

**STANFORD UNIVERSITY'S CENTER ON DEMOCRACY, DEVELOPMENT AND RULE OF LAW
(CDDRL)**

&

ECONOMIC POLICY RESEARCH CENTER (EPRC)

LEADERSHIP ACADEMY FOR DEVELOPMENT (LAD)

The Role of Public Policy in Private Sector Development

JANUARY 18-22, 2016

**ROOMS HOTEL TBILISI
TBILISI, GEORGIA**

DRAFT WORKSHOP AGENDA

Sat/Sun, January 16-17 Program participants arrival & Hotel Accommodation	
Sunday, January 17	
19:00 – (TBD)	Welcoming/breakout Dinner or Reception with the US Ambassador to Georgia (TBC)
Monday, January 18	
08:30 – 09:00	Welcome Coffee & Registration
09:00 – 10:00	Welcome & Official Opening Ceremony Dr. Francis Fukuyama, CDDRL Director H.E. Ian C. Kelly, US Ambassador to Georgia Mr. Giga Zedania, Rector of the Ilia State University
10:00 – 10:30	Coffee/Tea Break
10:30 – 11:00	Overview, "Roadmap," Outline of Presentation Assignment (Francis Fukuyama, Stanford CDDRL)
11:00 – 12:00	LECTURE: The State and the Private Sector (Fukuyama)
12:00- 13:00	Guest Speaker (David Kramer)

13:00 – 13:30	Study Teams discuss Hyderabad Water case
13:30 – 14:30	Lunch
14:30 – 16:00	<p>CASE: Hyderabad Water (Alan Trager, Johns Hopkins University)</p> <p>Study Questions</p> <ol style="list-style-type: none"> 1. What are the goals of the HMWSSB? How should it prioritize among its various goals? (Which goals should it prioritize, and on what basis?) 2. To whom does Mr. Gopal answer? Whose interests does he have to be concerned with? Why? What resources does he have, and what constraints does he face, for managing this external environment? 3. What are the constraints on privatization facing the HMWSSB? How attractive would it be to international water companies? 4. Analyze the cost structure and user charges, using the data provided at the end of the case. Note in particular the gap between income and expenditure in Table 1. What are the implications of these figures for the ability of the HMWSSB to finance service improvements? 5. What strategies should HMWSSB pursue to achieve its priority goals? The case identifies three options related to the question of privatization. But there may be other alternative or additional strategies or actions to take. (For example, you might consider increases in user charges, improving collection efforts, adjusting the labor force size, etc.) What are the advantages and disadvantages of each strategy? Make sure to consider constraints that may limit feasibility.
16:00 – 16:30	Study Teams discuss Singapore Water case
16:30 – 18:00	<p>CASE: Singapore Water (Fukuyama)</p> <p>Study Questions:</p> <ol style="list-style-type: none"> 1. Many developing countries have state-owned utility companies that both lose money, fail to provide adequate services, and are tremendous sources of corruption. Why didn't that happen in the case of the PUB? 2. What considerations went into the setting up of the Research, Innovation and Enterprise Council (RIEC) in the manner chosen? What advantages did this have over other governance structures?

	<p>3. What are the main pitfalls facing the RIEC at present? In particular, how should it treat SMEs in the water business?</p> <p>4. Could your country have done what Singapore has done with its state-owned utilities? What are the specific obstacles standing in the way?</p>
18:00 – 18:30	Coffee/tea break
18:30 – 19:00	Study Teams prepare Friday Presentation
19:00 – 20:30	Dinner
20:30 – 22:00	Evening Activity (Night Owl Session led by Francis Fukuyama, including Kathryn Stoner, Stanford CDDRL – Agenda, Overview & Invitation TBD)
Tuesday, January 19	
09:00 – 10:00	LECTURE: Public Private Partnerships (PPPs) (Trager)
10:00 – 10:30	Coffee/Tea Break
10:30 – 11:00	Study Teams discuss NY City Parks case
11:00 – 12:30	<p>CASE: NY City Parks (Trager)</p> <p>Study Questions:</p> <p>1. What are the PPP elements in the Bryant Park case? How do they differ from Central Park? Where are values shared by both sectors? Where are they different?</p> <p>2. How would you describe the alignment of interests and resources in this case?</p>
12:30 – 13:30	Lunch
13:30 – 14:00	Study Teams discuss Georgia Wine Industry case

14:00 – 15:30	<p>CASE: Georgia Wine Industry (Fukuyama and Stoner)</p> <p>Study Questions:</p> <ol style="list-style-type: none"> 1. What would you describe as the strengths and weaknesses of the Georgian wine industry? Does it have the potential to be successful in the global wine market? 2. What is the role of government in promoting domestic businesses abroad? What is the appropriate mandate for the National Wine Agency? Should this role change over time? 3. How might each choice impact the Saakashvili government's political fortunes? How does the wine embargo fit into the broader Russo-Georgian relationship? Should international politics impact the government's policy choice?
15:30 – 16:00	Coffee/tea break
16:00 – 17:00	Study Teams prepare Friday presentation
19:00 – 20:30	Dinner
20:30 – 22:00	Evening Activity (Night Owl Session)
Wednesday, January 20	
09:00 – 10:00	LECTURE: Finance (Trager)
10:00 – 10:30	Coffee/tea break
10:30 – 11:00	Study Teams discuss Brazil Stock Market Case
11:00 – 12:30	<p>CASE: Brazil Stock Market (Fukuyama)</p> <p>Study Questions:</p> <ol style="list-style-type: none"> 1. What specific factors would you cite to support the proposition that a well-functioning stock exchange is vitally important to Myanmar's overall development, and therefore should be a high priority for the government? 2. Every country that has attempted to create a stock exchange has discovered that the process takes many, many years to implement. What are some of the critical first steps that Myanmar must take to create a functioning stock exchange, and what are some of the most difficult challenges you would anticipate?

