Private Dialogue meetings**

To come up with the private sector working group position paper, the private sector secretariat had to work on follow up interviews and meeting with the industry experts and work with the public-sector secretariat by inviting the relevant government officials back and forth. This kind of meeting is called pre-PPD meeting and once the private sector is clear what they want and what kind of solution or procedural change for the sake of the whole industry, the position paper was handed over to the relevant government departments through public sector secretariat. During MBF time, the secretariat office and Dr. San Lwin and Ministry of Commerce Permanent Secretary U Toe Aung Myint, and Director General U Aung Soe were all involved in Pre-PPD meetings to help private sector streamlining on issues and come up with specific issue presentation. The Pre-PPD also discussed if a working group and their issues were really representing the whole industry or not and identify the steps that would take to raise the issues and planned thoroughly to present to the relevant government departments. In pre-PPD or PPD meeting, there always are discussions on the issues forwarded by the private sector working groups with consensus. The participants were told not to raise new issues and just to elaborate on the issues with consensus from working group meetings. Depending on the private sector issue, both secretariats made sure that they invite the relevant private sector actors and government officials who raised the issue and who will tackle the issue. After that, the secretariat invites the organizations that is concerning to that issue and have dialogue. By doing that, the dialogue process became more efficient and effective.

There will be the relevant members of Trade and Business Promotion Taskforce and the private sector actors in PPD depending on the issue. In MBF PPD later meetings, the government officials would challenge the private sector people, “We will listen to whatever the private sector say to us. But the private sector must take full responsibility on what they have said and if it is not true, the private sector people have to take full responsibility on it.” The issues are supposed to be submitted to the relevant government departments with full evidence with the case files. Data revealed that under MBF, PPD was more systematic and professional and there was common understanding along the way that what private sector wants and what the government must do on an issue. So, there is the agreement on whether the government is addressing an issue properly and whether the private sector actors are satisfied with how the government addressed.

That should be working groups meetings that regularly solve the issues raised at functional level, but in a six-monthly plenary meeting where the vice President is chairing should be for reporting, inter-ministerial coordination and cooperation and used as a marketing tool to show off the whole country that the government is paying attention to the private sector’s issues and caring for private sector development. The more the private sector could interact properly with the government, the higher the participation from the private sector will be.

### **Inclusiveness**

As per respondents expressed MBF is not meant for just a small group of people, so the organizers must think wisely to invite all those who are doing business in the country since it is meant to have enabling business environment for the whole economy.

In organizing the MBF, it must be inclusive, and it must extend invitations to people who are doing business in the country regardless of whether the businesses are local or foreign since it is meant to discuss the issues for the whole economy. PPD under MBF was established together with the foreign and local business practitioners starting from private sector working groups. However, the local business practitioners do not have the habit of speaking up the issues they have whereas foreign business practitioners are very prepared on the issues they want to raise. Respondents seem to indicate when the issues were reported to the government, the issues were mostly raised by the foreign Businesses. There were fewer issues raised by local businesses and the local businesses are still weak in analyzing systematically on the issues. Because of this, there were some resistance appeared in the MBF instead of taking this as the mutual benefits, and mutual learning. The foreign businesses that registered with the Government of Myanmar made good use of MBF and they tried to advocate to the government for the sake of a whole industry. That is why; there were some success in regulatory and procedural reform that is reasonable and beneficial to the private sector both local and foreign businesses in the country. Even though the participants from the local companies were the majority in the working group meetings, these people rarely brought up the issues, which are encompassing an industry. The working groups dynamic had been enhanced along the way and the momentum of MBF secretariat was in increasing trend. One respondent said that “It was the best time for PPD when Charles Schneider (IFC) and Dr. San Lwin organized the Pre-PPD meeting”. Dr. San Lwin who was then the deputy minister of the President’s Office was empowered the persons concerned correctly as public-sector

champion. All the issues had proper consultation and investigation with the leadership of Dr. San Lwin.

### **The Role of Public Sector Champion for Myanmar Business Forum**

According to the data, Business and Trade Promotion Taskforce was formed on 8<sup>th</sup> August 2014 to oversee the MBF process. Later after Dr. San Lwin came, he started to conduct the Pre-PPD where the government sector tried to clarify and digest the issues after the private sector working group meeting was held twice for an issue. Dr. San Lwin, the Deputy Minister of President Office was assigned to take care of MBF on 12<sup>th</sup> January 2015, and he became one of the vice chair in the Business and Investment Promotion Taskforce. The MBF process was obviously improved systematically since Dr. San Lwin started his role to take charge of MBF. He got mandate from his immediate boss, the Minister of President Office to take charge of MBF and in a way, that he was autonomous and empowered enough to take charge of MBF. So, he said “I did what I think is fit”. He came to Yangon every weekend to work with the public and private sectors’ secretariat. He made the PPD process effective by streamlining the issues submitted from the private sector since he witnessed the PPD for the first time there were people from various backgrounds with various interests. So, there was no focus on any issue. He saw that those who came could not really raise the issue that they want to raise. The Trade and Business Promotion Taskforce led by the Minister of Commerce was formed to conduct PPD on 8<sup>th</sup> of August 2014, 4 months before he was assigned to take charge of MBF. He arranged to hold PPD separately according to different sectors. He organized the Pre-PPD meetings that allowed in-depth discussion between two

secretariats and private sector representatives to help the private sector to improve on issue formulation and presentation. Dr. San Lwin said “I wanted UMFCI to be in a stage where it can be in the equal terms with the ministries. UMFCI needs to be stronger than this.” Now, UMFCI fears ministers and the ministers think that they are superior to private sector people. To develop the country, the two sectors need to be working together in equal terms. When there was pre-PPD, he did not sit at the top. He sat together with the public sector and the government officials sat face-to-face with the private sector to express that both sectors are working together in equal partnership terms. If he sat at the top, he might signal the idea that he is superior to them. Pre-PPD is scrutinizing the issues; the public and private sector people decided if this is an issue, and if so, do they need more specification. This is the private sector’s responsibility. He sat as a moderator to have this meeting smoothly and effectively. If not, people who wanted to talk a lot will talk a lot, and those who didn’t have a chance to talk will have to go back without any discussion. And the two sides will be going against each other. As per respondents explained the private sector was somewhat aggressive and the public sector was protective at the beginning.

The private secretariat officers visit or invite the private sectors and clarify the issues themselves and wrote the position papers. And the private sector secretariat received many issues. They organized series of meetings and tried to have the common understanding among private sector actors. One participant said, “Making the stakeholder have common understanding is one of the biggest challenges”.

One person said, “Dr. San Lwin knew that it is important to build trust among

different stakeholders and have a constructive engagement both with the government officials and private sector representatives”. Therefore, he tried to establish the positive working relationship with government officials first and then with the private sector representatives. He could manage to build trust along the way and people from both sides are cooperating toward the effective PPD. If not, the government officials will think that they are put to work by force and there can be resistance emerging along the way. Dr. San Lwin also coached the government officials on how to let the private sector understand their work. After couple of times of PPD, there were buy in from both the government sector and private sector and the procedures and practices had also been introduced from issues preparation, presentation to resolution.

Dr. San Lwin said

I usually say that every new government always points out the wrong policies and overlook the problems that the public is facing day-to-day. Only if we clear up the procedure, it will be very much smooth in daily operations of the businesses. But they never reach this stage. When I was doing this PPD, I prioritize the procedure than the policy. I am not saying policies are not important. But the policy comes together with the procedures. It is up to the right procedure to implement the intended policies. My policy of MBF is to prioritize the clearance of procedure issues. So, this solves the on-ground practices.

When Dr. San Lwin is the key focal person, he carefully reviewed the issues. He conducted dialogues with the working groups chairs, co-chairs and those who write position paper and digested the issues and its conditions. He tried to comprehend the



challenges of the stakeholders and he ensured that the stakeholders' issues and mappings are indivisible. To get the outcome quickly, he followed up himself regardless of his position as a deputy minister. It seems like he forgot that I was a Deputy Minister. It was a selfless leadership of him. That is why, the MBF reached some stage at which the public and private sectors people built healthy and effective working relationship and mutual understanding and mutual trust. But MBF needed more time.

Four interviewees agreed that the role of facilitator is important, and their skills and experience play the major role in making a successful PPD. Once the facilitator is smart, he or she can compensate the knowledge gap and capacity gap. In MBF, U San Lwin himself would ask around if he has something that he doesn't understand well. He made sure that the public sector already had the position paper earlier the Pre-PPD meeting. So, they came prepared with the solutions they had decided or the plan they were about to implement. For example, the FDA is very much according to system right now. DICA U Aung Naing Oo would come prepared. So, we have sense of achievement from both sides. If we can't reach this stage, we will go back to self-defense. There will be a close relationship between the two sectors and that leads to trust. The private sector would say they did not do anything for us. The public sector would say we have these done for these issues. When the public and private sector started working together, the misunderstanding and tension are much reduced.

Once the stakeholders identified and discussed thoroughly on the sector-specific issues, they only discussed with the relevant public-sector officials. The two secretariats only asked the public and private sector officials relevant to the issue that they are going

to discuss. It didn't end when it is given to the government secretariat. One person said, He, Dr. San Lwin went to the offices that the issues were submitted and hand the position papers over to the relevant officer himself. The director generals are already occupied themselves. They have a lot of papers piled on their desk. Because he goes by himself, he could personally hand the paper over to the director generals. Since he is holding a higher position than director generals, they will focus more on the case. If the meeting is on Saturday, he made sure he handed the paper over by Wednesday. This is to make sure that the ministry has a reasonable timeframe to prepare. The government officials who come unprepared, when faced with questions, he will start self-defense or will be defending his department.

Depending on the private sector issue, the secretariats only invite the persons who is concerning to that issue and who will have to tackle it. After that, they invite the business organizations that are concerning to that issue and discussed. By doing that, they could reduce a lot of inflated committee. There will be the task force and the private sector representatives at PPD to raise the issues to the Trade and Business Promotion Taskforce and the relevant departments will have to answer in front of the taskforce. In real PPD, they have quality of discussion and mostly they have different points of views.

Informants agreed that if PPD is to be successful, it's very much depending on the stakeholders, and the dialogue should be done with the right inputs, right process and the right persons on both sides. One person said, the public sector might come to the meeting thinking that the private sector people will come to the room to ask for the things that they want. The business people came to the room that the government officials will resist

what they will ask for and make things difficult. And if the participants from both sides came to the PPD meeting with doubt, it is difficult to have a productive meeting.

Therefore, to have healthy working relationship and to build trust is the utmost importance in having successful and productive PPDs.

Data revealed that it was a peak of PPD when the MBF had success stories during Dr. San Lwin days, which led to more active and effective participation. One person added it was the best time for PPD when Charles Schneider (IFC) and Dr. San Lwin organized the Pre PPD-meeting. Dr. San Lwin represented the whole president's office and there was the mechanism for inter-ministerial coordination like delivery units, which are formed up with the deputy ministers from the different ministries. All the issues had proper consultation and investigation by the private sector working groups, private sector secretariat. And, the cooperation, coordination, and collaboration were strong under the leadership of Dr. San Lwin. Dr. San Lwin was very active focal person from ministry side. We had many working groups at that time under MBF. After the General Election, the National League for Democracy won and Dr. San Lwin cannot continue his work anymore and the new government doesn't want to continue what the old government has begun.

### **Some Achievements of Myanmar Business Forum**

According to the data, there were some outcomes out of MBF meetings in Stamp Duty for property transfer, land title transfer, and the land lease. Secondly, the Ministry of Hotel and Tourism came up with notification that allows hotel lease tenure to 15 years up from 5 years lease. Thirdly, the case of bank certificate in export licensing process

was streamlined.

