

5.8 Conclusion

This chapter has identified many quite similar lessons and themes stemming from the use of PPPs across the APEC economies. A major issue for government is to decide who to partner with in a PPP. This is especially pertinent at the early stages of PPP implementation, when there is limited information available to government about the capability of private or community organisations to deliver the desired outcomes. This information gap can be overcome over time as partners get to know each other better. However, every time a new non-government organisation seeks to partner with government, the same problem will occur. This means a lot of time and effort need to go into the early stages of PPP preparation.

Another recurring theme is the need to set a common goal. Government and partners need to work towards a joint objective. This can be especially hard to achieve when different organisational cultures meet in a PPP. Objectives not only need to be shared, they also need to be achievable. It is important that there is a high level of communication and transparency in setting achievable targets that will satisfy both government and providers.

The need for flexibility in how to achieve objectives was also raised in the case studies. While government has a need to ensure that tax payers money are spent wisely, this can sometimes mean that providers have to operate in a very controlled environment with tight guidelines. This can influence how well an organisation uses initiative and flexibility in achieving agreed outcomes. A similar dilemma is mirrored in the reporting requirements imposed by government. There is a need to strike the right, but difficult, balance between not too onerous reporting requirements and the need for accurate and timely information to monitor progress and performance.

6 INTERNATIONAL AND NON-GOVERNMENTAL ORGANISATIONS USE OF PUBLIC-PRIVATE PARTNERSHIPS

International organisations utilise PPP models to provide employment and welfare services and policies in developing countries and to promote higher standards of living. To deliver these policies, international organisations engage in PPPs to deliver programs that address specific issues or needs within countries or regions, particularly in terms of working conditions or training issues.

Programs delivered by international organisations through PPPs usually comprise social and cultural elements, including targeting attitudes that support poor or unsafe working practises. As a result, the partnerships established are often far wider in scope than partnerships established by individual governments or corporations and incorporate multiple partners on various levels.

Partners can include not-for-profit organisations, employer associations, unions, private enterprises and other international organisations, as well as regional and federal governments. Depending on the particular program, the partnerships can include funding arrangements, particularly in the case of external governments or stakeholders, or direct involvement in the implementation of program elements.

PPPs have also been used by international organisations to address skills shortages in the local labour market and assist local governments in implementing reforms in the vocational education and training sectors.³⁰

6.1 International Labour Organization

The International Labour Organization (ILO) undertakes partnerships with a range of groups, including other international organisations, governments and groups representing both employers and employees. These partnerships aim to promote improved working standards in developing countries while achieving fairer globalisation. The *Better Factories* program in Cambodia and the *Better Work* initiative currently being piloted in Vietnam, Lesotho and Jordan are examples of partnerships.

6.11 *Better Factories Cambodia*³¹

Arising out of a trade agreement between Cambodia and the United States, the *Better Factories Cambodia* initiative aims to improve the working conditions for garment sector workers. Under the original trade agreement the US government granted Cambodian exports greater access to US markets in return for improvements in labour standards. With the expiration of the trade agreement *Better Factories Cambodia* relies heavily on the market incentives provided by buyers concerned with labour standards in their supply chains. Although the program is managed by the ILO, it represents a massive partnership effort involving the governments of the US and Cambodia, the Garment Manufacturers' Association of Cambodia, unions, international organisations and private buyers.

Under the program, monitors conduct unannounced factory visits to check working conditions and conduct interviews with employees and union leaders to assess compliance with both Cambodian labour laws and core ILO conventions. Factories which do not comply are given time and assistance to correct issues. Although there are no penalties for failure to meet these guidelines, there has been a gradual improvement in labour standards since the program's introduction. There is strong incentive to comply with the program, as factories involved are granted greater access to export markets.

Through cooperation with all stakeholders to develop an industry-wide training strategy, the initiative also provides training and skill development opportunities to improve working conditions and productivity.³² Training activities usually involve both management and workers' unions, who are encouraged to cooperate to implement vocational, management and technical training.

The Garment Manufacturers' Association of Cambodia, Cambodian unions and the Cambodian Government make up the tripartite committee which guides the delivery of the program. The support of the Cambodian Ministry of Commerce has meant that registration with the program is now a condition of obtaining an export licence. International buyers are consulted to ensure confidence and continued commitment to the Cambodian garment industry.