	<ol style="list-style-type: none"> 3. Although the circumstances described in the Brazil case are very different from those of Myanmar today (e.g, Brazil has had a functioning stock exchange for decades), are there similarities that demonstrate the challenges of creating a stock exchange that will provide access to capital for growth-oriented companies? 4. How do you define “corporate governance”? Why are internationally acceptable corporate governance standards a fundamental prerequisite for companies, regardless of the country in which they operate, to issue public securities successfully? Why do many company owners resist adopting acceptable corporate governance practices? 5. The Brazil case identifies a diverse range of stakeholders in both government and the private sector who will be affected by stock market reforms—some will benefit, but others may not. What are the similarities and differences between these Brazilian stakeholders and those in Myanmar today? 6. Based on what is described in the Brazil case, would you be in favor a creating a stock exchange in Myanmar that is geared specifically to addressing the financing needs of SMEs? 7. Which option should Maria Helena Santana and Gilberto Mifano recommend for implementation? What arguments would you emphasize to gain support for your recommendation with the major stakeholders? What are the risks that must be addressed and how can they be mitigated? 8. What are the broader lessons learned from Brazil’s experience that are relevant to Myanmar today?
12:30 – 13:30	Lunch
13:30 – 14:30	Guest Speaker, TBD (Giorgi Kadagidze, Head of the National Bank of Georgia or Mamuka Khazaradze President of the TBC Bank)
14:30 – 15:00	Coffee/tea break
15:00 – 15:30	Study Teams prepare Taiwan High-Speed Rail case

15:30 – 17:00	<p>CASE: Taiwan High Speed Rail (Trager)</p> <p>Study Questions:</p> <ol style="list-style-type: none"> 1. What are the public purposes (assets, values) in the Taiwan High Speed Rail case? 2. What are the roles of the government and the private sector in this partnership? 3. How will each of the stakeholders be impacted, including risks, by this PPP? 4. What protections do you propose to reduce the risk and ensure the sustainability of this PPP? What role does negotiation play in the outcome?
18:30 – 20:00	Dinner
Thursday, January 21	
09:00 – 10:00	LECTURE: Quality of Government (Fukuyama)
10:00 – 10:30	Coffee/tea break
10:30 – 11:00	Study Teams discuss Georgian Police Reform case
11:00 – 12:30	<p>CASE: Georgian Police Reform (Fukuyama)</p> <p>Study Questions:</p> <ol style="list-style-type: none"> 1. Are non-democratic means ever appropriate in reforming public institutions? Can human rights be violated in the process of reforming the public sector? 2. How can Georgia retain and build on the current progress while simultaneously transforming itself from a development-oriented state to a competitive parliamentary democracy? 3. It is clear that the MoIA reforms were not carried out uniformly and simultaneously across the different government agencies. How important was it for Georgian leaders to demonstrate an early success with the patrol police? Did they pick the right sequence in rolling out their reforms? 4. Does Georgian police reform appear sustainable from an economic standpoint, if the state cannot pay for amortization of foreign-sourced MoIA assets? Can the additional expenses be justified by

	<p>the means of developing the private sector?</p> <p>5. How can a law enforcement career remain an attractive choice in Georgia if it no longer pays at or above the national average wage? Are there other ways of maintaining institutional esprit de corps apart from higher salaries?</p>
12:30 – 13:30	Guest Speaker
13:30 – 14:30	Lunch
14:30 – 15:00	Study Teams discuss Costa Rica Border case
15:00 – 16:30	<p>CASE: Costa Rica Border (Fukuyama)</p> <p>Study Questions:</p> <ol style="list-style-type: none"> 1. What factors would you emphasize to make a convincing case that the economic benefits derived from strengthening border management far outweigh the costs, regardless of the country? 2. If there was a “broad consensus” in Costa Rica that addressing the inefficiencies at the Peñas Blancas border-post should be a high government priority, why had the problems persisted for so long without resolution? In your view, are the issues primarily financial/technical or political? 3. Why had it been so difficult to reach agreement on cost-saving reforms at the border post that clearly would be financially beneficial to both private and government stakeholders (see Box 2)? 4. Which government and/or private sector stakeholders stand to lose from enhancing the efficiency of the border crossing process? What can Ocampo propose to mitigate at least some of their opposition? 5. Do you believe that the work of the outside experts added value, and facilitated Ocampo’s decision making on an effective package of reforms? 6. If you were in Ocampo’s shoes, which 3 World Bank proposed changes would you endorse, and why? Which 3 would you oppose? (see p. 9) 7. Prioritize and provide a justification for the 4 or 5 key recommendations Ocampo should make to President Chinchilla. 8. What specific lessons from the Costa Rica case are relevant to Myanmar’s border issues?

16:30 – 17:00	Coffee/tea break
17:00 – 18:00	Study Teams prepare Friday presentation
19:00 – 20:30	Dinner
Friday, January 22	
09:00 – 09:45	LAD Workshop "takeaways" & Students completing Evaluation Forms (Fukuyama)
09:45 – 11:00	Team Presentations, Round 1
11:00 – 11:30	Coffee/tea break
11:30 – 13:00	Team Presentations, Round 2
13:00 – 14:00	Lunch
14:00 – 15:00	LAD Graduation Activity (Participants TBD)
Time TBD	Farewell Dinner (Location Restaurant “Bohema” or “Funicular”- TBD)
Saturday, January 23	
All-day Activity	Countryside visit (Location Kazbegi or Kakheti Region – TBD)
Sunday, January 24	
LAD Program Participants Departure	