### **Challenges**

Informants said having different private sector people have different requests to the government is the challenge. Big challenge on the private side is how do you come up with the position that would benefit the whole economy. There will be different opinions and requirements by different industries, so to deliberate and analyze on possible impact and implication is very important among private sector actors and among the different ministries (e.g., Manufacturers and retailers may have different requirements and different proposals to the government). That is why the private sector working groups' meetings are vital for legitimacy of the issue submitted to the government. So PPD is not just about public and private sectors but even in the private sector there need negotiation among private sector actors from different industries on an issue.

Another challenge is there may be laws and regulations that are conflicting each other. Thus, it will be difficult for the private sector to know which law will be prevailing. For example, the vacant land, virgin land and fellow land law was revised during U Thein Sein Administration. That law said if you want to use those kinds of lands, you must get the permission from Myanmar Investment Commission first and the government will process the land use permission for 30 years. But in Myanmar Investment Commission law, the investors must own or lease land first and only with the land ownership or land lease, the Myanmar Investment Commission will process the investment proposal. So, there is a conflict between the regulations of two different government departments. By having PPD, this kind of issue is uncovered and addressed

by inter-departmental coordination and collaboration.

Respondents indicated that even in the government, the inter-ministerial consultation is rarely seen, and which might impact the private sector negatively. The example is that if the government is trying to develop the affordable and reliable public transport, the customs might increase tariff rates, and this will contradict with implementing affordable and reliable public transport without consulting each other. Another example is, if the Ministry of Natural Resource, and Environmental Conservation wants to promote environmentally friendly cars, they must work with the people from Customs Department to reduce the import duties on electric cars.

### **The Weaknesses of Myanmar Business Forum**

1. Data revealed that the way the IFC wanted to launch it with a bit of high level discussion and it never really was launched as a result because there never had the high-level discussion. So, although there were a lot of very useful working groups worked on. It didn't get the profile and visibility and understanding among stakeholders that it should have had.
2. According to a few respondents, government counterpart side was the ministry of commerce. And everything seems to be kind of reflected and filtered through them rather than directly with the ministries concerned. So, a lot of the dialogues and quite complex messages got simplified too much. Participants were also taken far too much into kind of high level minister discussions rather than at the more functional position such as director generals.
3. According to the data, the MBF didn't survive the transition properly. It was part

of the first fundamental problem that it was never been properly explained and become an adopted public process.

### **Handover of Myanmar Business Forum to UMFCCI**

The government changed in April 2016 and the UMFCCI leadership changed in July 2016. IFC also has exceeded for 1 year to their 2 years working period according to the memorandum of understanding. The new leadership of UMFCCI do not use the methodology that IFC has advised for MBF after the new government introduced PPD in the private sector development framework, which was technically advised by Asian Development Bank. IFC alerted the UMFCCI several times before the handover, and finally, IFC decided to hand over the MBF to UMFCCI and withdrew from the process in July 2017 since the methodology for MBF had not been used properly, and there is not likely that the PPD without proper methodology will not be bringing in the tangible results in achieving objectives.

According to the research, it is Myanmar people's concern that a program or project does not progress at reasonable pace; the development partner might change appetite and Myanmar will not get grants any more. If those grants go to other countries, the private sector actors who participated in the private sector working groups' meetings effort will be completely wasted. They do not give any role to the experts who understand the advocacy and dialogue. Their roles start to fade, and the country will lose the official assistance. IFC and World Bank are upset about having the MBF mechanism and process left unused. So, IFC handed over the MBF to UMFCCI and backed off since their reputation is at risk. It is not only Myanmar that is attractive in the region for

the development partners' eyes. If Myanmar cannot make the best out of this window period during which Myanmar is attractive, the funding and grants will go to other countries.

### **Public-Private Dialogue After April 2016**

Data revealed after the General Election in November 2015, the new government took over in April 2016 and in the whole year; there wasn't any PPD session at all. Since the start of the new government, there was anything special happened until UMFCCI took over the secretariat of MBF from IFC and then, there are a few discussion and effort to restart the working groups, so that we can move forward the PPD session again. There was 8-9 months gap between the new government step up and the change of UMFCCI leadership. The people who were substituted in this process after the reform do not understand well the PPD and MBF structure and its objectives. Since April 2016, the new government, the MBF secretariat had the papers ready for PPD and they sent emails to the taskforce saying that private sector is ready to have the MBF meetings but there was no reply from the government. Usually, with the previous government, the secretariat received reply within 2 weeks.

In December 2016, private sector development framework was initiated. Since the gap was from April to December 2016, all the private sector secretariat did was reviewing the papers and prepare the new issues. The private sector had many position papers prepared at that time. When the Vice President meetings were initiated under private sector development framework, the MBF secretariat and working groups were not invited and the working groups. It had to do with the change in leadership of UMFCCI.

And the new government introduced private sector development by forming up 5 committees to oversee the activities of five pillars. private sector development is broader than PPD and the private sector development framework for action plan consists of 5 pillars is formulated by Asian Development Bank. According to the research data, the new government now is meeting with private sector monthly under the name of private sector development, and the PPD structure and mechanism are not used in this public-private interaction. Vice president chairing the new government led private sector development. The new government seems to emphasize the interactions with private sector and even the Vice President comes to UMFCCI monthly to meet with the private sector representatives. The thing is that even though it is the private sector development framework and the government is paying attention to meet with the private sector people, yet it is not using the proper mechanism that has been established during the MBF time. If the new government wants to let the private sector to take part in the private sector development framework, they should advise the private sector people to form up the working groups that can work with the private sector development five pillars committees. So that the private sector people will have clear picture that which working group is working under which pillars and they will have the topic to focus.

The private sector development framework consists of five pillars.

1. Pillar One: Improving the Legal and Regulatory Environment
2. Pillar Two: Ensuring Access to Finance
3. Pillar Three: Promoting Trade and Investment
4. Pillar Four: Restructuring State's role in Business Enterprise and Service



## Delivery

### 5. Pillar Five: Building Myanmar's Human Capital Base

Under private sector development we have 5 committees each for one pillars and chaired by Deputy Ministers. MOPF Deputy Minister chairs the access to finance Committee. Permanent secretary of attorney general office chairs the legal and regulatory framework Committee. MOPF Deputy Minister chairs the SOE and public-sector reform. MOE Deputy Minister chairs the Human Resource Development Committee, and Ministry of Commerce deputy minister chairs the Trade and Investment Committee.

According to the data, there is no such thing like private sector working groups' meetings now under private sector development even though the Vice President comes to meet with the private sector representatives on monthly basis. At the beginning of private sector development, new leadership of UMFCCI used the position papers of MBF. Since there are no more private sector working groups' meetings and no proper secretariat, once the issues were exhausted in the position papers, UMFCCI started to invite trade associations and individual business owners to raise the issues without any private sector working group meetings which are held for consensus building on the issue and its legitimacy, which used to be supported by the secretariat to follow up the issue.

Data revealed that there was no movement at the beginning of 2016. And presumably, the private sector development framework and its 5 pillars committees overwrite MBF, and the UMFCCI abandoned the mechanism and process of MBF (no

more private sector working group meetings, no more screening mechanism for issues that are representative of the whole industry) MBF mechanism was completely abolished under new leadership of UMFCCI. The new government also confuses between MBF initiated by IFC and the private sector development initiated by Asian Development Bank. It happened to be two in one, and under private sector development framework, the PPD has be run as a mechanism, which is not very wrong unless the PPD is run with proper mechanism and process. On private sector side, the new leadership deliberately abandoned the MBF's dialogue structure, process and mechanism and don't want to use the name MBF, which is the brand name. One person said that "The implicit reason is that they think MBF is too inclusive that the foreign companies can raise the issue to the policy makers". UMFCCI's intention is just to cover the local businesses on the PPD platform. That is why, how the private sector is defined is very important both for the government and the private sector actors.

Respondents seem to indicate after both government and chamber leadership changed, new UMFCCI is not intending for the foreign firms. The discussion is only meant for the national level trade associations, which are affiliated with the UMFCCI. According to the data, under private sector development framework, there are two main things that did change, they are – firstly, MBF methodology is being abandoned and the foreign businesses are excluded in the meeting with the Vice President. In private sector development dialogue, when it comes to private sector, there can be people who raise issues with own individual interest without any direction. This should go into private sector working groups. Only in the working group meetings, they can come up with

issues that can reach the consensus and raise it to the public sector as representative and collective voice. Now since there are no more working group meetings, people are coming to raise the issues individually out of their own interest. The legitimacy of the issues raised under private sector development became questionable. There should have been negotiations in Private sector working groups. Even if there are discussions such as working group meetings, they cut and paste whatever they want out of results.

Some respondents said UMFCCI should continue having the working group meetings so that whoever raise the issue, it is a collectively accepted issue in the working group meeting. Now it is individual voice and individual interest when someone raises the issue. The difference between MBF and private sector development is that there is no private sector working groups in the process of PPD in private sector development framework. And it is a problem since there is no filtering process for the issues. There is no secretariat that is run by the professional staff that follows up with the issues raised in the working group meetings. The effectiveness is decreased, and the new team of both sides could not appreciate the essence and proper mechanism of effective and sustainable PPD. One person said “New UMFCCI asks the difficulties and issues and submits them to the public sector”. Not following the matrix procedure and couldn't come up with the position papers from the private sector. The public sector does not understand the issue submitted by the private sector because the private sector did not do any due diligence on scrutinizing the issue and evidence-based advocacy.

Under private sector development, the ratio of public and private sector talking is very opposite to what it should be. The respondents said that the government should

listen more. Rather than listening, they just let the private sector listen to what they say. There should be the working system that can come up with the common understanding on whether the issue submitted is acceptable from both sides and how it is going to be addressed and whether an issue is addressed correctly by the public sector. One person said “Now, because there is no such working system and there are some disagreements going on”. The issue that the public sector assumed as being addressed is not acceptable by the private sector actors. So far there are 156 issues being raised by 1st of Oct 2017, the government claimed that there were 136 out of 156 issues responded by the Government, and the private sector people are not satisfied with the government responses. Now they say this percent of the issues raised was solved but, 90% of it was not really solved. It is in a very superficial level that the PPD is being applied. It depends on how and what we measure. When they say they solve the issues they might mean they responded to it rather than solving it. Even if it is really solved, it needs the formal instruction and notification on procedural change for genuine solution for the evidence of implementation.

And, the other thing is the time frame that an issue is being addressed, some took unreasonably long, and the private sector people are struggling communicating this kind of message over to the government officials. It is like private sector and public sector go with their own assumptions of whether an issue is being solved or not. Data revealed that there is no framework on the agreement on the legitimacy of an issue and the set of criteria that can indicate that an issue is being addressed. The private sector people cannot raise the same issue even if this issue is not addressed satisfactorily yet by the public

sector, if public sector claimed that the issue is being solved in their perspective.

Therefore, the private sector people get frustrated and the new government's engagement with the private sector under private sector development framework is regarded only as superficial and it is not bringing in any result. It seems that the private sector actors are losing confidence on the private sector development framework and its image is waning, which is evident by declining participation by the private sector actors since they know that their role is diminishing in PPD. The participation rate and the quality of participation have been reduced. There are more people who want to have exposure with the ministers come to the meeting and the objective of PPD is deteriorating.

