

**The Intelligence of Key Stakeholder Impacts
the Capabilities of the Business in Public Private Partnership**

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ABSTRACT

The large population growth, climate change and increasing urbanization are 3 main factors that globally demand more sustainable developments on energy (electricity), water, space and food. The basic requirement is energy or electricity. Technologies and the system innovation and the behaviour of stakeholders are mainly supporting to attain sustainable energy. The key stakeholders' intelligence regarding the development projects in country is very important to balance the priority of power development with energy security for the uninterrupted availability of energy sources at an affordable price with timely investments to supply energy in line with economic developments and sustainable environmental needs.

How might the key stakeholders (i.e. the government ministries of Myanmar) innovate the solutions and systems to create the paradigm-shift in Public-Private-Partnership (PPP) projects in energy sector to succeed with energy security? Such is the importance of the project which is directly concerned with stakeholders and is focus of the present research. The analysing will be targeted on the existing lack of supports of Government of Myanmar Ministries (as the key stakeholders in current projects and proving to create more values for effectiveness of PPP-implementation) in a correct but innovative way on the whole of economic and business society in Myanmar. For the research work, both qualitative and quantitative methods will be used since the trend of research-picture related to the cases, are being happening in the past and present, then the advices can be set for the future.

Based on the results of research highlights and recommendations for the necessary modification factors for Directorate of Investment and Company Administration @ Myanmar Investment Commission will be attempted. This can be raised up for to the commitment level of Government (Myanmar) Ministries to improve the quality of business infrastructures across the country with the right functional role of PPP projects.

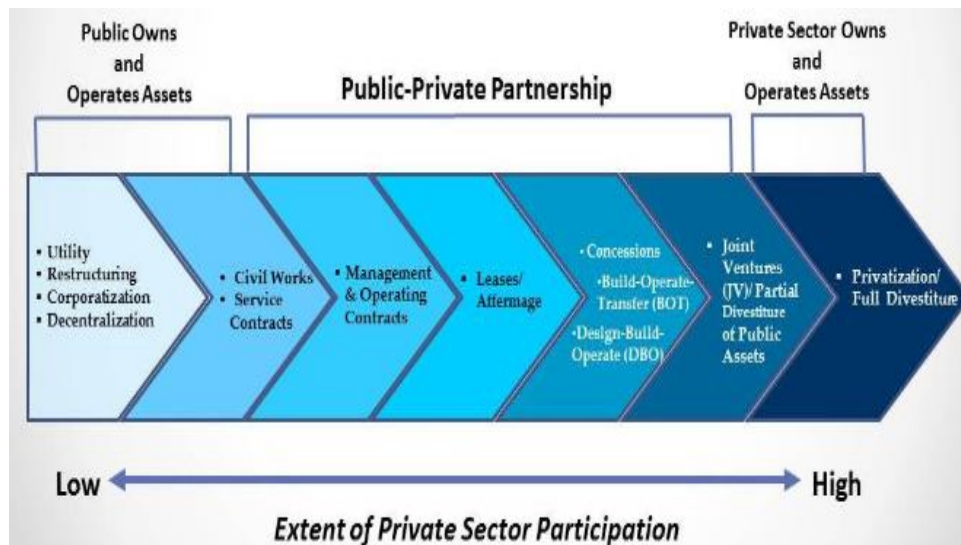
Keywords: *Stakeholder intelligent, Public-private-partnership, energy security, sustainable, innovation, necessary modification, Myanmar Ministries*

