

Abstract - Chapter 4

Working with and alongside the private sector

There is a growing recognition that enterprise and trade is central to progress for all developing countries. More enterprise and trade provides more jobs, improves household income and should therefore have a positive impact on human & social development. More enterprise and trade brings the private sector into play in a wide variety of ways, allowing it to contribute in a far more significant and sustainable way than traditional philanthropy or CSR.

Within the NGO community, we frequently hear remarks like “I understand that this is an area which is important, and have given it some thought – however, it is not completely clear how and where to start – What precisely should we do differently in terms of focus, approach or mix of activities?”. Despite the encouraging efforts and progress, there is still a seam of uncertainty and resistance.

Why is that? We have found that the spectrum of opinion and experience is very divided - falling into three broad camps: Camp 1: Trade, enterprise and the private sector collaboration is great – the answer to everything. Camp 2: Private sector collaboration is important – though practically I am not so clear what I should do differently – and if am really honest, am underwhelmed about what we have managed to achieve so far. Camp 3: Believes deeply that the private sector is made up of evil exploiters, and whilst we will kind of play along, we really should have nothing to do with them.

The resistance can be traced to a number of conflicts – some real, some perceived. These could include a conflict of mission & values, a conflict of goals, a conflict of language, a conflict of time horizons, a conflict of expertise and approach, and potentially the most serious – a conflict of trust.

However, collaboration between a range of stakeholders is essential to accelerate enterprise and trade in poor countries. This chapter explores the opportunities that arise from collaboration between NGOs and private sector firms. We believe there are at least seven areas where further collaboration could be productive. These are: 1) Eliminating international barriers to enterprise & trade, 2) Building local firms, 3) Building national workforce capacity, 4) Strengthening government & institutional capacity & policy, 5) Encouraging appropriate industries 6) Encouraging/facilitating major infrastructure projects and of course 7) Providing scalable technology and solutions to development challenges.

However, both NGOs and private sector firms need to up their game dramatically if we are to see the progress needed. Both sides need to be very focused on the specific areas where collaboration is productive, be prepared to invest to build trust, stay the course and spend time to appreciate each others capacities and priorities. Where logical, both sides need to be willing to invest in new, more fit for purpose organizational constructs. NGOs need to embrace a broader view of international development in everything they do, bringing economics, enterprise and trade inside their thinking and plans. Private sector firms on the other hand need to be realistic of the funding needs of NGOs, and learn to appreciate their approaches and expertise. Both sides should be ready to identify goals and solutions at an industry and country level that are much broader and bolder than their own plans might normally dictate.