The PPD has 2 hours in total and the Vice President and the ministers take 1 hour for their speech. And when the private sectors speak they only left with a few minutes for explaining an issue and the minister leaves without listening to anything properly. One person made remark like "Few ministers of new government do not really understand the protocol. The VP doesn't really try to interfere". Everybody should have come according to the mutually agreed work plan on what issues were presented, what is solved and what is not solved yet. There are thousands of issues that they need to listen and there is no separate platform other than private sector development and they pretend to listen in private sector development. private sector development committee chair, VP (1) cannot work his job chairing the meeting and cannot stop the minister. One minister is arrogant and quite daring. He would say VP please, listen to what I explain, and he would speak non-stop. Commerce minister also is not in the position to get the work done even though the real focal ministry is the ministry of commerce. He should empower the director

general who is relevant to the issue. The director generals are working together with the private sector since the last administration, so they know what is going on. The director generals are not in any position to have a say to the ministers. They are also very upset. They just must travel from Nay Pyi Taw to Yangon to attend the meeting with the private sector representatives. They would say “It has been a waste of time for us and for you.”

The ministry of commerce permanent secretary is a well-experienced person who knows much more than the minister about the issues. But he cannot apply his capacity since the new minister would say, “You are the old government’s man. I won’t listen to what you say. Do not talk to us about old government’s issues.” The new government should have been objective to differentiate what is good and what is bad done by the previous government. The ministers would say, “don’t talk about what the old government did. Tell us what is going on in our time.” So, there is nothing going on successfully in the new government time.

Data revealed inclusiveness in the private sector has decreased and the foreign companies are not being invited to the PPD meetings. It is supposed to be all-inclusive from the private sector regardless of whether it is local or foreign businesses; local CCI or foreign CCIs. The foreign companies are the ones who have the legal experts and financial experts to analyze the issues systematically and who know the international good practices. They are being left out in private sector development framework and only those who are close with the UMFCCI are invited to join. The purpose of private sector development is good but the PPD is poorly designed. There is no proper mechanism and inclusiveness rather than coming to engage with private sector people monthly at

UMFCCI. The certain people from the private sector who have good connection with UMFCCI get the chance to raise the issues at the PPD. The quality and legitimacy of issue identification, prioritization and presentation are declining with no more private sector working groups' meetings. These people might be representing the affiliated national level trade associations and the issues may or may not be representing the whole industry.

PPD became much less inclusive and the issues and much less representative. It is now more of the elite dialogue or UMFCCI dialogue rather than an inclusive dialogue. There are no private sector working group meetings, no processing of issues raised among private sector actors first and the new government does not get the essence of real PPD. The government changed, and the new government does not know very well on how they can make PPD effective. There was no follow up by the private sector secretariat and the validity and legitimacy of the issues are questionable. There are issues being raised by the private sectors in private sector development and there has been a response from the government, which lack credibility, and some are even questionable. The legitimacy of issues that the private sector raised is declining and the private sector is not also satisfied with how the government responds on the submitted issues.

According to the data, the private sector development meetings are not productive. People from Private Sector are not being consulted and private sector development is almost a UMFCCI's Dialogue. UMFCCI claimed that the whole private sector is covered but the voices are not inclusive since UMFCCI's definition of private sector is only the local companies and they ignored the presence of foreign companies

that are registered with the Government of Myanmar. That is why how the private sector is defined is very important in identifying the legitimate stakeholders for private sector development. There should be equal terms and equal relationship within private sector that includes domestic and foreign companies in the country but UMFCCI is taking a higher position than other chambers. private sector development could only hold small meetings where about 5 to 6 issues were raised. The opening speeches are taking too much time that should be given to the private sector. They only got around at most 10 minutes per issue to explain. There were only local private sector people and the senior government officials.

The mechanism on in-depth scrutiny and follow up of the issue is lacking in private sector development framework. Broad consensus should have been stored among the private sectors before raising an issue and which should also be followed by the suggested solution that is agreed among private sector actors. There are issues that the Ministers and Director General could have been solved before going up to the Vice President. Most of the issues raised should have been solved before it goes up to the Vice President. However, the Vice President (1) must listen to those issues monthly. As far as transparency is concerned, there is no media or any press release on what issues were raised during PPD and what were solved.

“Very first private sector development meeting under new government was chaos and very confusing” said one respondent. Participants thought it was MBF, but it is just the general PPD by which the VP (1) and team is meeting with the private sector in UMFCCI. The PPD mechanisms were oversimplified.



There are 5 pillars in the private sector development framework, and PPD is used whenever the government officials interact with the private sector monthly, and they should be following the mechanism and process that the MBF prescribed for PPD. Even though PPD is used as the public and private interface under the name of private sector development framework, the PPD is not leading anywhere since the proper mechanism and process are not used and the PPD mechanism is totally derailed. Now they are saying meeting the private sector businessmen is PPD and it is not producing any intended results. The people who are working in private sector development should know their real objectives in engaging with the private sector. MBF has very clear objective that it is all about having enabling business environment through procedural change. The private sector development meeting, someone would take notes in draft about issues the businessmen has raised. Then, the person would summarize it in 3 sentences and give briefing to U Zaw Min Win, UMFCCI Chairman in advance. So, at the real meeting UMFCCI Chair would give these 3 lines briefing to the ministers and they would give the solution. Since the issue was summarized, there is no in-depth understanding on the issues, no follow-up mechanism to scrutinize the issue and no suggested solution proposed by the private sector.

“The quality of issues submitted to the government is not consistent” said one respondent. The associations raise some issues collectively and some of them are pretty good. For example, there is a law against importing cows, buffalos. However, they are being imported about a thousand per day. When this issue was raised, the Ministry of Commerce, immediately, announce the instruction that could permit this import business.

Another example is that, there is one product from farming that farmers cannot transport from one place to another because this product was in the list of products prohibited in the “regulation on forest produce” unnecessarily. Then, the government immediately removes the product from the regulation. These are the examples of quick-fixed issues. That is why, the new government named it as private sector development, which is policy and strategy level topic and it really is working only as PPD, by which the issues submitted by the private sector are fixed by changing the government procedure.

Some ministers are pedagogical, and his behavior ends up being opposite to the public expectation. The VP is not someone who gets all the privilege of chairing the sessions. This is the issue of the obscure assignment on the responsibility among higher authority. And once the responsibility is specific, the job will be more streamlining. Ministers did not attend 12th private sector development meeting. There were only the VP (1) and the Deputy ministers. That meeting turns out more fruitful than previous meetings because the ministers who like to talk and do not listen are not in this meeting.

PPD must have the agenda that explicitly showing the issues to be raised and discussed about, and which should be followed by the responses from the government side and there must be the consensus on whether an issue is solved or not. If not solve, how it is going to be addressed must be discussed in the next rounds of PPD.

Under private sector development framework, there are too much into kind of high-level minister discussions rather than at the more functional level such as director generals. The PPD under private sector development framework does not include the mechanism to get consensus on an issue among the private sector actors. They just

directly want to talk to the high-level government officials. A PPD expert said, “The role and rationale of private sector working group meetings are ignored” and hence, there is no preparation of the issue to be raised before the PPD meetings. Former formal process of MBF is not being followed the change of government and the UMFCCI leadership. The private sector takes these meetings as a privilege to expand the network and making friends with the high-level officials, the ministers and the Vice-president.

Private sector people want the government to see the holistic view and see what low hanging fruits is and try to address them one by one. There is only one private sector development secretariat (Ministry of Commerce) and is responsible for all 5 pillars. Now, Ministry of Commerce Permanent Secretary U Toe Aung Myint and Director General U Aung Soe take responsibility for private sector development Committee. UMFCCI does not have private sector secretariat anymore. There is the research on ease of doing business and the data shows it all. Although the government is engaging a lot with the private sector, there is only 1 stage went up in the statistics. They should try to reconsider why there is not much progress despite meeting with the private sector. According to a respondent, “Fortunately, as the latest update in April 2018, the new UMFCCI leadership now recognizes to use the mechanism and processes of MBF” and the need for the private sector working groups’ meetings and the role of private sector secretariat and they are trying to establish something similar with MBF, which is called Myanmar Business Initiative.

### **Challenges of Private Sector**

Since the inauguration of the new government in April 2016 to December 2016,

the MBF secretariat and private sector working groups were reviewing the papers to prepare and present the new issues to the new government. private sector development was initiated in December 2016. When the Vice President meetings were initiated, the new UMFCCI changed the agenda and did not use the name MBF in having dialogue with the government. New leadership of UMFCCI has resistance to MBF. MBF had the position papers ready to discuss even though the chamber was discussing about the same issues. MBF was intentionally left behind because it includes the foreign businesses. It is more of the private sector that tried to get together and decide the best way to present the issues to the government. There has been more engagement between UMFCCI and the international chamber of commerce during the leadership term from 2013-2016.

The issue with the local private sector is that they under-recognize the private sector working groups' meetings and the role of secretariat and only appreciate and recognize the meetings with the high-level government officials. They want to raise the issues only when they meet with the high-level government officials. Without reaching the consensus among the private sector actors, it is quite inappropriate to raise the private sector issues to the government, which do not have in-depth industry knowledge and do not understand how the market and businesses are run.

As per respondents expressed there was some resistance from local businesses against foreign companies that the local business people are taking the foreign companies only as the competitors and they do not recognize that there are common interests so long as the legal and regulatory environment is concerned. The ability of foreign company in doing research and having experience with international good practices are under-

recognized by the local private sector people. Nevertheless, there was the mechanism to reflect and filter the issues raised in the private sector working groups and if an issue is out of self-interest, it can always be rejected. Having both the local and the foreign companies in the working groups and discussing from different perspectives will be more beneficial for identifying and screening the issues that are representative of the whole industry. Rather than who said it, what is being said is more important. Most of the foreign companies have compliance officers, lawyers and researchers in house or they engage with these third-party professionals.

One person said “The private sector will not get the good use of it if they are not included in the PPD process. We should let them say and we can judge for ourselves. It is not like every issue must be agreed with them. Letting them in the meetings will give the country much advantage.” Some local business people are reluctant to work together with the foreign businesses in PPD platform and they are having protectionist mindset. People are less open-minded and show a lot resistance to foreign business practitioners. The foreign companies must be defined as part of private sector in Myanmar since they registered with the Government of Myanmar and they are doing business in Myanmar territory. Defining private sector correctly is important and shaping the favorable investment climate and ease of doing business are the important reform agenda since foreign direct investments contributes the growth of gross domestic product. So, they have the right to join the PPD. They also should be the legitimate stakeholders in working toward enabling business environment in Myanmar. The new UMFCCI leadership seems to think foreign businesses as the competitors whereas it was a good discussion between

foreign and Myanmar businesses that otherwise was not taking place anywhere whether in the chamber or any other area.

Participants agreed that it is important to build healthy work relationship among themselves and with the public-sector people. The businessmen are very busy, and they need the private sector secretariat to organize the working groups' meetings, follow up on the issues raised and interview with the industry expert to have clear picture on why it is the case and how it should be solved. Private sector also needs to change to have healthy working relationships and building trust for their own benefit. So, the private sector needs to be smoothly negotiating with the government officials. They can't think as if it is their right to finger-point the government sector. Then, the government officials who gets the same salary whether they solve these issues or not, would not care to solve the issues. So, the private sector needs to put their effort on what issues they want to bring up and how they want the government to address it. It cannot be expected that the issue will be solved easily just because the private sector actors are meeting directly with the government officials. There can be negotiations back and forth between businesses and the government departments.

The foreign investors try in many ways. Euro Cham Ambassador is ready with the white papers and he does not know who the engagement body is. People are afraid that they might be put into the private sector development, which is not working in the right direction. On the other hand, if we have a new platform for this, the domestic people might be against this situation. In fact, the platform should be all-inclusive in the first place. Foreign businesses are willing to cooperate with the domestic businesses to

advocate collectively to the government. According to the data only few trade associations from the local business community that need to cooperate with the foreign firms are willing to work with foreign chambers. In private sector development, only Energy and Power working committee is willing to work with foreign companies like General Electrics, Semen, and so on since the local businesses alone cannot make it happened. But there are some sectors where the local business people are reluctant to foreign investment and some do not even know that they should invite the foreign direct investments for the sake of economic development.