1. INTRODUCTION

Myanmar, as the developing country, still needs the large-scale investments in main infrastructures such as power or energy sector, transportation sector, water and irrigation developing, industrial zones and special economic zones to realize the long-term development and growth of the national's businesses[1]. The key stakeholder's skilfulness takes the advantage of data and information that support as part of knowledge-based business utilization is the most important in the businesses nowadays. According to the saying of Peter Drucker (November 19, 1909 – November 11, 2005), the employees, the suppliers, the customers, the business partners, the local communities, the National Government / Regional Government and the regulatory authorities are the stakeholders of the business [2]. Among them, the National Government / Regional Government and the regulatory authorities are the key stakeholders if we view from the PEST (Political Economic Socio-Cultural Technological) analysis of Professor Francis Joseph Aguilar (August 19, 1932 – February 17, 2013)[3]. Since the political situation is very important for the developing countries and directly related with the businesses and/or investments in the country. Stakeholder management is essential to achieve stakeholder needs and satisfaction [4]. This conceptual paper will be an explanation about the importance of the Key Stakeholders' main skill, such as the support to the business in correct way, can hugely impact to the achievement of business in Myanmar[5],[6],[1]. The titled subject is considered with the case-studies, business comparison of Public-private-partnership frameworks[7],[1]. In this paper, the author considers the ministries of country as the key stakeholders.

2. LITERATURE REVIEW

Chinyio and Olomolaiye (2010)[8] stated that construction stakeholders are many and should manage the many stakeholders including the owners, project manager, users, facility managers, designers, contractors, subcontractors, employees, process and service providers, banks, insurance companies, media, general public, community representatives, customers, pressure groups. The skill of stakeholder is an important way of understanding that the companies create values in the business. The foundation concepts and implementation of stakeholder skilfulness as well as the advantages of this approach and the other elements help to create stakeholder-oriented control systems and also by examining some of the key stakeholder-related issues that are worthy of future scholarly and managerial attention[9]. Everywhere, the Government and regulatory authorities are key and important stakeholders in all PPP projects, directly or indirectly, besides their usual responsibilities in regulatory and legal affairs, policy and administrative matters of the country[10]. Skill of stakeholders or correct performance of stakeholders is being measured for use in the assessment of the impact of actions on the business. This is considered 'as quantifying the efficiency and effectiveness of action' in the impact of the organisation's performance based on the key stakeholders' skilfulness[11]. Projects cannot be established, accomplished and the benefits cannot be gained without considering stakeholders [12]. The Government or the key stakeholder has an important stake (direct or indirect) in all PPP projects besides usual responsibilities in regulatory and legal affairs, policy and administrative matters[10].



Source: Delmon, J. (2010), Understanding options for Public-Private-Partnership in Infrastructure, World Bank.[13]

Figure 1: Spectrum of Private Sector Participation in Country's Infrastructure and Development Projects

3. RESEARCH METHOD

The descriptive analysis of secondary data combines with the elements of qualitative by interviewing with the organizations and stakeholders for bigger exposure and better understanding the importance of skill of stakeholders.

