

TRADE AND COMPETITIVENESS ACTIVITY

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WEBINAR

Webinar: Building Public Trust to Improve the Business Environment

Date: Wednesday, July 20, 2022 from 9:00am – 10:30am EST

[00:00:00] **Moussa Traore:** We have people joining from all different parts of the world. I encourage you to grab a drink and you know, a drink of choice, whether that's a coffee for those of you who are having your morning or afternoon coffee. I guess if you're, if it's the evening for you, don't drink coffee and join us for this ride.

As a first order of business, I just want to remind everyone that this event is being recorded. I'm Moussa Traore and I work in USA center for Economics and Market Development, and I focus on business environment reform. I want to welcome you to this third installment of this summer webinar series hosted by our center for Economics and Market Development.

This event is brought to you through our trade and competitiveness activity implemented by resonance global and hosted on our market links platform. Through this webinar series, we want to promote dialogue with the international development community, including bilateral and multilateral development partners, implementers technical experts, the private sector, and other stakeholders about new challenges for economic growth.

We are hoping to brainstorm collectively and contribute to a broader conversation on best practices, lessons learned, and challenges and opportunities for enterprises to recover and thrive economically because firms are the primary engines of growth in most economies for this conversation, our theme is building public trust to improve the business environment.

And today we're trying something a little new this webinar will have a slightly different format than the others in our series. It has more of a conversational format. There won't be any slide presentations, just talk think of it a bit like an interactive live podcast recording. And if you like this format we'll look into doing more events like this.

We've got some great guests for you today for the discussion. So engage with us in this conversation over the next 90 minutes. And thanks for joining us for what we hope is going to be an engaging conversation. Margot over to you. Thank you.

[00:01:54] **Margot Kitonis:** Good morning from Washington. I'm Margot Kitonis. I am a communicator and change management practitioner. Moussa and I are colleagues in the same unit at USAID. So I'm your co-host. Now I am here sort of as the layman or laywoman's perspective because as we know, trust between government and the private sector and development is a really broad, hefty topic. And oftentimes both sides use communications as a primary means of promoting transparency in building relationships.

I'm going to be the one who's going to ask for clarification from all of our super experienced guest speakers here. So don't be shy to message me directly in the chat. If you want me to ask anything on your behalf feel free to message everyone, certainly, but I am here for you for everybody. So, speaking of the chat, if you are on your computer and using zoom, you'll see the chat icon at the bottom of your screen.

You can open that up and you can do the dropdown selection to chat everyone. That's going to chat all of our attendees right now. We have about 60 of you. We would request, if you wouldn't mind, please introducing yourselves in the chat. If you could just say who you are, where you're joining from and your organization.

So we can sort of get to know who's attending this event about trust with us. So as for just a few other short logistics the production team is going to be sharing resources that we're mentioning in the chat box. All of our attendees are also welcome to share any resources that you think the audience or the panelists would appreciate because the second thing, because we do have a big audience joining us today, all of the microphones and cameras are automatically muted.

So again, please just use that chat function. We're going to be keeping a really close eye on it. I have it up right now, which is why I'm looking left and right. We are going to be answering questions on a rolling basis. And many of you did provide questions during the registration. So we're going to try to get to those as well.

And then finally, last thing about logistics. As we mentioned earlier, this is a new format. So before you disconnect whenever you have to hop off our production team is going to be dropping a survey link for basically how you like this format, things that you might want to change, any technical issues.

So our production team, Abby Pelon just dropped it in there. Feel free to save that for whenever you have to drop off. Thank you.

[00:04:13] **Moussa Traore:** Thanks Margot. I see that we've had a few more people trickle in, so I want to obviously remind people again that the, the webinar is being reported. Thank you for joining us. And I think it's time to get the show on the road. So I think Margot, we should probably start the, the conversation out a little generally. So I thought, you know, just to start off to ask you from your own experiences professional and otherwise, what do you believe are the elements or the hallmarks of trust?

[00:04:38] **Margot Kitonis:** And this is a good role for me starting generally, and as a communicator, having worked in the development space for about a decade now because. As I mentioned earlier, communications is often used for this relationship building, for sharing an understanding of what a particular organization's incentives are.

And I say that because I want to talk about it quickly. So when I think about trust I think about coming to the table with good intentions and then taking a step to assume that the people across the table from you are also coming with good intentions. And that is not an automatic response. And it's really, really difficult.

And it's part of the reason why trust is difficult, because maybe you don't know the organization across the table. Maybe you've been burned in the past by a similar organization or you know, a different leadership within the current organization you're working for. There are so many different ways to sort of deteriorate trust and, and to build it is really an active exercise.

So, you know, it's completely relationship based, but oftentimes I ask us to look at ourselves. I want to build a trusting relationship. I need to have faith. I need to put something out there. And so then this is my final thought. I was talking about incentives earlier. When there is no basis for trust, or maybe we're trying to rebuild it, you can consider the incentives that, you know, your partner might have for themselves, and then assume that they understand what your incentives are for the relationship as well.

Now this seems like a little kind of like a depressing thought, or maybe it's a little cynical, but I really do believe, and I was thinking about this last night, that if you're having a difficult time, your organization's having a difficult time trusting the folks across the table, do an incentive research exercise and say, well, listen, maybe I don't know how they're going to act, but I sure as heck know what they want out of this. And I'm going to assume that they know what I want out of this. And at least you can meet in the middle there. So I'll end there,

[00:06:37] **Moussa Traore:** Thank you. So I really like the way that you, you went about kind of explaining what you think that the major elements are. And, and I think a lot of the elements that you mentioned matter a lot for building a business enabling environment.

Right. And I think I particularly like that you put emphasis on the fact that trust is relationship based. And for me, part of the, you know, the discussion that I want to have today is about the fact that trust changes, right? It, it's not something that is static. And you obviously alluded to this, you made reference to knowing what the other person is thinking or what the other side is thinking.

And avoiding kind of that situation where one might be hiding the ball, because from the moment that you pick up on someone else hiding the ball that implies a, a level of risk or concern. That you might be some somehow being had. Right. And so I appreciate that, you know, you kind of alluded also to the need for transparency and to accountability in this kind of trust relationship.