It has been proven over time that there has been no outcome by just meeting with top-level officials to pursue the solution over an issue. There must be enough due diligence to come up with the evidence of an issue on how that has been negatively impacting the day-to-day business operations and how it can be addressed by which government departments by liberalizing the rules and regulations at functional level first and then the top-level officials can be on the plenary in which the working groups report on how the issues have been addressed and top-level government officials can touch the outstanding and more difficult issues that need inter-departmental cooperation and coordination. The outstanding and more strategic issues should be prepared and discussed with proper methodology and solved by top-level officials in plenary or if it is supposed to be sent out to parliament, it should be done so.

An interviewee who is passionate about MB said that “I find it really sad that the new leadership seems to think MBF as about foreign businesses whereas what I actually witnessed was a really good discussion between foreign and Myanmar businesses that

otherwise was not taking place at anywhere else”. The PPD is to address the issues that the private sector is facing and it’s the common interest of having the enabling business environment, and it is about the whole private sector development. The new UMFCCI fails to recognize strengths that the international companies have that the foreign companies have experience in other countries. So, they have seen good practices, and good legal and regulatory framework in other countries. They generally have in-house lawyers and compliance officers who have systematic understanding of the laws and they can come and advocate with the expertise and experience.

### **Level of Conceptualizations**

Making the stakeholder to have common understanding is one of the biggest challenges. The explanation and the clarification of what the MBF is to the private sector were done for many times. However, the companies sent different managers to different meetings. So, there is no true understanding of the concept on how the MBF would be run and what are its components are. On the other hand, the MBF concept and design was truly understood by the foreign companies and whenever they join the different level of meetings, they have well prepared and have concrete issues with them. They provided quality contribution, preparation and continuation. Local people misunderstood that private sector working groups’ meetings has more of the foreign companies’ voice.

According to the data, what happen is that not the real business owners or executive committee members do not attend the private sector working groups’ meetings and they send just the managers who come unprepared and who are not industry expert. The international organizations are more influential in the meeting as they are well



prepared. The international organizations send out very skillful managers to the working group meetings and the issues raised by them become more essential than those raised by the local organizations. So, it is misunderstood that the meetings are more focused on issue raised by the foreign organizations. The issues raised by the local organizations are not that significant and there is no follow up explanation why it becomes the issue and hence the government officials find it not a priority issue. It is all fine so long as the issues raised are for the sake of the whole industry whether the foreign company or local businesses raise an issue.

The private sector working group meeting was held twice before launching of the MBF and there were many issues raised in these meetings. The secretariat officers follow up on the issues discussed in the meetings and visit or invite the private sector actors to clarify the issues and wrote the position papers. When there was launching of first ever MBF, the secretariat invites the business practitioners who participated and contributed in the private sector working groups to meet with the high-level government officials of the taskforce. The high-level officials from the Chamber heard about the launching meeting between the government officials and the businesses and invited the people who have never been to the working group meetings. The secretariats cannot refuse to invite the guests that the high-level Chamber officials have invited personally even though it was a launching meeting only intended for the working group members who have participated and discussed within the working group meetings. There was clear that it was intended to be a well-structure dialogue, but people did not have common understanding and the first MBF was chaos.

## **Capacity Constraints**

Limited capacity in issue formulation. Interviewees acknowledged that the private sector needs to master how to formulate an issue effectively before presenting it to the government. The Trade Associations need capacity to serve relevant industries and UMFCCI requires facility to assist the private sector. It is not enough with only few professional staff in the private sector secretariat. People with in-depth industry knowledge, who can see through and scrutinize the actual situation of the issues, are badly needed for issue formulation. The leadership commitment of the private sector is important. Mostly it is superficial. The private sector secretariat needs to work with the industry experts, legal experts and experts from accounting and audit firms.

Data revealed that private sector has the capacity constraint in issue presentation and the issues are raised in a very general way. They need to be mentored in terms of issue presentation in more specific and professional way. For instance, in customs clearance, the presentation should be “there are these steps that we have to go through when it comes to customs clearance and the step numbers 5 or 6 are mostly irrelevant and it should be abolished.” Then, the issue presentation is in a very specific way so that the issue will be clearly submitted to the public-sector secretariat and the public-sector secretariat can proceed to the relevant government department and have it addressed. The issues of each sector must be developed specifically and clearly. It took private sector 2 months to digest the first few issues to get it done under the guidance of public sector champion together with public and private sectors’ secretariats.

Participants confirmed that everything should have been cleared out in the

working groups' meetings. An industry expert for an industry from UMFCCI should have done this before the PPD. There was not enough commitment from the private sector actors since only normal employees from Myanmar companies, no expert or lawyer are participating in the working groups' meetings. The subject matter expertise should participate in private sector working group meetings, and the business practitioners should have assigned the industry expert, so they can advise on what should be the solutions for the issue. Instead only normal people who lack in-depth knowledge in the issue from the local companies and few staff from private sector secretariat attended the Pre-PPD meetings where there are officials from relevant government department and public-sector secretariat.

There are only associations that are trying to exist without any sufficient funding and they do not have enough characteristics that an association should have. Usually, there are no research experts in these business associations who can negotiate and implement the strategy. Executive and Central Executive members of the associations are business practitioners who are very busy. People who cannot give enough time are very busy and those who can give time do not really know in depth about the industry. The associations can only pay the salary that is lower than the market prevailing rates and struggling to attract the talented employees. The ability of the associations to attract, develop and maintain professional workforce is limited, so they cannot employ people who can work efficiently and skillfully for the sake of the whole industry concerned. That is why, the business member associations must invest in the capacity building of the associations' staff. Only with the professional staff in the business member association,

they can participate effectively and represent the relevant industry. It is the vicious cycle that because the associations cannot serve their member companies effectively, and they cannot generate enough income to maintain the association effectively. And, because of not enough income, there is insufficient funding to finance the effective association operations. There should be capacity building for trade associations' staff, so that the trade associations can serve to their member companies effectively.

Both public and private sectors need to change their mindsets. Both sides need to be responsible and aware of why they are doing what they are doing. If one side does not change, the other side will not change. In PPD, the public and private sectors must go together. The private sector must be clever enough to make the government changed since the private sector is the beneficiary of having an enabling business environment. That is why, the PPD should be private sector initiative and being able to make the government listens to the private sector issues and addresses the issues effectively is the key for the success of MBF.

The government sector cannot be in picture on the private sector's issues unless the private sector cannot feed the quality inputs to the government and PPDs will remain non-productive.

### **Challenges of Public Sector**

According to the data, there is a need for commitment and clear concepts of the high-level leadership to make the process progress well in public sector. When it comes to national level issues, the president must precisely give mandate to the ministries. If one ministry is set up as a focal ministry, other ministries can have choice to put it in low

priority category of their own ministries and will not give enough interest and commitment in that matter that much. They can choose not to come if the focal ministry invites. The private sector development is a very broad sector, which is the cross-functional issue, a national issue. The president himself should lead the process, which needs inter-ministerial coordination, cooperation and collaborations. It is not as if one ministry can tackle it alone, so, to have one focal ministry alone is not the enough concept. The president should be chairing the process. It was in the MBF structure that the President or the VP should chair the PPD meetings and sitting in person in plenary, which is for reporting session of what have been addressed last six months at functional level and solving the outstanding issues that could not solved at functional level or the issues that need inter-ministerial coordination.

According to the ten respondents, the main hindrance is that there is no in-depth understanding of PPD by the union ministers and the union government. Since the top level does not really understand the objectives and essence of PPD, bureaucrats cannot carry on anything with it. The formal mechanism for inter-ministerial coordination and cooperation should have been set up for effective solutions for the issues. In the previous government, there were delivery units formed with many deputy ministers. The DMs came and discussed in the delivery unit but when they went back to their ministries and if the ministers do not buy in the idea, the process was just stopped there. Therefore, the Delivery units should have been formed with the ministers for effective coordination and decision-making instead of with deputy ministers. The structure has changed in this government; there is not enough mechanism and set up for effective inter-ministerial

cooperation and coordination like delivery unit and taskforce that comprise of ministers and deputy ministers from different ministries. Instead there are five committees for private sector development framework.

Even if the government has goals and objectives, they can make them happen only once they have mandate or formal assignment of authority. The Government of Myanmar should assign the public-sector champion to take charge the successful PPD process. In previous government, a deputy minister from President office, Dr. San Lwin was assigned as the public-sector champion and he was empowered by his minister and he is passionate about carrying out the process a success. He said, “When I was spearheading the MBF, I prioritized the procedural reform than the policy reform. I am not saying policies are not important. But the policy comes together with the procedures. It is up to the right procedure to implement the intended policies. My policy of PPD is to prioritize the clearance of procedural issues. So, this solves the on-ground practices”.

According to the data, the building process of PPD is not uncoordinated enough among stakeholders. For instance, there are different development partners that have different programs. They might be similar and, in some case, complementary. But, there must be coordinating body that is responsible to put them properly not to cannibalize each other. In the case of IFC and Asian Development Bank, which provide technical assistance for MBF and private sector development respectively. In private sector development framework, there are five pillars and the legal and regulatory reform is similar with the PPD pursued under the name of MBF by IFC. So, it seems that there were two parallel discussions going on. So obviously the IFC sponsored MBF, while it

was under progress and the new government put the private sector development framework and it is like the MBF was incorporated into private sector development framework. Research revealed even though private sector development framework was using PPD, the mechanism and processes of the PPD that was effectively introduced under the name of MBF was not used properly, and even abandoned under private sector development framework. MBF was very practical in pulling together regulatory issues and attempting to feed it back to the government. The new government introduced private sector development framework without trying to realign the structure of PPD. The respondents expressed that the government should acknowledge the private sector development framework for action plan and the methodology of PPD and process of MBF should be maintained. private sector development involve 5 pillars and it is broader and technically assisted by Asian Development Bank. MBF is all about creating enabling business environment through procedural reform, which is technically assisted by IFC.

The private sector and government do not recognize the important role of the experts provided by the development partner who understand the subject of advocacy and PPD. People concerned about the fading roles of development partners during the window period for official development assistance and the changing appetite of development partner. IFC and World Bank are upset about it and they handed over the MBF to UMFCCI. This is not good for the country. If we cannot make the best out of the window period for official development assistance, the funding and grants will go to other countries. And the new government must recognize the different role of different development partners and differentiate and decide which project they will be taking. And

they must be aware of whether they are doing according to the objectives of individual program and project that assisted by different development partners.

Data revealed that there is the issue of power imbalance between the public sector and private sector. In the context of PPD, there should be the equal terms that the private sector can raise the issue and the private sector working groups have the right to say the way the government address is up to their expectation or not. In real setting, UMFCCI fears ministers and ministers stop and short cut the private sector discussion and they do not listen enough to the feedback of the private sector on how they think the government solution is. There should be mutual recognition, mutual understanding on the issue raised, and mutual respect between public and private sectors. Here, in Myanmar this power imbalance is quite big especially with the ministers who do not know how to listen the public opinion. And the ministers think that the UMFCCI is inferior to them even though UMFCCI represents the private sector. To develop the country, they need to be working together in equal terms. UMFCCI also needs to be stronger and more organized than current situation.

### **Mindset and Attitude**

It was obvious during data collection that the mindset of the whole government in general is that they are responsible on how to regulate the business rather than how they can facilitate or accelerate the business activities for economic development and employment generation. Not how to facilitate and accelerate the business. The government is only trying to find ways to regulate the loopholes rather than fixing and loosening up a bit in the law. By working together with the private sector actors in PPD, the



Government officials sector think that they are being put to work by the private sector. This is the mindset that the government officials need to change. In the study trip to Vietnam Business Forum, the Myanmar delegate witnessed the Prime Minister of Vietnam chairing the session and the private sector asked the questions and ministers are supposed to answer to the private sector. Here in Myanmar, the government sector is still having the mindset of “why should we answer what the private sector asks?” There is never an equal term between public and private sector in the PPD yet. This is a mindset problem and it is still okay if their mindset didn’t change so long as the steering persons can change the process and the practices.