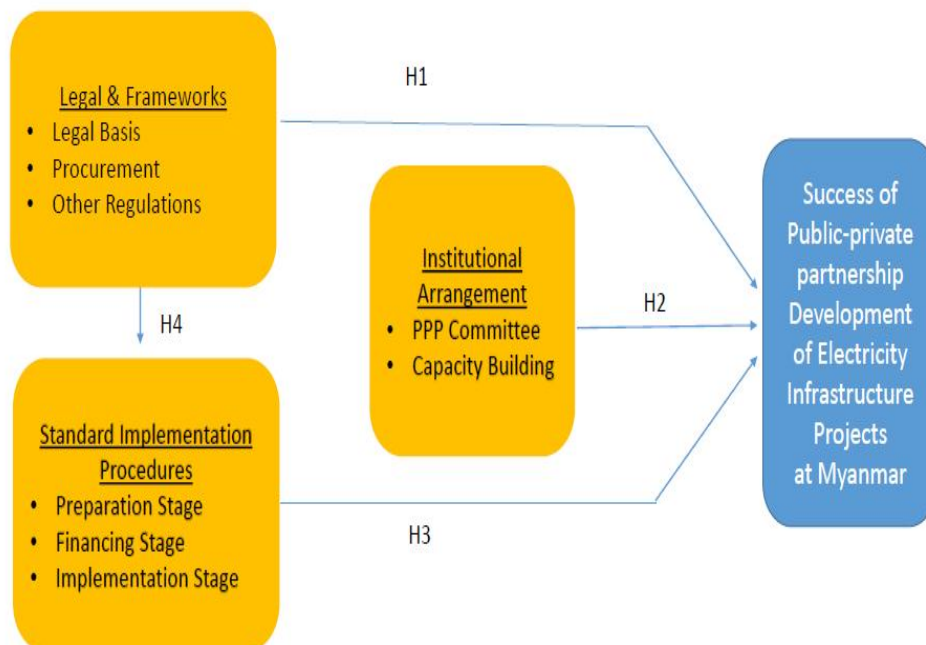


Figure 2: Framework of Interview Questions

The relations between the Key stakeholder's or Government ministries' intelligence such as the Legal and Frameworks managing, Standard Implementation procedures setting up and Institutional arrangements are the things which impact the success of Public-private-partnership development of the Electricity infrastructure projects in Myanmar.

H1 will be the evidence for the link between the legal-frameworks and the success of PPP development of electricity infrastructure projects

H2 will be the proof for the importance of the institutional-arrangement for the success of PPP development of electricity infrastructure projects

H3 will be shown the standard-implementation-procedures are very significant in the success of PPP development of electricity infrastructure projects

H4 will be presented the position of the legal framework which support the standard implementation procedures to be organized and better

Figure 3: Concepts Framework Link

4. Findings and Recommendation

The author had made the small assessment with the ways provided (for this paper) and find that the Government's regulation, the most important stakeholder, needs to be considered when operating a business. Local, state and federal governments impose tax regulations and carefully monitor tax reporting and submission from all businesses. The regulation made by Government in any industry, and businesses that learn to work together rather than against government authorities can save themselves a good deal of time and effort dealing with fines and other legal issues[14].

This assessment helps us to understand that the business could strengthen governance on the key stakeholder's higher intelligence and increase their accountability. The key stakeholders or the Government ministries can focus their efforts on the great value of (1) Legal frameworks, (2) Standard implementation procedures and (3) Institutional Arrangement, and effectively manage the process in PPP development. The PPP projects should develop on intelligence of key stakeholder to achieve value of their creation regarding the infrastructures of the country.

For Ministry of Electricity and Energy (MOEE), Myanmar, the ambitious goal has been set for the development of the energy sector in the year 2030. Recently, the government is enhancing the private sector's involvement in the national projects under PPP approach. The master plan with the energy mix of Myanmar is to achieve the 100% electrification rate by the said year. The Myanmar government

understands the growth of the energy sector is critical for the country's development and their cooperation with the private sector will be essential to achieve the goals[15].

Myanmar Investment Commission (MIC) approved the new piece of legislation called the Myanmar Companies on December 6, 2017 which is effective from August 2018. The new Law improves corporate governance by allowing:

- More flexible capital structures and changes to capital share
- Ability for foreign investors to purchase shares in the Yangon Stock Exchange
- Eliminate the requirement for foreign firms to obtain a permit to trade from DICA (Directorate of Investment and Company Administration)
- Possibility to incorporate a one-person company with a unique director.

Due to the MIC Notifications, the investors get the benefit from tax discounts including exemption from corporate income tax, customs duties and the right to deduct depreciation / expenses from assessable income. For example: the notification no: 13 / 2017, the investors of Power (generation, transmission, distribution and renewable energy production) sector and other three sectors received those benefits.

Moreover, the government has worked hard on the improvements to make both entry and exit convenient at Myanmar. A large number of countries have for several years been allowed to apply for Business Visa, on arrival by just presenting an invitation letter from a local company together with the business license. Making it very smooth for businesspeople to fly in within a short notice. Applying e-visa in online is easy and convenient. In a few days, the people can get the approved visa over email[16]. This is also considered as one of the good jobs of modifying legal frameworks for the investors so that they can easily come to Myanmar to attend meetings or conduct observations along with business discussions being invited by Government or Businesses or NGOs.

Until the end of June 2019, the Myanmar government controlled the pricing policy, which does not reflect the true cost of generation Mk125/kWh including transmission cost[17]. The government spends around Mk185 billion annually to cover both generation and distribution costs. These subsidies discourage private power producers from investing and expanding operations[18]. So that, the new tariff rates would be collected from July 2019. The increased amount is hopeful to upgrade the power sector and encourage the investors to invest in Myanmar power sector as well.