And, and, you know, I particularly like the connection that we can make here to the context of the enabling environment investing in or running a business is always a risk, right. And investors and entrepreneurs won't take the risk or will outright exit the formal market. If the burdens are too. And the risk calculation.

They, they depend on so many factors, right? The factors range from whether there's competition and even an, an even playing field between the competing businesses, the complexity and the cost of complying with the regulations the transparency of the rules, which is something that you kind of mentioned, the rules of engagement general notions of fairness in the marketplace, and whether the market conditions actually induce businesses to engage in illicit activities.

So I'm just naming a few here, right? These are all factors that make up the fabric of the trust relationship between the private and public sectors and within the private sector itself. Ultimately that trust relationship matters because an environment that is conducive to doing business promotes entrepreneurship an increase in the number of new firms entering the market improvements in existing firm growth and overall greater investment.

And this basically translates into more jobs in the market, which helps reduce inequality and poverty, which is the ultimate goal that we're all striving for here in the development space, right? And more formal businesses also means increased government revenue and all this ultimately allows countries to better advance their own development.

Also favorable business conditions empower a more vibrant private sector to provide innovative solutions to development challenges either by investing in key sectors like health education, energy, or contributing their knowledge to improving development prospects overall. Many of, you probably know that we at USAID had launched a new economic growth policy late last year in 2021, and that policy updates our former economic growth strategy from 2008. Our new policy is a firm centered policy that

focuses on promoting the growth of firms of all sizes with particular focus on SMEs. So I'd like us to have a quick poll here about, you know the importance of SMEs. And so I think you all will probably see this poll pop up on your screens.

And the poll question that's appearing is about SMEs contribution to the share of businesses and employment worldwide. So I'd like you to just take a few seconds to kind of respond to this, to fill in the blank, basically, if you can. I'll give it just a minute and then

[00:10:18] **Margot Kitonis:** just really quickly for everybody, because we have a pretty big audience right now SME means small and medium size enterprises.

So that means there's usually a limitation on the size here. These aren't the big multinational corporations. So apologies if that's redundant to our include in audiences, but just for any newcomer who, who might think you know, subject matter experts, this is small and medium size.

[00:10:39] **Moussa Traore:** Thank you. Thanks so much Margot.

I'm glad you're here for that because I think sometimes we can get a, a, a little too much into the jargon and, and not clarify things for, for others in the audience. So thanks for doing that. And so if I, I, I'm guessing by now, most people have responded to the, the, the poll. And, and I'd just like, maybe if we could get confirmation of that and kind of have the results and you can see the results there in front of you and just to kind of.

Go over it, it seems like the majority of you got this, right? According to the world bank SMEs represent 90% of businesses and more than 50% of employment worldwide, formal, SSEs contribute up to 40% of national income in emerging economies. And I, I wanted to talk about this because it underscores the need for creating a trust relationship between the public and private sectors to promote economic growth.

[00:11:31] **Margot Kitonis:** So, so what do you think then are the priority areas businesses are actually concerned about or, or like, what are some of the priority areas for building trust?

[00:11:42] **Moussa Traore:** So I think there are probably too many to name, but there are few that immediately come to mind for me. I, I think first of all, fairness and facility of trade, how easy it is to trade.

You know, trade both in commodities and information. So when I say information, I'm digital e-commerce, et cetera, makes the world go around. I think we, we, we know that. And I think fairness in, in, in having trust in that kind of relationship is, is quite important. The other thing is taxation because the evidence is shown that improving tax regulation, both tax policy, and the process of paying taxes, even without adding any other incentives is the biggest motivator for new businesses to register or formalize.

It's something that we detailed in. Our SME evidence review that we did, and that SME evidence we review was actually featured in one of our former our past event. It was a market links event. And so our production team will drop the link there for you. So you can go back and look at that event, but you also will have the link directly to the SME evidence review.

The other I, I have two more. The, the, the other, I think would be courts because they offer remedies when things go wrong for businesses and in investors. Right. And if I'm going to take, you know, any kind of risk , I want to make sure that when things go wrong, that I'm going to have a remedy. It's also, the courts are also where firms undertake a lot of their regulatory compliance such as incorporation at least in a lot of civil law countries property transactions civil or, or insolvency related issues and other regulatory processes that they may undertake at the courts.

And then more generally just the idea of competition, which would probably be the fourth that I would name. There's, you know, obviously making sure that you have an even playing field that you, you have you know, the, the laws on the books that basically promote a competition and you know an environment of competitiveness and competition and basically that businesses aren't being left behind, particularly the smaller businesses the ones that don't necessarily have the sway with the elites.

So I think that's particularly important, but, you know, we'll get to hear from some experts who are, you know, far better informed about this than I am, and far better informed about trust building. So I don't want to get too much ahead of, of the discussion, so I'll, I'll probably stop there.

[00:14:01] **Margot Kitonis:** Thank you.

Yeah. I mean, I think I'm glad that you broke it out in four different points because I think that was helpful to fall along. So now I actually trust you when you're going to be getting the information. I know when it's going to start and stop. So it was a good little tactic there. So you did mention our experts and I, you know, we have these three folks on screen with us.

Moussa, would you mind before they introduce themselves, just telling us a little bit about them and maybe how, you know.

[00:14:24] **Moussa Traore:** Yeah, sure. So first we have Frank Brown who is here from CIPE, which is the Center for International Private Enterprise. Frank works on anti-corruption and governance. We were introduced by another colleague and we got to chatting and I really thought, you know, his expertise both in terms of, you know, work in the field and, and actual theory would lend itself very well to this discussion. And I think. Frank will also bring a, a, you know, a particular perspective as somebody who was formerly a journalist. And I think this is particularly interesting because again, the media plays an important role in kind of this trust relationship as well.

Then we have Will Nielsen who works with the world bank group is a consultant to the World Bank Group. He works on impact analysis related to economic inclusion and public private dialogue among other things will. And I know each other through the donor committee for enterprise development where he's done quite a bit of work you know, doing various writing various reports that are commissioned by the donor committee for enterprise development and where the, the committee is essentially where myself and some other USAID representatives represent USAID in the forum where donors exchange about you know, private enterprise and so Will and I got, that's how we were connected.

