IX FORGING PARTNERSHIPS

Forging partnership has been identified as one of the strategic levers, given the significance of strategic alliances in attainment of the Vision 2010. Partnerships in the context of this document refers to alliances with private sector, non government organisations, development finance institutions, other nation states, interest groups, informed citizenry, etc

The strategic importance of partnerships for a State like Chhattisgarh is highlighted in the benefits that these partnerships could potentially provide. These include:

- **Broadening the scope of markets**
  It is well recognised that economic growth is no longer restricted by a state's ability to attract companies from other states or regions. In order to successfully compete, the State would need to attract business from around the world. Strategic alliances with other nation states for mutual benefit would enable the State to increase the scope of its markets both local and international. The demand for quality finished goods, and value-added services being enormous, this would be a huge revenue generating option for the State. Lack of large markets in African countries has been widely accepted as one of the key reasons for its economic condition. Exhibit IX.1 illustrates the above together with some of the initiative taken to overcome this problem.

- **Supplementing the resources of the State**
  There are a number of development imperatives before the State at the same time limited resources is available for the same. Accordingly, partnerships with the private sector and developmental financial institutions will help the State in supplementing the resources required to meet the needs of the developmental imperatives.

- **Adoption of best practices**
  Numerous methodologies in practise the world over make the choice for implementation a difficult one. Entering into partnerships would enable the State to effectively adopt the most conducive to its needs as also help in shortening the learning curve.

- **Greater Involvement**
  Partnership with citizen groups, civil society organisations, etc will help the State in achieving a participative model of governance where the people have a right in deciding their own future. This would also help the State to graduate from the role of a controller to that of a facilitator.

Exhibit IX.1
Regional Integration in Africa

The fact that Africa is divided into 54 countries has made it impossible for the economic conditions required for a viable national market and industrial base to develop in most of those countries. Most of them have a small population (20 have fewer than 4 million inhabitants and 11 fewer than 1.1 million), while low per capita income levels make for very small domestic markets. In 17 African countries, GDP stands at less than US $ 2 billion. Expanding those markets is therefore a precondition for growth, modernisation and development. Most African countries do not have sufficiently large domestic markets or the human and capital resources required to ensure genuine development without the help of protectionist barriers.

Despite overall population growth, population density remains low and infrastructure costs are extremely high owing to the fact that markets are small. This applies in particular to landlocked countries, in which transport costs often account for between 30 and 50% of the retail price of most consumer goods.

The above difficulties merely enhance the relevance of regional integration. As far as their openness to (or, rather, dependence on) the outside world is concerned, the African economies are very much part of the global system. However, regional integration appears an essential step in the process of preparing them to take on a more balanced role in the world economy.

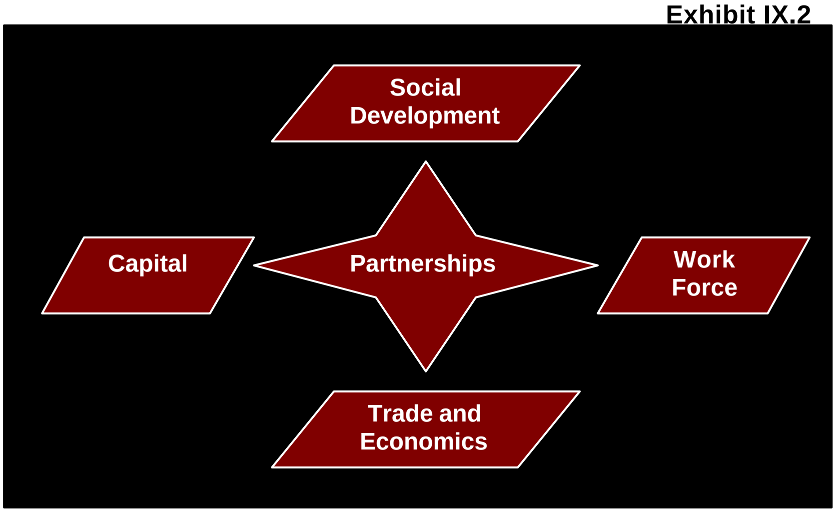
Source: PwC Research

- **Efficiency of delivery**
  Partnership with the private sector and non-government organisation would also help the State improve its service delivery capabilities. It would actively seek partnerships in improving this aspect of governance that affects the daily life of its citizens