On the other hand, no matter how much the private sector actors need to change the process for effective dialogue process and mechanism, this also relies very much on the government officials. Therefore, the public-sector champion plays the pivotal role to change the process and practices related to PPD to get the reasonable outcome in a reasonable timeframe. The public-sector champion was committed to follow up in the relevant director generals’ offices regardless of his position as a President office deputy minister. It seems like he forgets that he was a President Office Deputy Minister. This is a selfless leadership and that is why the MBF reached up to some extent in establishing the effective process and practices in PPD with some success stories in regulatory and procedural reforms. But, the MBF needed more time.

Data revealed that after April 2016, the new government fails to review objectively on what the previous regime did and differentiate between the desirable and undesirable for the sake of private sector development reform. They point out only the

wrong policies and assumes whatever the previous government did is wrong. So, they fail to identify and which initiatives, projects or program by the previous government that are good for the country and people and improve on it. Therefore, the policy continuity is at risk for continuous improvement on socio-economic reform. The new government overlooks the good points of the previous government and it is like they are trying to start everything from the scratch, and which is not catering what the public expectation from the new government. In PPD, it is very good opportunity for the government to listen to the private sector and identify the quick fix for procedural reforms effectively. Only if the government could clear up the procedures that are dragging the day-to-day operations of the business community, it will be very much better off for the private sector actors to enjoy the enabling business environment. However, it did not reach this stage. Some more, the new government ministers have suspicious mind against the bureaucrats, and the business people if these people are talking only for their interests. The real challenge is the level of trust between public and private sectors people. “Both sides must change their own attitudes” said a respondent.

And, some of the new ministers’ act as if they know-it-all without trying to understand the real situation and fail to explore the current economic situation by comparing and analyzing the fundamental economic indicators. By not recognizing enough the economic indicators, it is like they are complacent with what they are doing, which is going against the public expectation. The real challenge is the combination of the suspicious, yet complacent attitude and limited capacity and experience of the government officials. The political leaders should have adopted the mechanism and

practice to put right person in the right place to have reasonable results within reasonable timeframe. The ruling party only appoints loyalists from the inner circle regardless of the competency. The problem is that the new government does not listen, and they think the former government is 100% wrong. The new government fails to review and digest the programs and projects of what the previous government has done and fail to identify what is good and what needs to be fixed and their assumption is whatever the previous government done is not worthy of observing.

A respondent recalled what the minister said to his people in front of private sector people, “don’t talk about what the old government did. Tell us what is going on in our time.” So, there is nothing going on successfully in the new government time. When they look at a problem, they are weak in critical thinking and impact analysis due to lack of experience before. They only count on the inputs; how many times I attended the meeting, how many hours I spend to sit in the UMFCCL, how many other people joined the meeting, how many issues are raised by the private sector and how many responses that the government made, regardless of the actual solution on the issues that the private sector expected.

Data revealed that there is no monitoring and evaluation on the process and outcomes. There is the trust issue between political leaders and the bureaucrats and the director generals are not empowered and they have no choice but to let go whatever happens next. The ministers of new government obviously do not listen to the bureaucrats since they regard them as the people of old government. For instance, the Permanent Secretary, and Director Generals are not empowered up to their knowledge, experience

and capacity.

They no longer want to put effort and argue anymore. Ultimately, the performance of the whole government suffers. When they decide something, they do not have a back-up plan on if this is a failure, how are they going to correct it? There is no good concrete reason for their decision. This is a big problem that they are not strategic, and they are so ad hoc. The leadership of new government is more emotional than rationale and there is no objective analysis on what the given situation of the new government is.

### **Level of Conceptualizations**

Once the private sector actors together with IFC experts have prepared the design of PPD and submitted it to the Government of Myanmar, the government did not buy in the idea and the concept of MBF right away. The government appointed the ministry of commerce as the focal ministry and formed a Trade and Business Promotion Taskforce chaired by the Minister of Commerce to interact with the private sector representatives. The co-chairs of the taskforce involved the deputy ministers of other ministries and the chair of UMFCCI for inter-ministerial coordination and cooperation. The level of understanding and conceptualization of PPD and its objectives by the government is still an issue even the government is determined to go for PPD. However, the procedures and practices of PPD have been improved as the process unfolds during previous government. There was not the enough time for the previous government and the PPD process was paused after the new government sworn in the office from April to December 2016. Once the new government initiated to interact with the private sector, the essence was changed

to private sector development.

Research revealed that the new government and the new leadership of UMFCCI did not use the brand name MBF and taskforce anymore and the government officials come to meet with the private sector representatives at UMFCCI office as the general PPD. The new government now is using PPD as an engagement platform for the private sector development framework. private sector development involve five pillars and it is broader concepts and technically assisted by Asian Development Bank. IFC assisted UMFCCI technically to have MBF as a single, legitimate well-structured PPD to create creating enabling business environment through procedural reform. During MBF time, once an issue is submitted and thoroughly explained to the government officials, the ministry concerned tried to scrutinize the issue and come up with some solutions, which can be in the form of Ministry's instruction or directives to address the issue. There was mutual understanding on the issue and agreement on how the government will address the issue. Under private sector development framework, the Vice President (1) and ministers come to the private sector just for the sake of interaction with the private sector representatives. The issues were not digested thoroughly between private and public-sector people and once the relevant government department responds to an issue, the government officials assumed unilaterally that the issue is solved, and they no more listen the private sector about that issue and they erase from their list. The Vice President and Ministers come to meet with private sector actors and the private sector people also assume that meeting with the high-level government officials, they can have answer on the spot and both sides fail to try to address the issues systematically with procedural

change like announcing the Ministry directives or instruction. The government assumes that having dialogue with private sector is the end of action.

The bottleneck is that there is no proper understanding or concept among policy makers and they do not bother to review and identify what has been good and bad about the last administration and the assumption is that they must start it from the scratch and they are overwhelmed with this idea. Respondents mentioned that the new government ministers failed to review what the previous government has done and what are the given situation for them to continue and cannot identify the key challenge. The people who are substituted in this process after the reform do not understand well how PPD was done under MBF. There is no mechanism to differentiate the issues, which are industrial representative, crosscutting, and individual interest- based issues. Now the VP and Ministers are thinking that they are working with private sector people for private sector development. Without thorough understanding on the procedures, practices and objectives of interaction between public and private sector people, there will have no intended impact, which is establishing enabling business environment and favorable investment climate. Even if they go into PPD under the agenda of private sector development, they don't know how to listen to the private sector's voice and the ratio of public and private sector talking is very opposite to what it should be. The misconception of some government officials is that PPD is just a dialogue and it happens whenever there is government and private sector talking. Minister of commerce used to be focal ministry for MBF taskforce and Commerce Minister chaired the taskforce in previous government. Again, under this new government, Ministry of Commerce is also focal ministry for the

private sector development committee and Ministry of Commerce director general is heading the private sector development secretariat. Yet, the private sector development secretariat claimed that during the last administration, MBF has requested this kind of dialogue for every six-month; now, they are already making it on monthly basis.

Because there is no common understanding on the issue and how an issue will be solved, there are some disputes on issue resolutions. When the private sector tries to bring out the issue that has not been solved properly in their perspective, and the government side will deny and some strong arguments by the ministers.

Businesses must be run efficiently so that time is one of the most important factors for the businesses to succeed. The private sector expects that the issues raised must be addressed in a reasonable timeframe and how soon should issues be solved is a key performance indicator for private sector.

### **Coordination Among Development Partners**

There was the change of government in April 2016 and change of UMFCII leadership in July 2016. In working with multiple development partners, there can be the multiple programs or projects that are assisted by different development partners in a host country. Respondents seem to indicate that at the beginning of the new government, there was no formal preparation by the host government to coordinate among development partners until the Development Assistance Coordination Unit in later date. There was lack of coordination by the host government on this case between Asian Development Bank, which was trying to set up private sector development and IFC, which had done with MBF was compounded by the sense of rivalry among development partners. There

are some overlapping elements between MBF and private sector development, and the Government of Myanmar should have crafted to integrate creatively and make both agendas meaningful. Of course, private sector development is much wider scope than MBF, which is for setting up the enabling business environment; the GOM in that sense, failed to interpret on the complex scenario in creative way and MBF was tarnished under private sector development framework of the new government.

And, respondents seem to indicate that the way the new government understands on MBF is like MBF is just a PPD in general and the new government did not know what are the proven model of successful country cases that have its own way of making the PPD unique and effective in terms of practices, procedures and mechanisms. Furthermore, the new UMFCCI leadership also failed to maintain the proven process, practice and mechanism of MBF, and resultantly, the MBF was faded away and the oversimplified PPD was used in very general way for the government officials to interact with the private sector representatives in private sector development framework.

For a host country, to receive the official development assistance from the development partner is a matching process. The receiving country must have the development strategy, from which, it is easier to match with what the development partner can offer. If the government already has a national development strategy and if the government is asking for assistance to get what they need to implement the strategy, it would have been much effective and efficient. In working with multiple development partners, the governments must be aware of which development partner is giving out which programs and projects and need to assess themselves whether they are doing



according to the local needs which must also be in line with the development partner's requirement. Therefore, the host country should have clear vision and strategy framework for its socio-economic development and the government can selectively receive what they want from the development partners. The other issue that the host country should be aware is the sense of rivalry among development partners and the development agenda could be messed up unless the host country has clear vision and strategy framework. Later, the new government formed up the Development Assistance Coordination Unit, which is being chaired, by the State Counselor, Daw Aung San Su Kyi.

### **Capacity Constraints**

Interviewees agreed that to bring in positive change for the country, the National League for Democracy government should have assigned the best available for ministers' posts with subject matter expertise, relevant experience, and positive attitude. Yet the ministers themselves should have consulted to the bureaucrats for technical matters and procedures. It is usual that the ministers cannot be expert at every area, so the government should engage with the people who are subject matter expertise in different areas and try to learn from other compatible countries in the region as well. Respondents seem to indicate the depth of understanding of the minister concerned is weak when it comes to projects with Myanmar Investment Commission, which has much connection to the reform of the country. The capacity of both sectors is declining and the director generals are not empowered enough and they also are letting go whatever happens next since their ministers do not consult them. They do not discuss or argue anymore. The ministers should have been humble enough to listen to the opinions of subject matter

expertise and the problem now is they pretend they know everything and they do not need to listen to others since they are the bosses of respective ministries. As a result, there is no proper output from PPDs and these efforts are all wasted.

Data revealed that the new government ministers do not have enough knowledge and exposure to what the other countries are practicing. So, some of the businesses that are operating also in other countries have the experience and idea of what can be the right solution for an issue. Therefore, they can feed the information to the government and explain the practices that the other countries are applying. Again, the responses given back by the government mostly states a condition and the private sector representatives cannot agree with the government responses. Yet, they cannot raise the same issue for the second time even though the issue is not really addressed. There is no mechanism by which both the government and the private sector representatives can agree on the issue and the way to address the issues. The government is not using the key performance indicators to measure the solution for the issue or problem put up by the private sector and should come up with the evidence that proves the improvement in a case. And research data showed that there are no tangible solutions on the issues and the private sector is not satisfied with the government responses. The new government ministers cannot digest and appreciate the essence of PPD and hence the effectiveness is decreased.