And then we have George Khisa who's with USAID's Mission in Kenya, he's the coordinator of the young African Leaders Initiative in East Africa. And I'm so glad to have George with us today because I think he brings an angle about how you kind of create the, the kind of the ground for trust in the future because of this initiative that he runs, where he gets to work with a lot of young entrepreneurs a lot of young

public servants and members of civil society and kind of, you know, working with them to understand the dynamics of, you know a, a business enabling environment among other things, the things that basically help them understand how to build that trust relationship.

So I'm really eager to hear from all three of our speakers today. And so I'll hand it, you know, back over to you.

[00:16:31] **Margot Kitonis:** Oh, yeah. And I'm just going to quickly hand it back off. So we're trying to make this like a nice comfortable event for everybody. So being really transparent about handing off the microphone.

But you will see just quickly for audience. First of all, thank you everybody for introducing yourselves. I think that's so awesome that the chat's been really active. I've seen some people be really excited to see quote, see one another here. So it's really nice to sort of like build this cohort and, and just know who we're sitting with right now.

So I am going to ask Frank to please introduce yourself

[00:17:06] **Frank Brown:** Argo, thank you so much. And it's, it's great to be here. And this is a subject that's very dear to my heart, especially when I'm speaking to a group like this, because as you remarked SMEs are absolutely essential when it comes to this. And when I say this, I mean, specifically anti-corruption reform.

So they I'll, we'll get into this a little bit more, but they typically are the drivers of anti-corruption reform in environments like Ukraine or like Sudan places. I've done a lot of work where there's a window of opportunity that opens up so great to be here, looking forward to the discussion and I'm hoping to learn a lot.

[00:17:46] **Margot Kitonis:** Thank you. Will please go ahead.

[00:17:51] **Will Nielsen:** Well, nice to be connected with everyone here today and appreciate the invite. Yeah, as, as Moussa mentioned, you know, a lot of my work with the World Bank has been oriented towards these topics of economic inclusion. And so that's a big bucket, you know, things like public private dialogue, preferential, public procurement reforms to reduce informality.

So moving across many topics, but a common thread across many of these topics has been this element of trust and how trust corresponds to the willingness of, you know, a small firm to become formal or how public private dialogue mechanisms, foster social interaction between both sides of the table that then can help support.

Greater trust as well. So echoing Frank here has really excited about hearing this, this webinar being developed and looking forward to learning more as we go forward here.

[00:18:46] **Margot Kitonis:** Thank you, Will. And then George, please.

[00:18:49] **George Khisa:** Thank you, Margot and Moussa. Yeah. So thank you. Move up for the introduction about that.

I think one thing I just want to probably add there is I'm excited to be part of this conversation because I represent the majority. And when I say that is in, in the region that I'm best in, in east Africa. And generally in Sub Saharan Africa, young people constitute two thirds to three quarters of the population. So obviously their perspective is very important. We have gained some insights, some learned a lot from interacting with young leaders from the region. And I think this kind of topic is important. First because young people are most affected by the business environment fast either directly as entrepreneurs themselves, but also indirectly because when a business environment obviously is not conducive, then there's no growth.

And so job opportunities for young people are limited. But again also, there are also the next generation of leaders like Moussa mentioned. So obviously they can help also shape this in the future. So I'm very excited to be part of this conversation.

[00:19:56] **Margot Kitonis:** Thank you don't lose your mute buttons quite yet.

So I'm going to ask the speakers the same question and actually for the audience, this question is going to go to you. If you can get your thoughts and your keyboards ready in the chat. So I'm asking everybody on this call to try to define trust in one sentence. So for our attendees just think about it and type it into the chat, what that means to you, how you would define trust in this context in one sentence, and then I'm going to turn it back to the speakers for now.

I'm going to go in the same order because I want you to trust me and I don't want to psych anybody out. That's not guaranteed for the rest of the event though. So I will start with Frank, if you can define trust in one sentence, please.

[00:20:44] **Frank Brown:** So trust for me is reaching a point where people are willing to consider acting against their own self-interest.

[00:21:00] **Margot Kitonis:** Wow.

[00:21:01] **Moussa Traore:** Thank you. Well, if this were, if this were a poetry slam, I would totally be snapping my fingers. Right. That was really good.

[00:21:08] **Margot Kitonis:** oh my goodness. Very romantic, like almost like a night medieval nights kind of honor. Honor vibe, please will.

[00:21:18] **Will Nielsen:** Yeah, I don't know if I can talk to that one. I'll say, you know, trust is that certainty that someone will act cooperatively and reliably when we don't necessarily know for certain that they will.

[00:21:35] **Margot Kitonis:** Very good. And then George, please.

[00:21:37] **George Khisa:** Perhaps a short one what, what you see is what is there? That's my definition of trust, I think essentially that what I am presenting or I'm seeing is really what is there and there's nothing hidden on the table.

[00:21:50] **Moussa Traore:** Thank you. Because we, we have some things that have come in in the chat as well, I just want to point to something that knowing me you know, put out here and, and it might not

be visible to everyone because it was sent to the host and panelists, but they said reciprocity and honesty and I think that's quite, you know, it's, it's, it's succinct and it's kind of to the point and I, and I like it quite a bit, but I wanted to also share it with a broader audience because everybody might not be saying it.

So thanks. Thank you all for, you know, for, for kind of leading us through that. You know, that discussion of how you, you define trust in, in one sentence, it's no easy task. I took four elements, you know, to kind of define mine, but we put all of you in the hot seat. So, you know, discuss, discussing the principles and concepts of trust presents opportunities to improve our work as development practitioners and to review and align our work with good practices.

And co-create an improved business environment where entrepreneurs and innovators can thrive and grow. So this discussion is a great opportunity to exchange and deepen our mutual understanding of how to build trust between governments and business. And this is really where we, we kind of pivot to the, to the, to, if you will, the, the meat of, of our agenda today, where we basically start the conversation.