Currently, funding for the program is provided by a range of sources, including international stakeholders, such as the USAID, the Agence Francaise de Developpement, USDOL, the World Bank, NZAID as well as the Cambodian Government and the Garment Manufacturers'

Association of Cambodia. However, the initiative aims to be self-sustainable and long-term. It is pursuing these goals by employing mainly Cambodian nationals and building capacity and funding arrangements to ensure future success. Funding arrangements include private sector contributions through fees for services from both international buyers and enterprises.

The broad range of partners that have been engaged by the initiative have played a vital role in its success, as all stakeholders in the industry, including employer and employee groups, the government and the private sector have been involved and actively participate.

6.12 *Better Work*³³

The *Better Work* program builds on the success of the *Better Factories Cambodia* initiative, and aims to reduce poverty in developing nations and promote fairer globalisation by improving labour standards and competitiveness. Inspired by the *Better Factories Cambodia* initiative, *Better Work* is expanding to more workers in more countries and sectors.³⁴ It is a partnership between the ILO and the International Finance Corporation, the private sector lending arm of the World Bank.

Better Work redefines the way labour standards compliance is implemented in supply chains with a focus on the development of sustainable solutions in supplier countries. It therefore supports member states in designing and implementing activities which are effective and credible with international buyers, financially sustainable and can reach large numbers of workers.

Country-level activities have focused on helping member states to establish tripartite sectoral schemes for improving labour standards compliance and competitiveness. *Better Work* helps member states design sustainable strategies, set up institutions and build their capacity and deliver programmes in one or more sectors. Country level activities typically combine independent enterprise assessments with enterprise advisory and training services. *Better Work* emphasises practical improvements achieved through social dialogue at the enterprise and sectoral level.

Better Work country programmes are designed to work with other ILO and IFC activities including strengthening public sector labour administration. *Better Work* country programmes often include a component that looks at partnership arrangements between *Better Work* and public sector labour administration such as sharing

of information, cross-training opportunities, common assessment and information tools, support for information management system development and mandatory reporting of serious violations. This type of cooperation allows scarce public sector inspection resources to be redirected to other priority areas in non-export sectors.

Like the *Better Factories Cambodia* initiative, self sustainability and long term success are key goals of *Better Work*. It is expected that projects will be self sustaining within five year of commencement, and this is addressed through financing strategies, including fees for services, which are established at the outset.

Although the methods and projects are similar, the *Better Work* program significantly widens the scope of the *Better Factories Cambodia* program, by targeting labour standards and worker's rights across a range of sectors. The program focuses on factories in labour-intensive sectors which have significant employment in developing countries, including agribusiness, apparel, construction and light manufacturing. The pilot programs currently being undertaken in Jordan, Lesotho and Vietnam will benefit nearly 800,000 workers through assessment of labour standards coupled with training and capacity building.

6.2 World Bank

The World Bank undertakes partnerships with a range of groups, including international institutions and donors, the private sector and civil society.³⁶

Civil society refers to not-for-profit organisations that have a role to play in community and public life but are outside of the traditional governmental structure. The term can be applied to a range of groups, including charities, unions and professional associations. As civil society plays a progressively more important role within states, including in the delivery of social development programs, the World Bank has increasingly sought active engagement with it.

An example of a World Bank partnership can be seen in India, where a partnership has been established between the World Bank and the Indian Government to increase the relevance of vocational training to meet the skill needs of employers and industries.

The India Vocational Training Improvement Project received US\$280 million funding from the World Bank to develop a demand-led training system, and improve employment outcomes for vocational education and

training graduates.³⁷ The World Bank funding is intended to stimulate state-based reforms to the training system, promote increased involvement from the private sector in identifying areas of skills needs, and reward innovation in the development of solutions to skill and labour issues.

Although these partnerships are not necessarily standard PPPs, through the World Bank's involvement greater cooperation and interaction between the public and private sector is encouraged, particularly in training and skill development.

6.3 World Vision

World Vision enters into partnerships with governments, international and non-governmental organisations and other bodies to improve the standard of living for children in developing countries. In terms of welfare policies, World Vision has pursued partnerships arrangements in countries like the Philippines to address to issue of child labour.