As per interviewees' experience when the government decides something, they do not have a back-up plan. If this is a failure, what is the plan B and how are they going to solve it? There is no good analytical reason for their decision. This is a big problem that their understanding of the issue and its impact superficially and the way they handle the

PPD is so ad hoc. Respondents seem to indicate that the ministers are more emotional than rational, and without objective analysis on what is the given situation of the new government. For instance, in the case of illicit trade – There are many strategies to tackle the case like hiring a surveillance team from the private sector, awareness raising in borders and signing memoranda of understanding with the neighboring countries. The private sector actors are willing to cooperate with the government to solve this big issue. However, the ministers kept on mentioning that they are handling this case by putting two gates at Yay Pu and Mayan Kyaung area, which are seizing the smuggled goods. Controlling to those two areas is not the end of the illicit trade control. The private sector tried to advise the government on the possible ways to tackle. With the very weak rule of law in the country and armed conflicts in the border areas, it cannot solve the illicit trade by empowering more to the customs or border trade guard people. It can even deepen the corruption. The ministers of new government do not know how to listen to the private sector and they don't know about how to build a constructive dialogue on this issue. Yet the minister acts as if he knows everything so nothing can go further. There is wide expectation gap between the private and public sector. The government could not build the trust with the private sector since the actions that the government is taking is only at superficial level and not effective. The government comes with all the excuses and they do not know the real volume of illicit trade. The government is complacent in acting and under-estimates the issue of illicit trade and revenue loss. No data from Ministry of Commerce or Border Trade regarding illicit trade is available, and the data from the neighboring countries is not the same. What private sector representatives want

government is to find the root cause of illicit trade and go for trade liberalization to reduce the illicit trade. It seems like the private sector representatives concern the illicit trade more than the government.

The private sector development scope is very broad, and five committees being chaired by different ministers have been carrying out. There is no focal person to facilitate the PPD to be effective. And, the director generals, who know the subject matters, do not have the opportunity to give a say in the discussion and decision-making process for the issues. It is as though everyone is to listen what ministers say. Director generals do understand what the private sector actors are talking and want to help; instead the issues raised by private sector are being cut out and, the minister keeps saying they have already addressed the issues raised once they have responded regardless of whether the issue is really solved or not. Participants experienced that the ministers concerned do not really listen to the private sector and the interactions are very superficial. There are people in the new government who are good and listen. But, few ministers monopolize the discussion and simply do not accommodate others in the meeting and he himself does not know enough the real issue and how to address it.

The depth of understanding of Ministers and their willingness to listen the issues and solve them effectively is important to bring in the positive change in the country's economic reform. The Ministers obviously is not subject matter expert, and they do not know how to deal with the private sector issues. When the private sector tries to bring out the issue that has not been solved properly, there are arguments between the private sector representatives and the ministers.

Respondents expressed that the private sector wants the new government to see the holistic view and see what low hanging fruits is and try to address them one by one first. Conversely, their mindsets and actions end up being opposite to the public expectation. One Minister is arrogant and cannot accept the concept of constructive dialogue. He does not know why he is here. He doesn't have a clear direction and strategic mind, yet he perceives very highly of him and always acts like he knows everything. The whole team fails to focus on the result by engaging constructively with the private sector.

### **Summary**

The idea of building a PPD was started by International Finance Cooperation, the World Bank group, which has the expertise in doing so in the transition economies. And, the PPD called MBF was established around 2014 with the UMFCCI and the previous administration of Government of Myanmar. After changing of government in April 2016 and UMFCCI leadership in July 2016, the process lost its momentum and when it was resumed again, the dialogue structure, mechanism and practices were changed and the name MBF was no longer in use and both the public and private sectors use PPD as a platform to interact each other for much broader Private Sector Development Framework, which was technically assisted by Asian Development Bank. It can be said that there was little coordination between development partners and the host government. That is why; the MBF was incorporated into much broader private sector development framework in the new government's agenda. With the low level of conceptualization on PPD and private sector development framework, and limited capacity of the people involved in

both sectors made the PPD building process dragged. Nevertheless, in April 2018, there was the effort by the UMFCCI executives to reinstall the procedures and practices of MBF and the new venture will be called Myanmar Business Initiative. Since this study is to gain the knowledge on the building process of PPD during major reforms in Myanmar, the time line of this study starts from December 2012 to June 2018. The longitudinal study will be needed to know more on how the building process of PPD proceeds. Therefore, the building process of PPD during the midst of political and economic reforms has been distracted with the change of government in April 2016, and the UMFCCI leadership in July 2016 especially with the low level of institutionalization on both sides.

## Chapter 5: Discussion, Conclusions, and Recommendations

### **Introduction**

According to the study findings, Myanmar needs PPD to create a business environment that is conducive to the well-being of its citizens. Myanmar's private sector needs to communicate with the government to advocate potential policy solutions or administrative course of action by improving the PPD building process. In this case study on building PPD during major reforms in Myanmar, the data indicate that PPD plays an important role in economic reform that will further stimulate the private sector-led growth in contemporary Myanmar.

Identifying the business reform agenda can lead to the development of regulatory and policy framework relevant for private sector development (Herzberg & Wright, 2006). Policy reforms are the most tangible benefits from having effective PPD, because PPDs promote a regulatory and policy environment to improve business development by legislating new laws, amending or removing existing laws, removing or simplifying existing regulations, and standardizing existing procedures. However, the research reveals that there are challenges such as mindset and attitude, the level of conceptualization, and capacity constraints. For example, there was lack of coordination among development partners, which affected changing the government agenda after the power transfer to a new government.

The following are the main conclusions from this case study on PPD in Myanmar:

1. Creating the right conditions before building well-structured PPD is needed.

2. Having an enduring environment helps cross-sector collaboration, which will have to address challenges in the environment like a changing political and institutional landscape.
3. Each participating organization in a cross-sector collaboration must consider the need to participate in a collaboration (like the PPD in this case study) as well as the impact, advantages, and disadvantages before deciding to participate.
4. Consensus must be reached on basic principles and practices for the collaboration among participating organizations. To reach its intended results, collaboration must involve a purpose and goals that respect and recognize the rights of all the individual organizations involved.
5. For the building process of PPD in Myanmar, the leading people need to build common understanding and knowledge on the principles and practices of cross-sector collaboration that will dictate the design, structure, process, and mechanism of PPD and its implementation.
6. In building PPD in Myanmar, all the participating organizations must use PPD to achieve the goals of the collaboration—such as establishing an enabling business environment and private sector development in Myanmar—rather than regarding it as an end.



## **Discussion of Concluding Statements**

### **Conclusion 1: Creating the Right Conditions for Public-Private Dialogue**

The research data indicate that creating the condition for effective PPD followed by thorough design and implementation are the crucial steps in building PPD. Creating the right conditions can improve PPD on a long-term basis and maintain the principal objectives of the PPD. Recognizing the situations for effective PPD, such as the political will and mandate, the level of bureaucratic efficiency, the level of organizational development in both public and private sectors, and the preparedness of the people involved can prevent a lack of engagement. Creating conditions for effective PPD involves upholding the stakeholders' integrity and autonomy while allowing for sincere dialogues. Having competent PPD is the manifestation of the business community's access to the government bureaucracy and of the public sector's capacity to participate in networking with stakeholders for enhancing national economy.

The data reveal that political will and mandate are the main factors for successful PPD. Without political will, the PPD cannot be achievable even with its legal status. The prospect of a PPD is also dependent on a nation's political economy, which can evolve along with the progress of the PPD. A PPD begins in an informal setting, and it can progress to a more formal setting over differing issues. It is important to start with issues that are politically less sensitive or seem to align with the political mandate; for instance, starting with industry-specific issues first rather than touching on more general issues for private sector development. The PPD can also start with cross cutting issues on an operational level such as taxation, licensing and registration, and custom clearances. PPD

must engage the main stages of policy reform: identifying the issues and problems, developing the solutions, implementing the changes, and monitoring and evaluating the resulting impacts.

Data indicate that prerequisites before building a PPD need to be explored such as whether the PPD is needed as a new initiative, at what extent is it needed, and whether the current institutions can address these needs. Researching which regions and sectors need the business reform agenda should also take place before deciding on designing and implementing the PPD. There are a wide range of PPD objectives, and the design and implementation should be according to the PPD objectives, such as overall PPD on a broad range of issues or on some specific sectors or both.

Additionally, it is important to assess the readiness and the capacity of the relevant stakeholders for entering a dialogue and recognizing the existing (fragmented) dialogues before establishing a PPD. Identifying issues is important to establish the PPD by carrying out stakeholder consultative processes. The task-managers will also need to investigate possible obstacles that may arise later in the building process. Using thorough diagnostics improve design decisions that are backed up by concrete information on the extent of investments in capital outlays and human resources.

Findings also indicated that the predisposed conditions for the PPD included advocating for an enabling business environment, the features of the institutional environment, and the extent of resource readiness. In this case study, the UMFCCI on representing the Myanmar private sector and having preexisting fragmented dialogues between the business members organizations and the respective ministries—such as PPD

between Tourism Federation and Ministry of Hotel and Tourism—are some of the conditions affected the formation of PPD. Additionally, the conditions for cross-sector collaborations include common intent of collaborative purposes to establish an enabling business environment and interdependence among collaborative organizations.

### **Conclusion 2: Having an Environment for Cross-Sector Collaboration**

The environment can affect setting up cross-sector collaboration, which will have to deal with the challenges in the environment like a changing political and institutional landscape. After researching the case study from December 2012 to May 2018, the environment for building a PDD changed, as there was a change of government from a long ruling military back-up government to a long-standing opposition government amid the PPD building process at April 2016. This changing political landscape compounded the challenges of the PPD building process.

External contexts such as power structure, resource availability, and policy and the legal environment are determining factors of a collaborative governance regime where cross-sector collaboration is a system that interacts with the external environment (Emerson et al., 2011) Additionally, there are determinants that are independent of system context: individual leadership, acknowledged interdependence, resultant motivation, and uncertainty (cite). In this case, the changing government and changing of UMFCCI leadership suggests how the different contexts associate with different causal relations. According to the data, there are three major internal elements that are lacking in the building process of PPD in Myanmar— namely, “principled engagement, shared

motivation, and capacity for joint action” that drive collaboration and influence larger system (Bryson & Crosby, 2015, p. 3).

In changing government, the level of trust between the outgoing government and incoming government can affect the government agenda and affected the PPD building process in Myanmar. The power transfer from former President [U] Thein Sein’s administration to incumbent State Counselor [Daw] Aung San Su Kyi’s administration is the first ever change of military back-up government to civilian government in more than five decades. The change of government agenda creates policy disruption and has had a somewhat negative impact on the momentum of the PPD building process. For example, the new UMFCCI leadership had a protective mindset and there was conflicting interest on local businesses over foreign businesses. Hence, the PPD process was less inclusive because the foreign businesses were being excluded from the PPD process. Additionally, the role of private sector secretariat was fading, and the capacity was declining because the new UMFCCI leadership started to ignore the contribution of professional staff provided by the IFC. Finally, the IFC handed over the MBF to UMFCCI in mid-July 2017.

The challenge of working with the government is to interact with different levels of government hierarchy depending on the size and complexity of the government (Murray, Haynes, & Hudson, 2010). There are also challenges in dealing with government such as fostering long-term relationships and deepening the commitment in the case of government officials’ turnover, especially when there is not enough handover or policy continuity when the key persons change. In Myanmar, these kinds of disrupted

relations are affecting the building of PPD and collaboration. The PPD building process is embedded in larger systems that are interdisciplinary, multi-actor, and multilevel in nature. It is important to recognize interdependence among partners in terms of resource asymmetries, power disparities, and nature of cooperation, and competing established logics between public and private sectors to mitigate negative preexisting relationships (Ansell and Gash, 2008).