And you all will remember what Margot said earlier. Feel free to chime in, in the chat. If you have specific questions and comments, we won't be able to get to everything, but we will, we will obviously try to, to, to answer some questions and to. Reiterate some, some of the comments that come through. So just starting off to set the stage. I have a question for Will in 2020, you and some of your World Bank colleagues published a paper titled trust between public and private sectors, the path to regulatory compliance. So first hats off to all of you because the paper isn't excellent foundational piece with lots of practical guidance that helps us set the stage for this conversation.

So Will expanding on your one sentence from before. How do you define trust and what is the general state of public private trust globally.

[00:24:00] **Margot Kitonis:** and Will just, I would also tap onto that question. How do we measure trust? Practically

[00:24:16] **Will Nielsen:** Great, tough questions, but I think from maybe a more academic lens trust is this response to asymmetrical information between two sides. So this, in this case between public and, and private sectors so that's just to say, we know we don't necessarily know everything about what the other person is thinking or doing.

And so trust helps us overcome that, that lack of information that we often have. And so it's filling in that gap between that absolute certainty of, of an outcome and, and the decision to pursue the outcome in the first place, too. And so within that with whenever trust is involved, there there's risk as, as mostly you were describing earlier as well.

But that, that greater trust level just signifies the greater. Belief we have that. We feel confident in, in the outcome of this, of the transaction, whatever form that transaction may take. And so let's see when, we think about the best way to explain this. If, if we start to see that information asymmetry, that that uncertainty grows between two parties, we, that's where we start to sense distrust or that, that is kind of the representation of the presence of, of distrust.

So that can be responded to in multiple ways then as well, if, if the gap between. If there starts to become this gap or greater amounts of uncertainty come into play. And we have elements of distrust starting to come into the transaction, then that can signal the response of different mechanisms or approaches to help close that gap and reduce that uncertainty could be things like increase enforcement or you know, lengthier and more detailed contracts.

And so in, in many ways, trust is, is kind of a, a tool for efficiency in that way. It's helping to reduce transaction costs in many cases. And so when you have those high levels of trust, you can do things faster, oftentimes. But, and so that's just to say, you know, maybe more generally this concept of trust and why I think it, this topic is so interesting is because it's so pervasive and a constant in our day to day lives. It, it is a part of every, every component of what we're doing. Even as we're sitting here now, we're trusting that our computers and our internet are going to continue operating. We're trusting that, you know, cars are going to stop at, at the red light as we're walking across it.

And so when we think of trust, we associate it with generally positive outcomes. And in the research, I think we've, we've generally seen that association hold true. So in places where we see higher trust levels, we tend to see that positive correlation with things. Higher GDP per capita, greater amounts of innovation greater tax compliance amongst, you know, many other kind of prized social and economic indicators. So trust is, is a constant in our day to day life. And it's also something that can be really nice to have.

In terms of the state of trust, there, there are a lot of measures in place around the world. There's some international level studies that are out there that are doing, you know, annual measures of trust. I think in the past decade, we've tend to see on international level a net decline in trust overall. Within that though, there's a lot of variation. There's country level variation where in some countries, for example, in the US, have seen some rather dramatic declines in trust. In, in other countries though, there have been increases in trust. So it there's a lot of contextual variation any, and within countries too, of course it can vary quite a bit as well, just as we start to disaggregate the population too. So in some cases, what we've been seeing recently is this divergence between different populations, whether that is political parties, folks who associated with themselves with different political parties are having diverging amounts of, of trust in public private interactions. Similarly income can be a classification that really shows differing amounts of a trust. So there's a lot of variation there.

[00:31:44] **Moussa Traore:** I guess, I guess, well, I do have a question that's related. So what I guess. There's obviously the, the angle that we can take, where we look at trust as a perception base you know, kind of situation where you, you know, there there's a general perception and that leads to, or doesn't lead to trust. But then there are also things that are just facts, right? Like you know, regulations and how they burden individuals or businesses and how that basically, you know, affects the trust relationship as well. So I don't, I don't know if you wanted to make any, any distinctions there between the perception and, and, and the, you know, the real facts of what people have to deal with, or if the literature says anything to that.

[00:32:29] **Will Nielsen:** Yeah, definitely. Well, and that kind of nicely ties into Margot's question as well, with regard to the measurement approaches that are in play. So you can, you know, directly measure trust, which would be this you know, go out and ask folks, how do you, how much do you trust the government? A lot, a little, not at all. That that type of questioning is something that you see in a lot of these international studies and they'll ask various folks, they might ask what's your trust in private sector? What's your trust in NGOs, in media, et cetera. But then on the flip side, and I think this is kind of

corresponding to what you're saying, this is this more indirect measures where we're looking at revealed behaviors. And that can be a reflection then of the, the true, you know, way of the land, state of regulation. If there's a perception of corruption that may be a signal of directing activities into other outlets. So, avoiding, if, if you see opportunities to take a, a route that involves less corruption, that might be then a signal or a revealed behavior there, where we see folks taking a different direction. And so that, that can be a potential way to, to measure the level of trust in the relationship between those, those two potential parties then as well.

[00:33:59] **Moussa Traore:** Thanks so much. I really like that. What you said about revealed behaviors, because I think I was also trying to find the perfect language to say, there's obviously this perception, and then there, there are actual things that happen that you base you know, your, your view of, of, you know, a, another party on, right. And, and I, and I like that terminology revealed behavior. So I'm going to try to commit it to memory for the future. I have another question for you. You're not out of the hot seat yet. Our USAID administrator, Samantha Power is a major proponent of leveraging behavioral economics to inform international development. And I know you've worked on issues at the nexus of economics and behavioral science at the World Bank. How is behavioral economics relevant to building trust?

[00:31:36] **Margot Kitonis:** and then just quickly to Will and others, I think I know Frank has a point about this. Well, but for the audience's benefit will, in addition to Moussa's question, can you just help us understand what behavioral economics is?

[00:31:51] **Will Nielsen:** Certainly. Yeah, so I'd say behavioral economics generally is we're combining these economics concepts with a variety of other fields.

So that may be psychology or sociology, anthropology. And so when we're maybe as an example, when we're thinking about like a classic microeconomic situation, say there's a business that is working to maximize marginal benefit, this being sort of your classical micro econ example. In, in theory, we would say maximizing marginal benefit is, is maximizing profitability, right for the enterprise.