In order to ensure that the above benefits of partnerships are tapped to realise Vision 2010, the State would ensure the following:

- **Directed Partnerships**
  In order to ensure quick results and benefits of forging partnerships, the State has identified four specific areas wherein it would actively seek partnerships (Exhibit IX.2)

Exhibit IX.2



In order to supplement the State's own resources, it would forge partnerships with institutions such as The World Bank, UNDP, Asian Development Bank, KfW, JBIC, etc. It would also forge partnerships with specialised institutional financial agencies to meet capital requirements of specific sectors such as Infrastructure.

Partnerships in the area of trade and economics would include partnerships with national industry associations for attracting larger domestic investments and select nations for enhancing the markets for products within the State. The State would identify five potential trading partners (based on there trade relationship with India in general and its relevance to Chhattisgarh in Particular). For example, it would take steps to forge partnerships with countries such as Japan, Malaysia, Australia, Norway, South Africa, Israel, etc., for developing the potential of sectors such as mining, forestry, infrastructure, agriculture, irrigation, etc.

The overall objectives of partnerships in trade and economy would be to develop international trade, attracting new investments and business expansion and

Exhibit IX.3
Partnerships in South America

Argentina has the highest levels of income in South America. The Argentinean Horizontal Cooperation Fund established in 1992, marked the starting of technical cooperation involving the provision of training in Argentina for people from all over Latin America and the dispatch of Argentinean experts to other countries in the region. Japan International Cooperation Agency is involved in third-country training in the fields of livestock farming, fisheries, and railways. The Japanese and Argentinean governments are considering a partnership program for supporting South-South cooperation.

Source: PwC Research

Exhibit IX.4
Partnerships in South America

Chile is a nation with relatively high levels of income. At policy consultations held in August 1997, it was decided that emphasis would be placed on South-South cooperation, environmental conservation, measures to combat poverty, and raising productivity and quality. Noteworthy examples of technical cooperation include the "Development of Benthonic Resources Aquaculture Project" (project-type technical cooperation) begun in FY 1997 and the "Optical Fiber Transmission System" project (third-country training). A partnership program between Japan and Chile was also signed by the Chilean Minister of Foreign Affairs and the Japanese ambassador to Chile in June 1999.

Source: PwC Research

retention

The State recognises the need for improvement in the quality of its workforce to attract fresh investment. It would also provide labour with employment opportunities within or outside the State. Accordingly, the government will partner with private sector, research institutions to address this issue. It would specifically look at the experience of Singapore in this regard. Exhibit IX.3 and 4 illustrate few examples of similar initiatives in South America.

Social Development is one of the most important priorities of the State. The State would bridge the developmental gap between the “developed” and “developing” countries by learning from the experiences of other nation states. The choice of development strategy would be made based on the conditions prevailing in the State, and on topical requirements. Partnerships with private sector and civil society would be encouraged in the areas of higher education, tertiary health services and programme implementation.

- **Policy Initiative**
  In order to attract potential partners, the State would take suitable policy measures. These measures would be taken with the objective of clearly laying down areas for potential partnerships, simplification of procedures and clearances and likely incentives.

  In order to ensure that policy initiatives meet their desired objectives, the State would tie-up with commercial/ non-commercial agencies of national/ international repute to act as advisory bodies for various sectors. These agencies would guide the State in framing policies and closely monitoring implementation.

- **Institutional Set-up**
  Proactive outreach has been identified by the State as one of the key enabler in ensuring intent is converted into action. Accordingly, the State would take steps to empower and define the role of the Strategic Management Group of the State. This group would in turn have sub-groups, who specific tasks would be to forge partnerships across the four areas defined above for ensuring overall economic and social development.