### **Conclusion 3: Considerations Before Participating in Public-Private Dialogue**

Each participating organization in a PPD must consider reasons for participation in collaboration as well as the impact, advantages, and disadvantages for them before deciding to participate. Even though Myanmar possesses rich natural resources, a youthful population, and is located at the crossroad of Asia, the country still lacks development due to how these resources were managed by each successive government. Like other regional economies, Myanmar needs trade and investment policy reform for economic development to catch up with the growth of the neighboring countries in the region. Policy reform can be facilitated by creating a platform for the businesses and the government officials to work together to find the solutions for the issues that the businesses are facing. In transition economies such as Myanmar, private sector development reforms for inclusive growth are more effective when there is a PPD that allows the multistakeholder beneficiaries to be involved in the stages of diagnostics, strategy formulation and execution, and monitoring and evaluation.

It is important to recognize that for private sector development in Myanmar, organizations need to address how the private sector can initiate, advocate, and

cooperate with the public sector for improving the business environment and to have shared purpose and vision among private sector actors beforehand. The PPD makes the policy reforms easier in terms of identifying priorities in business reform agenda, practicality, relevancy of policies, and development of workable plan to implement these policies. The PPD can promote transparency, good governance, and cost-benefit analysis of the policies.

When the private sector and relevant stakeholders raise issues and propose solutions, it can lead to better reform decisions and actions for businesses. The business advocacy dialogue in the effective PPD can create a compliance culture by inviting governments to perform regulatory impact assessments, establishing checks and balances for private sector demand, allowing discussions of the consequences of the intended measures before actual enforcement, and nurturing a more rounded view of what is good for the economy. The problem with building an effective reform is the diagnostics for proper design and implementation of a PPD. These challenges require extensive collaboration between public and private sectors of Myanmar. As a result, multi-sector social partnership became essential and necessary over time to combat these challenges.

#### **Conclusion 4: Creating a Common Ground**

Consensus must be reached on basic principles and practices in a collaboration for the common ground and cause among the participating organizations. A collaboration can reach its intended results with collaborative purpose and goals that respect and recognize the rights of the individual organizations involved. In building a PPD, there must be the common cause to stand all the parties on the common ground. That is why it is important

to know a cross-sector collaboration, in which how information, resources, activities, and capabilities are shared and linked among participating organizations from different sectors to have joint outcome. PPD cannot be achieved solely by organizations in one sector. Through sustained PPD, the public and private sector actors are building mutual understanding, trust, and confidence, which can contribute toward positive cooperation, coordination, and collaboration between public and private sector actors.

On the other hand, if PPD is not well designed, it will waste the time and resources of all the parties involved. PPD needs to find the common ground for private sector and national interest, since the private sector might come up with some vested interests. That is why the PPD must be transparent and broad-based to prevent rent-seeking behaviors. Finding the right representation among different stakeholders will improve the policy-making quality, and doing so is a challenging factor, since there might be conflicting interests across different industry sectors and the interests of various stakeholders might be contradictory in some cases.

By knowing the scholarly definition of collaboration, the mindset and attitude of the participants from both public and private sector can be changed that can contribute toward the successful PPD process. According to literature review, Collaboration has been defined as “a process through which parties who see different aspects of a problem can constructively explore their differences and search for solutions that go beyond their own limited vision of what is possible” (Gray, 1989, p. 5). According to Goldsmith and Eggers (2004.), “Cross-sector collaboration has been defined as partnerships involving

government, business, NPOs [nonprofit organizations], communities, civil citizens and/or the public sphere as a whole”.

People who involved in PPD building process must keep in mind that PPD is a form of inter-organizational relations in which people in the participating organizations may shift their roles and responsibilities that are overarching across sectors and professions. To have more cohesive and long-lasting collaboration, different people from different groups must keep in mind that they are working to accomplish something “that could not have been achieved by working alone” (Huxham & Vangen, 2005, p. 60). PPD is the only way to advocate the business reform agenda to the government officials to overcome the limitations of private enterprises. Only by building an effective PPD, the public and private sectors can link and share information, resources, activities, and capabilities between two or more sectors to achieve a joint outcome that could not be achieved by organizations in private sector separately.

The advantage of having PPD will be providing a unique platform for government officials and private sector actors to learn from each other, to approach problems from different points of view, and to effectively address economic problems by creating a common understanding among the participating organizations. PPD is a platform for knowledge sharing among organizations involved to come up with new approach that they can reach effective solutions that could not have been achieved alone. By entering into collaboration, the organizations are more likely to realize individual and collective objectives and goals by being exposed to a wide range of opportunities that can overcome their own limits of resources and possibilities.



The parties involved must keep in mind that it can be problematic to reach the negotiated agreements when organizations from different sectors work together such as in the private sector working groups' meetings and PPD. The PPD building process needed to address gaps in mutual expectations, establishing common ground, and identifying collective goals across different participating organizations. Achieving shared goals and shared meanings in collaborative relationship were not straightforward in the PPD building process, and careful management is essential whenever different organizations work together to address shared problems. Level of conceptualization and capacity constraints were the striking issues in building governance and accountability mechanisms in PPD building process, and failing to do so will erode the collaborative capacity to deliver goals and a new governance framework; and promoting knowledge on governance within PPD.

Forming up private sector working groups should go step by step by focusing on a few issues to learn and prove successful engagement strategies before entering broader topic strategies. A key issue for building PPD was to align the expectation of individual organizations in policy design and implementation within the collaboration. It is also important to recognize the significance of communication in "authoritative texts" that mandate mutual understanding on problem definition, collaborative mission, and implied general directions and norms in building the PPD. The mission of an organization justifies the reason why it exists, and what the organization aims to deliver. A well-explained mission will be respected by participating organizations and can stimulate

stakeholder trust. By being transparent with the collaborative mission, stakeholders will be empowered to sense whether the PPD delivers its mission.

The nature of collaboration is determined by the types of partnering organizations and reasons why each partner is involved in a collaboration, which might range from time-bound affiliations to long-term coalitions (Cropper et al., 2008). The PPD will be ongoing since the private sector will need to communicate and advocate the issues and proposed solutions to the government. PPD may have the issue of how information and resources are shared among partnering organizations, what the binding and controlling factors are, what the degree of trust within collaboration is, and how diversity and clustering of relationships will be addressed in the collaboration.

PPD needed to formulate the collaborative strategy that prescribes clear ownership with accountability mechanisms and key deliverables with timeframes in aligning individual organizations to the collaborative initiatives and achieving the best possible outcome. The evaluation mechanism must be included since design development phase of PPD and key performance indicators must be identified and adopted to monitor the collaboration once it is underway. Regular meetings are helpful to promote internal relationships and building shared understanding within the collaboration. Considering whether other agencies should be involved in the decision-making process is desirable and is a meaningful approach to go beyond mere stakeholder engagement such as private sector working groups working with professional firms like legal, audit firms.

The PPD needed the strategic management and it should use open strategy by recognizing the significance of goal interdependence and strategic openness in the

decision-making process. The model of open strategy process has five core components, and they are goal interdependence, stakeholder legitimacy, participatory decision-making, transparency, and inclusiveness (Pittz & Adler, 2016).

Integrating all stakeholders and recognizing shared ownership and governance and interdependence through cooperation are significant and they shape how decision-making processes in multi-sector partnerships are undertaken (Gazley, 2010; Rondinelli & London, 2003). The suggested governance model in an open strategy is a genuine platform for value co-creation in achieving shared objectives through a governance structure that enables teamwork and augments knowledge exchange critical for prolonged success (Payne et al., 2008). Value co-creation enables flexibility and durability through integration of all available resources by partnering organizations for mutual benefits. (Vargo et al., 2008, p. 145). Pittz and Adler (2016) added participatory decision-making, stakeholder legitimacy and goal interdependence in the concept of open strategy by Whittington et al. (2011) as a prerequisite for effective partnership. In open strategy, the strategic decision-making process is participatory and pervasive across organizational hierarchies with upholding goal interdependence in integrating governance in multi-sector partnerships that practice open strategy.

### **Dimensions of Open Strategy in Multistakeholder Partnerships**

The differentiating feature of open strategy is proactively inviting inputs from different stakeholders, assigning decision rights to the legitimate stakeholders during strategy formulation by upholding the value of transparency and inclusiveness (Whittington et al., 2011). The common challenge is working with competitive concerns

within limited resource environments. Having a sense of mutual dependency drives individual organizations to treasure partnership for achieving collaboration goals. That is why, “Open strategy” is a device to craft shared resolutions for building the PPD.

Identifying legitimate stakeholder for an issue (Maiardes et al., 2011) allows recognition of previously unrecognized stakeholders to have an authentic claim in the process so long as they have a stake in the organizational goals. Multistakeholder partnerships should take stakeholders’ legitimacy, power, and urgency into consideration in prioritizing and determining salience of problems. The PPD should have agreement on how the private sector is defined and the importance of holding private sector working groups. It is important to have inclusion criteria in screening stakeholders for their salience to have a say in the strategic decision-making process in multistakeholder partnerships, which practice open strategy.

When stakeholders appreciate a shared sense of goal interdependence, in which the partnering organizations recognize that their efforts are intertwined toward the accomplishment of the goal (Gray, 1985). Both public and private sector actors must learn to appreciate a shared sense of goal interdependence in building effective PPD. The level of interdependency assumed by people depend upon the way in which goals are described, the way performance is compensated, and feedback is specified, how the resources are distributed, and how the roles are demarcated (Wageman, 1995).

Participatory decision-making, which allows stakeholders to have a candid voice in strategy formulation and strategic direction that, in turn, ensures sufficient power distribution among participating organizations (Gray, 1985). Bringing together all the

diverse standpoints through inter- and extra-organizational inclusiveness enables the strategy process to be resourceful and participatory that can prevent any potential resistance in the implementation phase (Detomasi, 2002; Elbers, 2004; Waddell, 2001). Insights of stakeholder legitimacy and participation in shared decision-making combined with transparency and inclusiveness leverage partnering organizations in dealing with complex issues.

The guiding principles should be diverse representation among business actors, geographic coverage, and industry. Additionally, equal partnership and a level-playing field between the private sector and the government will be fostered. There should be impartial, proficient, and trustworthy facilitators in multistakeholder partnerships' development to link uneven power, resources, and information across diverse stakeholders (Ward, Fox, & Wilson, 2007). Cross-sector collaborations with accountability mechanism and a governance body will enhance acceptability, alignment, ownership, and harmonization among partnering organizations (Edi, 2014).

#### **Conclusion 5: Common Understanding on Cross-Sector Collaboration**

As far as building process of PPD in Myanmar is concerned, the spearheading people need to build common understanding and knowledge on the principles and practices of cross-sector collaboration that will dictate the design, structure, process, and mechanism of PPD and its implementation. The strategy should be to allow discussions in the private sector working groups to be thorough and broad based on the monitoring and accountability mechanisms incorporated. This step was somehow by-passed in the new UMFCCI leadership. By ongoing PPD with communicating issues, sharing

information, and exchanging ideas, the business issues will be analyzed systematically from diversified perspectives, which will, in turn, potentiate the sustained commitment in implementing the change ideas both by the government and the private sector.

The Charter prescribes twelve principles, and they serve, as the comprehensive and practical guidelines to assess the building of a PPD. Researching the building process against these twelve principles will give clues to address the issues on how Myanmar can successfully build an effective PPD, which can contribute ultimately to larger reforms for private sector development and sustainable economic development.

It is true in this case study that building systems in collaboration involves tough negotiation on prioritization, funding, proprietorship, and accountability across organizational boundaries (Eom, 2014; Hallberg et al., 1998). Hudson et al. (1999) identified a set of obstacles, such as different sources of funding, differing values and ideology, procedural diversity, assignment of responsibilities across organizational boundaries, and concerns for legitimacy and domain to overcome, if multi-sector collaboration is to be successful (cited in Pilemalm, Lindgren, & Ramsell, 2016).