But with, with the lens of behavioral insights and behavioral econ, we're trying to really add in all the other factors that are in play in, in this case of business manager's decision making. At the time of making a decision, there are going to be emotional factors in play to varying amounts.

There will be social norms that may often guide their decision-making cultural factors as well as cognitive biases. So just general you know, shortcuts that our mind takes to help speed up the, the ability to make decisions without having to have everything turn into a, a huge, a huge undertaking. When I say that, that is really just connecting to this idea that behavioral economics is recognizing that we all operate with bounded, rationality, where there's this it would be like perfect. Economic rationality is the, in the case of the business, they're maximizing profitability. But due to these factors, these emotional factors, social norms as well as things like you know, I just don't have time to run a cost benefit analysis on every decision I have to make.

We all end up operating in this somewhat less economically rational state. And so behavioral econ is helping to recognize all those different factors that are in play and understand how both, where they exist, how they're influencing decision making, and then after. Running these diagnostics to help understand their, the presence of these factors.

That's when you start to see things like, like nudges, as they're often referred to that end up altering the decision making or the choice architecture. There's a lot of behavioral con jargon out there too. But those nudges then help influence the, the emotional factors, the social norms, cognitive biases that an individual may have. Real quick here, too, that, that I think corresponds to the trust piece a lot here. And so within this behavioral econ mindset is there's a few key ideas about people that are important, and that is. People often think automatically. And so we look for mental shortcuts oftentimes to help ease decision making, make decision making faster and trust being one of those potential mental shortcuts where when I don't have time to, you know, hire another lawyer or do another cost benefit analysis, I'm going to trust in the other party.

And so this is this corresponds closely with this key factor of people like to think automatically. And people often think socially. So in many cases we like to cooperate. And in, in this trust space, there's this idea that people are generally conditional cooperators. Also I'll cooperate as long as you're cooperating too.

And that facilitates the trust building relationship as well. And then the last one I'll hit on is just this idea of mental models. That people have, everybody has different mental models. This, and this is just to say we all have different beliefs and different basic concepts of how we view the world and how we think the world should look and function that influence our, our behaviors as well.

And so behaviorally kind is trying to account for all these and facilitate that recognize how that plays into allocating trust, especially within the public and private sectors.

[00:36:15] **Moussa Traore:** Thanks a lot, Will. So before I hand it over to, to Frank, because I know Frank, Frank will definitely have something to say about this as well. You know, the way that I, I kind of conceptualize this is that in general, and I want to preface this. I'm not an economist, I'm somebody with a law background. So, you know, just for, for somebody to, to clarify this, if you have a better understanding, the way I see behavioral economics is: general economic theory assumes that people are rational actors and behave in a certain way. And when we tap into the idea of behavioral economics, we kind of expand that understanding to say that there are actually a lot of things that may underlie why people make certain decisions. And like you say social issues and psychology, et cetera. And that is basically what we kind of study to understand how we, we try to build a, a trust environment. Is that, is that right? Or is, is that kind at least more or less on, on the mark?

[00:41:13] **Will Nielsen:** Yeah, that's it.

[00:41:15] **Moussa Traore:** I just, I just wanted to make sure, cause I, I, I, you know, at least in with regard to this, I'm also a lay person on, on behavioral economics, but I'm glad that we have an expert in the room. Frank I'll hand it over to you to, to also make some comments.

[00:37:38] **Frank Brown:** Thanks Moussa, thanks, Will. I'm really glad we're we're zeroing in on this, because this is one of our central challenges at site and I I'm seeing a lot of pickup in the. On this issue, as well as it's. And it's good to see a couple colleagues from site, one of whom literally wrote the, the, the, short book on how to address some of these issues when it comes to mid-size companies and emerging markets, how to, how to encourage their employees to give less bribes, which is fundamentally what we're talking about.

And another of whom works in our trade program in Colombia, building up trust in the trade sphere. But I'll, I'll give you a quick anecdote to give you a sense of the challenges that, that we face. So I was another colleague who's in the chat and I were in Pakistan in Karachi talking to textile manufacturers and I was giving my standard speech.

All the reasons why corruption and curbing corruptions is, is important. And I was citing these massive fines that come out of the US Department of Justice for violating the foreign corrupt practices act. And I noticed about halfway through the presentation, the eyes were glazing over, they just weren't interested.

And, and so I sort of paused and dug into it a bit and it turns out they could care less about these fines, because it's highly unlikely that they're going to be investigated in Pakistan. So we, we talked a little bit about what does motivate change and they talked about all the positive things that can flow from putting in place anticorruption compliance programs.

And that I, I relate that anecdote because it zeros in on why behavioral economics are so important. Because as we work with mid-size businesses in emerging markets, their, their sort of choice architecture as you put it, the nudges. Are often, entirely different than we would find in the West. There's there maybe is weak rule of law.

There's corruption, not only in the government and, and in, in the judiciary, but within the company itself, perhaps it's family owned and perhaps it's much more important loyalties to the family rather than profit. So we're always trying to figure out what we, how we can incentivize company employees to give less bribes.

And I think that behavioral economics we've had some initial conversations. Putting in place studies, especially in Africa and Eastern Europe. That's the key for us to understand what works and doesn't work. Unfortunately, it costs a good deal of money to do this. We, we haven't found the resources yet. We're still looking, but my, my great hope is that when we can begin to crack this nut, we'll begin to come up with solutions that aren't emerging from, from the, the Western countries, which tend to be the focus of, in of interest within the private sector on corruption, because that's where all the penalties are.

That's where the money flows from. But the, the risk is elsewhere. The risk is in emerging markets and we have yet to figure out how to crack that nut. We have some good ideas. We're trying all kinds of things, but it's, there's a degree of sort of fumbling in the dark.

[00:40:27] **Margot Kitonis:** I want to bring George into this conversation because what, you know, we're talking about behavioral economics and when I think about this, they think of the term interventions that, that both Frank and will have talked about and, you know, talking to George about the YALI program. And I'm going to let him speak to this just about like the networking that you facilitate the connections that you're building and frankly, like getting those future leaders into those positions where that trust needs to be built.