With the ambitious goal of 100% electrification by 2030, the power sector also offers plenty of opportunities for foreign investors and local companies, within these years through tenders, requesting EOIs, etc. Those Investment opportunities ensue on the chain of power utilities ~ from power generation to transmission and distribution. The infrastructure installation and equipment supplying, security, safety analysis and services, environmental and social impact assessment services, risk analysis on the project, training and skills endorsement, legal and professional services, etc are included in the chain of opportunities provided to the companies. The ministry has been giving out operation and maintenance contracts to private players with the intention of achieving more efficient power distribution process in main cities of Myanmar.

However, it should be recognized that PPPs can also create substantial responsibilities for governments when guarantees cost more than planned. So that, the proposed model will try to offer an

enlightenment to the effect of overall quality on future findings. The qualitative and quantitative checking are going to conduct among the Myanmar public sectors, consultant-firms and private sectors.

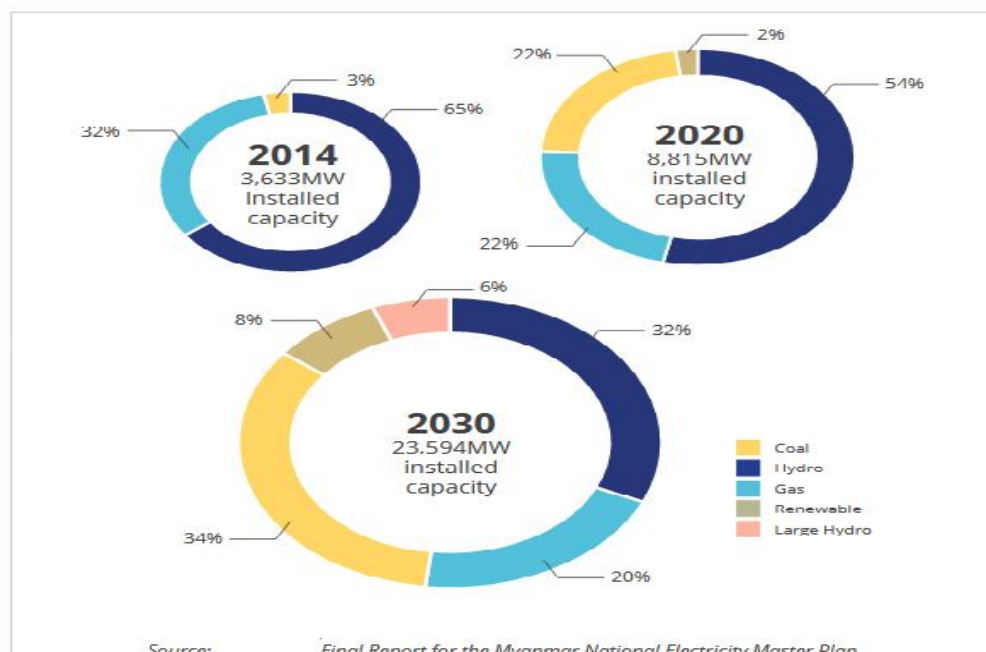


Figure 4: Myanmar National Electricity Master plan (2014-2020-2030)

5. DISCUSSION

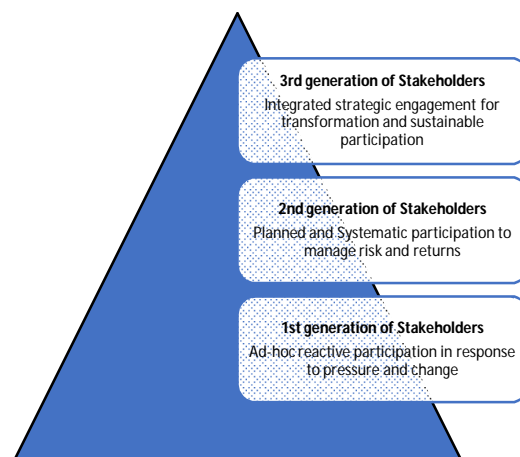
There are many areas of human interaction in doing project. The different types of people in different fields of business requires to develop the interpersonal skills, or soft skills and hard skills[19]. The private sector investment creates more infrastructure and the updated technology using in the private sector also created the benefits to public and so that the Public Private Partnership (PPP) is improving in the developing countries[1].