Pag-Aaral ng Bata para sa Kinabukasan, or Education for the Child's Future, (the ABK initiative) was implemented by World Vision and several partners in 2003. It aims to reduce the level of child labour across eight provinces in the Philippines through increased accessibility, quality and relevance of education for working and at risk children. The program supports the aims of the Filipino Government, which has previously utilised partnership programs to address child labour and promote education.

Through the ABK Initiative, World Vision has entered into partnerships with the Department of Education, particularly to encourage open school enrolment policies. World Vision has also entered into partnerships with the Philippine Information Agency, Social Welfare and Development Office and the Philippine Cable TV Association to promote the program.

The ABK initiative program delivers on the goal of reducing child labour by:

- providing information and awareness on the negative effects of child labour;
- providing information on the benefits of education;
- targeting the attitudes and lifestyle factors that lead to child labour and establishing alternative livelihood options;
- improving quality and accessibility of formal, informal and transitional education; and

- encouraging institutions at all levels to implement policies and activities to target and reduce the incidence of child labour.

The program is funded predominantly by the United States Department of Labor under a cooperative agreement, although the implementing organisations, World Vision, Plan Philippines, Christian Children's Fund and the Educational Research and Development Assistance Foundation also provide contributions. There are also several other partners involved in the initiative, including the ILO International Programme on the Elimination of Child Labor, community groups and Filipino Government Departments, such as the Department of Education and the Department of Labor and Employment.

Although there is little evaluation of the project available, the Philippines Information Agency indicates that as of 2007, 32 000 children had been assisted by the program, 2 000 more than were initially targeted.

The ABK Initiative is now in its second phase, ABK2 or Take Every Action For Children (TEACH NOW). This phase will be implemented in four areas with the worst incidences of child labour and will again receive funding from the US Department of Labor. Under ABK2, the Philippines Department of Labor and Employment has undertaken a new partnership agreement with World Vision to collaborate in a number of ways, including providing increased educational opportunities and access to children assisted under the program.

6.4 Conclusion

As we have seen in this chapter, in pursuing their international commitments major international organisations enter into a range of partnerships with many different organisations and agencies. These include partnerships with employer groups and individual businesses. Even though most of these organisations' development activities are targeted at poorer countries, they are still based on the same philosophy as PPPs in more developed countries—bringing the best aspects of government and industry together to pursue a common goal.

Considering the growing trend amongst the world's consumers to put more pressure on manufacturers to be more careful and selective in where they source their products from, it is very likely that many more PPPs in this area will be developed over the next couple of years.

7 CONCLUSIONS

'Public-private partnerships' is a term that has not commonly been associated with the delivery of labour market and welfare services. While there is a large amount of information available on PPPs, its focus is predominantly on partnerships for the purposes of building and maintaining infrastructure or the provision of public utility services. Information on PPPs that deal with the provision of labour market and welfare services is scarce.

However, more and more governments are using PPPs to meet the demands of providing services to the community. As can be seen through the case studies in this report, there is a significant amount of work being done through PPPs in the APEC region to deliver such services, demonstrating that efficiency, productivity and successful outcomes can be increased by partnering public and private sector expertise and resources.

While government and business tend to be the primary focus of PPPs, educational institutions and civil society are also critical partners in human resource development. Some of the examples are government led and initiated and some are initiated by industry, depending on the unique circumstances in each APEC economy and the workforce challenges being addressed. Some of the case studies in this paper use a purchaser-provider model, where government services are contracted out to private organisations, and others are collaborative where partners share job placement or labour exchange activities.

APEC has long promoted and encouraged the use of PPPs in responding to economic challenges and as an important tool in achieving sustainable development in the promotion of businesses of all sizes, from micro-enterprises to larger economies. The importance of PPPs in meeting skills and labour shortages, and in the delivery of employment services and welfare programs makes an important contribution to the goals of APEC by assisting people to fully participate in the economy and help alleviate poverty.

It is hoped that this report will be of value to all the APEC economies in their further development of PPPs, and that it will provide assistance to anyone considering using PPPs in implementing human resource development policies and programs.