I would love to, if you could just, you know, talk a little bit about like what practically that looks like, and then how you believe maybe the YALI programs are actually like amazing, you know, interventions for this exact rub that we're talking about. Please. George.

[00:41:10] **George Khisa:** thank you, Margot. I yeah, so I think behind all processes and procedures behind policies are individuals and these individuals and that's why it's good to have also these conversations at the micro level.

So they, the early program here in East Africa brings in young leaders from 14 countries in the region in the East Africa region. But ideally of course is a program that is across the Sub-Saharan region covering for nine countries. So we've learned some lessons. So essentially a typical cohort for example, will bring in a hundred young people, maybe 30, who are the private sector. 30 of them in, in say the public sector and maybe another 40 or so from civil society. And so there, there's some things we pick up from that, on this topic of trust that are beneficial. So usually young people come into the room and in, in the alley parts of the training, we have something we call this is Africa.

And in that conversation of this is Africa. We, we, we have conversations around what is ailing our continent, what is ailing our countries. And there's a lot of venting from, from these young leaders. And most of these venting is around actually trust. So the private sector have a lot of trust issues towards the public sector.

And then there, the private sector sometimes has a lot of disdain towards civil society, the literally disdain. And then sometimes we find the, the public sector does not trust the. The intentions of civil society, for example, and then the public sector also views the private sec sector with a lot of perception.

So there are a number of things that we've we learned from these processes as they engage and they trust grows over time. One of them is the element of perception that I know we've covered around here earlier on the fact that sometimes trust is lacks just because the players in a certain sector do not understand how the other sector works.

For example in the private sector, things are efficient. They move very fast. When there's a delay in engaging with a public process, the immediate instinct is to think maybe somebody wants corruption or whatever. Someone may not know that some something needs to go through layers and layers of bureaucratic approvals that are required maybe in law.

Before that thing can go out, but that immediately obviously creates a lot of lack of trust in, in, within that, that particular context. And so unless the opportunities for players in the public sector, private sector and civil society to engage, and I think YALI is what provides that kind of opportunity.

They're able to engage. It becomes very difficult for people to understand this. I think the other aspect that comes in is that sometimes we find in the, in civil society, the perception towards the private sector is these are just people who only care about profit. Very few of them actually realize that players in the, in the private sector and by even the public sector has that perception about private sector. So many of them actually don't realize that many businesses are born out of someone wanting to address a social. And they see as they're addressing a social problem, they're thinking of how do I address this sustainably? And in that process, a business is born and it grows and can become very profitable.

But the angle that this business is addressing a social problem sometimes can be lost in someone thinking these people are just interested in, in these or the Levi tax. They'll do this, they'll do that. So, so those kind of things obviously need to be addressed, of course, in, in reality, especially in our region,

there are other aspects where the individuals within the system are deliberately taking actions such as, as soliciting for bribes and so on that are then the, the trust issues.

There are very a genuine, and then a third thing I just wanted to add is one of the challenges that we tend to have, especially in developing countries, Where the individuals in the public sector are the same ones in private sector is the same individual whose either leg or hand is in the civil society.

So when there is this overlap or where the same person is playing in all three, then there'll be a lot of trust issues. Obviously some may be perception, but some are reality because I'm in the private sector, I'm influencing policies so that they can favor my business. I'm a changing process, so they can further my business.

So I think being able to work towards moving these three cycles further and further apart from each other, so that we don't have the same person playing in all the three is another aspect that we can be able to cover back to human.

[00:45:49] **Margot Kitonis:** We've gotten some really great questions in the chat. So I'm going to ask Moussa to pick what he sees as being the most recurrent and George, thank you so much for that. I, I really appreciate that angle. I I'm sure the entire audience does, but Moussa, if you could identify your question.

[00:46:05] **Moussa Traore:** Yeah. So thanks so much, George. I think that, you know, like it gives us a lot of food for thought especially about the, the assumptions that are made on both sides of the aisle. On the private side and also on the public side about intentions. And I think that relates back to what Margot was saying at the top of the hour. So we're getting few questions in, in, in the chat and obviously some of those questions are getting ahead of, of some of what we're going to mention a little later, but I think something that we should probably bring up right now is this question that we it's kind of a recurring question that we're getting about working in trust, building in the fragile state or post-conflict context, or in states where corruption is endemic to government operations.

And I don't know if any of you have specific, you know, thoughts. You know, how you, you kind of build trust for the business environment in that type of context. Frank, I, I, I'm immediately thinking of you because I know of your work in, in certain countries. And I, I don't know if you have a, a specific perspective and want to share about that, but anybody is free to, to jump in here.

[00:47:09] **Frank Brown:** Sure. Moussa, maybe, maybe I'll, I'll relate. A bit of information from Sudan where I just was a couple weeks ago. So. Sudan. I think everybody knows is in a pretty rough spot. Especially when it comes to trust between certainly the independent business sector and the government. And you probably know also that Sudan is a, is a leading perhaps I think now the leading export of gold in, in Africa and much of that gold trade.

Is either controlled by the military regime. That's now in power or Russian mercenary group, specifically the, the Wagner group. And so I had the privilege when I was in Khartoum to speak to folks who'd just been released from jail. They were civil society, activists from the business community. Who'd been jailed because they were, were taking part in democracy protests, and they described to me this situation in the. Where all the political prisoners were kept together. People that had been arrested for their democracy work, many of them from the business community, many of them are entrepreneurs.

And they described this, the feeling of solidarity and trust that was emerging from this community. And this is sort of well tried territory, right? That the prisons are, especially when the politicals are put together. They they're wonderfully fertile places for trust. Building, for idea, sharing, for reaching a sense of consensus and solidarity that then can lead to powerful democratic movements, obviously Sudan in an early stage of this, but you could see it at work and you could see the essential role that the business community was playing this the small business community.

Of course. So that's, that's one extreme that was heartening. These are brave courageous people. It's always a privilege to spend time with them. On the other side, end of the spectrum, I would point to our work in Thailand. So Thailand, you know, economically vibrant, highly corrupt environment. Where about 12 years ago.