However, in Myanmar, the Government entities still act as the key stakeholders in PPPs, according to the current situation of the developing country and checking from the view of PEST analysis. Myanmar is still facing the transaction periods in few sectors, especially in the infrastructure projects such as Electricity, Energy, Construction, Water, etc. Therefore, the right support with the right skill of stakeholders is very important. There are four categories of stakeholders, which provide a starting point in all the relevant parties involved. Those categories are users, governance or Government ministries, influencers, and providers [20]. Among them, the most important or key stakeholder is Government ministries since they control the vital part of PEST called P, the political situations. The relationship between government and business can be complicated at times, as businesses and governments often have conflicting agendas and priorities[13].

Private participation in infrastructure is expected to create value-for-money for Myanmar and the Government in some ways:

- Bringing private innovation, expertise and management to infrastructure
- Better project management, including project delivery on-time and on-budget
- Optimized project design, investment, maintenance and operations
- Better customer orientation
- Mobilization of private financing
- Better realization of commercial potential of infrastructure
- More efficient and cost-effective management of certain risks (such as construction risks)

To realize value-for-money from private participation, the effective overview will also be realized to ensure that the private stakeholder meets the performance targets specified in PPP contract. The related ministry or ministries shall play key role among the stakeholders for the project in the field of structuring, procurement and oversight of PPP, and will put in place specialized support in this regard[21]



Source: Accountability institute (2015)[22]

Figure 5: Stakeholder Generations' Participations and Skills

6. Conclusion

The biggest stakeholder of the titled subject or the government of Myanmar aims to increase electricity generation from renewable energy not only in electrifying rural areas but for the whole Myanmar. For such goal, the followings are urgently required to make among the stakeholders.

- (i) High capacity building of the people to be involved in renewable energy generation activities
- (ii) Awareness of other alternative financial sources and related laws referred
- (iii) Education for Public-private partnerships process and foreign investment for implementing renewable energy-related business
- (iv) Research and development on renewable energy, and
- (v) Knowledge to develop the energy efficiency [23]

Both the stakeholders in public sector and the private sector agree that the current approval process for power projects is, the way it works at present for Myanmar to catch up its energy infrastructure. But there are some viable tested options available that should be explored in future[18].

1. The Government would publish more templates, for other stakeholders to study:
Current efforts are underway where development partners should be coordinated within the development community (this indeed happened to some extent) and with the private sector (this is underway at least for hydropower). The templates should have the Government's information to such degree that they can be published as official (but perhaps formally non-binding) model MOAs and PPAs.
2. Standardize terms of contracts that are easy for the stakeholders
The commercial terms should be uniform and published, (eg: like the commercial terms of Myanmar oil and gas Profit Sharing Contracts). Something is always left for case-by-case negotiations, but the scope must be narrowed down as much as possible to make individual projects go faster.
3. Adopt a "Project team" approach which the stakeholders included:
Delegate the power to negotiate nearly everything to a deal team with a decision maker from related ministries and the government of state/region involved and rely on experienced consultants.

Reforms that could further stimulate foreign investment include the introduction of corporate governance, a concerted effort to tackle corruption, an upgrade to the currently weak rule of law, as well as an upgradation of the outdated regulatory framework for business. Nevertheless, new laws are being drafted and approved and the legislative outlook is positive in the long run of the stakeholders. Programmes to improve transmission and distribution of electricity for people who are currently without it, are finally becoming fruitful, with the potential to bring electricity to a large number of populations. Mini-grid and off-grid solutions are also moving forward [24]. If the government can continue effectively addressing all these challenges with the right policies, and create a more favourable investment climate, the energy sector could attract significant investment, bringing mutual benefits to investors, the government and the country more broadly.

6. References

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