Pettigrew (1985) divides the context into an inner context, such as organizational structure and policies, and corporate culture, and an outer context of economic, social, and other competitive settings, over which the organization is having limited influence (Al-Tabbaa, Leach, & March 2013). The content element concerns the strategic directions, choices, and procedural matters for undertaking its planned objectives (Moser, 2001; Wit & Meyer 2010). The process element manages the procedures and activities

regarding how a chosen strategy is instigated and implemented within a given context (Huff & Reger, 1987; Pettigrew, 1997).

Different groups of stakeholders often hold different expectations, prospects, accountability, and the commitment to add value (Hofer, 2000; Kearns, 1996; Conroy, 2005). Thorough deliberation is required in crafting and implementing new collaborations so that the diverse set of stakeholders, such as the government sector, and the business community can embrace their respective identity (Dacin et al., 2007).

The level of stakeholders' expectations influences the level of collaboration and the degree of compatibility among the partnering organizations, and stakeholders' expectations predisposed the governance structure of the affiliation (Simpson et al., 2011). The level of collaboration prescribes required resources, level of commitment, and the amount of risks shared among the partnering organizations.

Myanmar PPD must identify the strategic position to differentiate itself from other fragmented dialogues. Identifying the strategic position of an organization plays a key role in differentiating it from other organizations and maintaining its competitiveness in a market (Porter, 1996; Kotler & Andreasen, 1996). PPD should develop a strategy that will overcome internal cultural barriers and differentiate them from other fragmented PPDs by reflecting on the features of their rivals. The uniqueness of PPD is well-structured single platform for the government and private sector to interact for identifying reform agenda, and legal and regulatory framework. The strategic positioning of collaboration allows PPD to be distinctive and attractive for potential stakeholders and it will, in turn, enhance its capacity to meet intended results.

Power Imbalance is an issue in PPD. During PPD, the VP or Ministers are chairing, and they are taking time un-proportionately. Government has more control over conversations in the PPD meetings. Power becomes an issue when the interests of partnering organizations are not in line with the collective interests of collaboration (Das & Teng, 2001). Once there is a power imbalance, it will constrain the collective potential of the collaboration (Berger et al., 2004). Such likelihood should be anticipated, and some appropriate measures should be proactively devised during strategy formulation (Bryson et al., 2006).

Disclosing the collaborative strategy and possible consequences to deal with the stakeholders' expectations (Andre et al., 2008). Timely revelation of the anticipated benefit can induce stakeholder support (Austin, 2000). Stakeholders will perceive the collaboration positively, if they are informed about any possible risks and the measures needed to address those risks in advance. Sending information from the collaboration to the stakeholders regarding potential benefits and risks will relieve the adverse effect of possible resistance. Receiving real-time data, information, and feedback from the different stakeholder groups is important for strategy formulation and implementation of cross-sector collaboration (Clarke & Fuller, 2011) and it is useful in circumventing possible causes of conflict and ensuring smooth progress of the process (Gates, 2010). The higher the stakeholders' expectation, the higher the level of collaboration is needed, and the more engagement and interaction are required among more stakeholder groups (Austin, 2000).



The following are the essential elements to consider in designing and implementing the PPD process:

1. Exploring the relationships among the existing institutions for both sides, such as the cross-sector business members' organization representing the private sector and the government department, which could organize across the government ministries;
2. Drawing the dialogue structure indicating who should be talking to whom on which issues being raised by the private sector;
3. Deciding the right champions for both public and private sectors;
4. Engaging with the efficient facilitator;
5. Strategizing for attaining the targeted outputs;
6. Formulating a communication channel for effective outreach;
7. Developing a monitoring and evaluation framework;
8. Deliberating the possibility of sub-national level dialogue;
9. Crafting sector-specific and cross-sector dialogue mechanisms; and
10. Finding the optimum contribution from the local and international development partners.

### **Conclusion 6: Using Public-Private Dialogue for Collaboration**

In building process of PPD in Myanmar, all the participating organizations must use PPD to achieve the goals of the collaborative – such as establishing the enabling business environment and private sector development in Myanmar – rather than regarding it as an end. private sector development is a broad agenda and it can be

achieved only with the enabling business environment. private sector development framework contains five pillars, and they are (a) improving the legal and regulatory environment, 2) ensuring access to finance, 3) promoting trade and investment, 4) restructuring state's role in business enterprise and service delivery, 5) building Myanmar human capital base. This private sector development framework calls for high level of inter-ministerial and inter-departmental coordination and cooperation among ministries, and strategic plan for implementation. PPD is the only means that can ensure coordination, and cooperation among ministries and private sector. An effective PPD is a means to reach the end of private sector development, and which is the only platform for the private sector to interact with the government officials for the sake of improving the legal and regulatory environment.

The PPD diamond is a conceptual framework including four dimensions that measure the strength of four elements, namely public sector, private sector, champion, and instruments on two vertical and horizontal axes that are essential at the outset of the diagnostic process (Herzberg & Wright, 2006). For the public-sector dimension, the level of leadership commitment, "Political Will", and the implementing capacity are the key factors that contribute toward the successful PPD building process. For the private sector, how organized the private sector is, to what extent the entrepreneurs can speak out without fear of repercussion, and the level of leadership are the key factors contributing to successfully initiate the PPD process.

Regarding the "champion", it is important that the "champion" has the credibility and expertise to attract the media attention and earn the respect from the participants. As

far as the “instruments” are concerned, there are few backup factors, such as the quality and capacity of support personnel, the funds available, and logistics facilities. In this case study of “building process of PPD during major reforms in Myanmar”, all four elements of PPD diamond are not strong enough to have effective PPD yet.

### **Limitations**

In my research, it is not the differing philosophies or perspectives of the different authors, it is the issues that can be conflicting or competing among different business groups, such as diverse interests between multi-national corporations versus those of small and medium enterprises. Conversely, the dichotomy might exist between the local business groups versus the foreign investors in the country. These differing issues and opinions, if any, must be prioritized and sequenced to reach the consensus within the private sector working group for the sake of having a representative voice. Here, the rule of the game is “who are the beneficiaries of the PPD?” It can also be arbitrary when it comes to whether the beneficiaries are the society at large or the business community. The bottom line is that it should not be addressing the intended beneficiary at the expense of other stakeholders. The art of this study is “how well could we find the common interests to stand on common ground for the sake of all-inclusive, equitable, and sustainable economic development?”

The strategy here is to engage with multiple stakeholders to find the issues that are industry or sector specific and the cross-cutting issues like taxation, land use reform, access to formal financing, and human capital development. It is also important to build trust among the stakeholders and screening possible issues that could be solved faster for

earning credibility and stakeholder buy-in on the due process. The other significant limitation will be short tenure of the MBF, which would limit visibility of the impact on policy reform by introducing such a PPD. On the other hand, it opened areas for future research.

### **Implication for Future Research**

In current collaboration literature, most discourses are more on institutional and organizational levels than the individual actors, and it leaves some gap in the collaboration literature (Noble & Jones, 2006, p. 891,). Yet, there can be pitfalls in multistakeholder, which include the autonomy of actors and the quality of interactions among actors. Deliberate study about the quality of relationships among the actors and converting it into systematic evaluation calls for future research to develop a new school of thoughts (Murphy & Bendell, 1997, p. 240. In summary, there should be more academic research on collaboration that deals with the wider systemic problem facing mankind.

### **Implications for Social Change**

It is significant and unique to study this kind of research, which will bring in social change for a new Myanmar. The clear message on the significant role of the PPD and partnership while national economic reform indicates the importance of the present study. Investigating the building process of MBF is crucial for the country since the existence and institutionalization of the well-functioning PPD is important in promoting the business environment in Myanmar. Only with the well-established effective PPD mechanism can the business practitioners discuss the issues constraining their businesses

to the policy makers and the practical issues and problems can be identified, and the relevant, reasonable, and practical solutions can be obtained through consistent long-term engagement between private and public sectors' people.

The findings of this study will provide information to policy makers about how the PPD process can be improved to contribute toward the successful development of the business-related policies. The research on how the MBF is developed effectively can contribute toward forming the rules and regulations favorable to the businesses to invest and operate efficiently, and it will serve as the powerful tool for inclusive and sustainable economic growth and development through cutting the compliance cost of the regulatory framework. Establishing an effective PPD will serve as the change driver in the economic and administrative reform.

The social implications will ultimately be the private sector development. For a developing country, private sector development is a remedy for sustainable and inclusive growth, and nothing can be replaced for a healthy, innovating, and growing private sector, which enhances the stability and advancement of a society. The future of economic growth is the future of people and society at large, and that is closely tied with the private sector development, which generates investment, economic output, and formal and informal employment.

The increase in income generation, purchasing power, and the living standard of the people will be the ultimate benefits of the private sector development through public-private partnership. Therefore, the government should provide sound policy environment, and legal, regulatory infrastructure to the investors and businesses.

This study is important for the business community and related policy makers while the public will be the ultimate beneficiaries of robust economic growth and development. It will also be useful for the scholars who want to take further steps for research in the future as part of longitudinal research for better understanding of collaborations over time.

### **Summary and Conclusion**

The case study of “Building PPD during Major Reforms in Myanmar” gives us with the following walkaway conclusions.

1. Creating the right conditions and having the enduring environment are the necessary public-private system context to set up an effective PPD.
2. The leadership commitment and capacity are the determinant factors to establish shared vision and collaborative purpose that dictate the principles and practices in building an effective PPD.
3. The spearheading persons must have the clear picture on why the organizations need to enter into collaboration and in this case of building the PPD, the PPD must be regarded to reach an end of private sector development.

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## Appendix A: Node's Hierarchy

Name	Source	Reference
Building Right PPD Process and Atmosphere	15	85
Challenges	0	0
1. Government	0	0
Capacity	3	4
Commitment	4	9
Inter-ministerial Coordination	3	3
Level of Conceptualization	2	10
Mindset & Attitude	5	10
Nature of Engagement	4	7
Protocol issue	1	2
Trust issue	1	1
Value Ideology	3	3
2. Government Secretariat	2	3
3. Private Sector	0	0
Capacity	6	8
Commitment	4	5
Inclusiveness	1	1
Issue Identification, Prioritization and Presentation	3	11
Issue Raised	10	23
Mindset & Attitude	5	7
Readiness	1	1
Value and Ideology	2	2
4. Private Secretariat	5	6
5. Collaboration	0	0
Assignment of Responsibilities	2	3
Autonomy and Leadership	2	6
Building trust	3	6
Communications and Outreach	4	5
Influence Disparity	2	3
Level of Conceptualization during Transition	1	1
Mandate and Institutional Alignment	11	40
Monitoring and Evaluation	2	2
Open Strategy	0	0
Goal Interdependence	0	0
Inclusiveness	7	10
Participatory Decision Making	0	0
Stakeholder Legitimacy	2	2
Transparency	0	0
Power Imbalance	1	3
6. Development Partners	5	11
Sense of Rivalry among Development partners	1	2
7. Private Champion	0	0
Commitment	3	3
Mindset & Attitude	1	2
Roles and Responsibilities	12	24

*(table continues)*

Name	Source	Reference
8. Public Champion	0	0
Commitment & Leadership	1	6
Mindset and Attitude	1	2
Roles and Responsibilities	8	24
Plenary Preparation and Expected Outcome	5	6
Conclusion	0	0
Introduction	0	0
Background	5	8
Before and After	0	0
After	14	74
private sector development	1	8
Before	13	60
Fragmented PPD	2	2
Why PPD is needed	3	3
Chapter 5	4	7
Ease of doing Business	1	1
Law-making Process	4	5
Impact Assessment	1	1