We launched a program to get together. The, the biggest businesses in Thailand that were frustrated with the level of corruption, didn't trust the government to take any action, but were determined to stay part of the global financial economic structure. And to do that, what they did was they created a pledge that they each took to put in place.

This very detailed set of anticorruption measures anticorruption compliance program. At first, this was just the pledge. And then within a couple years, they, they agreed that they would put them, make themselves subject to third party audits. So they would be judged specifically on whether they could, they did or did not hit these anti-corruption compliance marks in a public way.

And if they didn't hit them, they would be suspended from this group. So that's a, that's a huge risk requires trust in your fellow companies and the. It's worked and you've got over 700 companies now that put themselves through this annual audit and are either in or outside, they either are certified or not certified.

And they've created this bubble of integrity, which is now a sizeable part of the economy, which now can speak to the government about the reforms that are necessary to fight corruption. So that's sort of two ends of the spectrum, but I think they capture the degree of trust. That's necessary, certainly within the business community to push forward anti-corruption reforms and to bring about change.

[00:50:15] **Moussa Traore:** I, I like that a lot, Frank, because I think what, what you've kind of explained, and, and, and thanks to all of the, the, the attendees, who've kind of raised this, this question about working in the co conflict or post conflict environment. Right. And, and I like the, the way that you framed your response to that, Frank, because there's this idea of inclusion, right?

at first you started talking obviously about Sudan and the context in which there was something, it seems like something grassroots is kind of happening where all of these you know, entrepreneurs end up in a common space because of the actions or the, you know, that the kind of advocacy or what they're voicing.

And it actually you know, something meant to punish them somewhat backfires because it leads to a, a, a kind of grassroots movement in which they kind of come together and converge around certain ideas. Right. And then in the Thailand example, I like quite a bit that in this space where. Government was either unwilling or unable to do something.

These businesses kind of developed their own kind of system on their own to be able to be an interlocutor with the government. And, and, and I, I think that's really, it, it one addresses the issue of inclusion, right? Maybe businesses that might normally be marginalized because they're not the big businesses or not.

They're not the businesses that are somehow part of the elite capture system, if you will. But I think it also, you know, kind of speaks to this notion that. Business itself like the, the responsibility doesn't rest with government alone business itself can organize to achieve some of these goals.

So thank you because I, I'm glad that you brought in that example because it was going to be one of, one of my questions for one of the topics on, on inclusion. So, perfect. Margot, did you have something you wanted to. I was

[00:51:58] **Margot Kitonis:** it's so funny because I don't know how to raise my hand. So I actually have to like physically raise my hand.

I was actually going to offer because I mean, Moussa, you touched on the inclusion piece of it. And I know that that's something that we wanted to ask these speakers a little bit later, but what do you think about asking them now since we're on that topic?

[00:52:12] **Moussa Traore:** I, I think that's perfect. This conversation is open and it's supposed to go in whichever direction it goes. Right. So yeah. Let's go ahead with the inclusion question.

[00:52:22] **Margot Kitonis:** We have a good trusting working relationship and I'm great. So, okay, so for audience we're, you know, there is multiple topics here, so this one is ensuring inclusion, promoting broad private sector representation and dialogue. Moussa, do you have a little bit of like a context before we ask our speakers the question?

[00:52:40] **Moussa Traore:** Yeah, I, I think so my thoughts on this relate a bit to what Frank was saying, right? My job at the agency is often to help our mission. So those are basically, you know, our, our USAID representation in various countries help our missions to design activities that bring the private sector into the business environment and, you know create a more enabling environment for, for those private sector entities.

And oftentimes I, I get into these conversations with colleagues about, oh, well, we want to work with the private sector and something that undoubtedly always say is, okay, you want to work with the private sector, but what does that mean? And immediately there's a tendency to, for us to kind of start going towards, well, these are the businesses that I know of, et cetera.

But really who are the, what are the businesses that we are trying to help, right. What are the businesses that are potentially being excluded from the conversation? Do they actually have agency to be able to participate in this conversation? Who's representing them? So, you know, those are kind of some of the thoughts that I bring to the table in those discussions to make sure that we, we kind of bring as many businesses into the conversation to make sure that we really are you know, addressing the concerns of those that need it most, not the ones that are already visible.

Right. So, so with that said, Margot, I think, you know, we, we can move on to one of our questions that it's related to inclusion as. Yeah.

[00:54:06] **Margot Kitonis:** Thank you. So this is going to be for all three of you, but George, we are going to start with you. So same question for all three of you in your experience, what types of businesses are usually excluded from representation? And of course it's contextual with the work and the research and the activities that you're doing. So we're prepared for very different answers.

[00:54:27] **George Khisa:** Yeah. So I think from my end, I'll, I'll say small businesses and businesses of young people, as well as business of other typically marginalized underrepresented groups like women, for example, and so on.

And, and essentially, although the, I mean, for especially developing countries, there, they form the majority of employment opportunities for, for, for young people, especially they tend not to have space at the table in many of these conversations they don't even have a way of being reached. So that they can participate. So I think I can allow my other colleague guests to share on this. Thank you,

[00:55:04] **Margot Kitonis:** Frank. How about you? So talking about types of businesses usually excluded from representation in, in your work and your research.

[00:55:11] **Frank Brown:** So totally agree with, with George. Those are precisely the same, the folks that we spend a lot of time working with, I would just add to the list companies that, that speak truth to power, right?

So companies they're rare but, but significantly in size companies that will, will criticize the government for corrupt behavior. Because that's typically a tremendous risk to themselves. So they're often very deliberately excluded from, from conversations

[00:55:38] **Moussa Traore:** and then Will.

[00:55:40] **Will Nielsen:** Yeah, I'll really echo Frank and George on, on their points too. And maybe tagging onto a point George made in terms of just being able to reach the businesses and how much of a role technology plays in day to day lives. Now in many cases and how different levels of, of either digital literacy and knowing how to use the technology or even, even having access to it could influence the, the inadvertent bias towards who you're engaging with.

If you're going to engage with emails you know, using internet in some way, that's already restricting the pool of folks that, that you're engaging with.

[00:56:24] **Moussa Traore:** Well, I'm, I'm so glad you mentioned that. Because it links to one of the topics that was announced in, in the original flyer for the event, which is about leveraging technology for you know, public, private dialogue, and really hearing from the firms and the private sector. And I know that you've obviously written a paper on taking public private dialogue online. And I, I wanted you to maybe give us a sense for what that looks like, what is, you know, kind of tech enabled public private dialogue and you know, how, how does it really facilitate how does tech facilitate the conversation between the public and private sector?

[00:57:07] **Will Nielsen:** Yeah, definitely an area of growing interest, I would say given the availability to, to spread access to internet and the use of, of both SMS messaging, but smartphones, the, the widespread use of smartphones in many cases really opens up a lot of communication channels potentially. And so the, the idea with the, the tech enabled approach to public private dialogue is that,

you know, in theory, it will be designed in a way that we're reaching more people, more groups than would otherwise be can be providing their feedback in, in an analog environment or, or in just a more restricted environment in terms of who's being connected with the use of the technology would also be meant to help support the, the speed of feedback so that if I'm a small business owner participating in a tech based feedback mechanism ideally the use of the technology will help support the, the rapid closing of the feedback loop as well. So that once I provide feedback, I get a sense of what is being done as a result of that feedback, too.

So those being some of the major topics there, there, there's also kind of this tangential category of like participatory decision making, participatory budgeting that are often using technology to, you know, collectively make decisions by incorporating folks who would otherwise, you know, have to travel a long ways to be able to participate in a forum or otherwise provide their, their voice to, to a decision at hand.

[00:59:24] **Moussa Traore:** Thanks. Thanks for that Will. And I kind of picked up on some language from, from your paper, but I, I kind of do want to emphasize here for everyone, but it's this notion that when you kind of work with tech for the purpose of public private dialogue, the, the end goal is basically to have data driven public sector, right? So the data, the, the, the public sector has this opportunity. I wouldn't necessarily say real time, but near real time, at least a lot faster than you would in an analog setting, kind of have the feedback of how various regulations or government actions are having an impact on businesses on firms. It gives those firms an opportunity to also comment on proposed actions or regulations or laws or changes.

And it it's a very participatory model. So, so will, I'm so glad that, you know, you've kind of brought up that topic and, and you know, kind of enlightened us a little bit about how you would use tech to enhance public private dialogue. Thank you so much. I, I'm going to take a quick second to look over at our, at our chat here.

Margot, I don't know if there are any specific questions that have come up for you that you see that you want to bring. Why don't you, but I'm also looking,

[00:59:56] **Margot Kitonis:** I'm going to summarize what I've seen. So Moussa take your time to read it because we have such awesome attendees. And then when I'm done with my spiel, you can just throw it out there.

So I will give, this is really for the speaker's benefit and then to acknowledge the audience questions. What I'm seeing is a real request for practical intervention, examples, right? So we've seen questions about. What the heck do you do? You know, obviously in like a, in a post-war country situation, what do you do?

When, like a relationship between the government and a certain private enterprise has already been broken. So I am going to challenge and request from our speakers. Whatever question Moussa pulls out, let's start thinking about like the really practical interventions. Is it like hosting a meeting?

Okay. I'm a communicator. So these examples are just from my perspective, please do share. You're more researched and practiced perspectives, but for me it would be okay, do we need to host a meeting? Do we need to have a, like a private session? Do we need to do more communications about how we got here?

You know, things like that. So I think really specific examples of interventions, it seems to be what our audience is craving. All right. So Moussa, did that give you enough time to pick one?

[01:01:06] **Moussa Traore:** It did. There, there is a question that I, I kind of, I, I want to bring forward here by, by one of our colleagues Janine who asked in the chat what should you do if what should you do if the standard bears of private sector interests for example, business chambers are not trusted or trustworthy.

How can you avoid cherry picking those firms that are well connected from being the focus of our work? And, and I think, you know, this, this kind of goes back to what I was saying earlier about working with our various missions to make sure that we are targeting the right parts of the private sector in that we don't just have a, we don't have a skewed view of, of the private sector and its needs or firms and their needs.

Right. So I don't know if, if any of you have some additional thoughts on how you make sure that you, you kind of bring a, a diverse pool together to kind of advocate for the private sector, or to make sure that you are working with a diverse pool of private sector representatives that represent the whole of the private sector and not just a, a specific subset, either in, in a, in a sector or a, a subset that might be the juggernaut, if you will, in, in, in the space.

I don't know if any of you have any specific thoughts on that. Go ahead, Frank.

[01:02:17] **Frank Brown:** So Janine's question and it's good to see you, Janine is, is spot on. Because, so typically if you had an association of say multinationals, they have one, you know, a set of very specific goals that they're pursuing.

Those may not align with what, what your goals are. And by the same token, if you have an association of the largest companies in the country, they too may not be pursuing things that are useful because they're perfectly happy with the status quo. Unfortunately, those business associations, whether formal or informal that are pursuing what you want to pursue, they may not have the capacity or knowledge or, or just the skills to interact with you.

So it takes a lot of. To build up those relationships, engage them and it can take years, but when you do, they are incredibly powerful advocates for precisely the agenda that I think most of the folks on this call are, are pursuing, but it takes effort. And it's typically it's fairly small scale. So a large donor may not be in a position to contract or, you know, sort of engage with them in a meaningful way through traditional mechanisms.

And that's why it's so important to, to be able to have partners interlocutors on the ground, who can do that work for you? And the sums that the, the resources often are quite small, very small, and often you don't want to pump too much money into this, because it could distort everything and it doesn't become real anymore.

So it's a challenge. But when you make the effort, that's where you'll find the dividends.

[01:03:47] **Moussa Traore:** Thank you so much. George, go ahead. Thank you.

[01:03:50] **George Khisa:** This is not my area of expertise, but one of the areas that I see as an opportunity that is under exploited in, in this context is usually you find small businesses and especially when women businesses tend to have more of like some savings.

And most many of them are informal savings groups in, in our region here, we call them chambers, but kind of some savings groups, learning and savings groups that are sometimes are small. Some of them grow big. Some are registered, but most of these groups are only primarily I only use for saving and give. They are opportunities for engaging with say non-governmental organization working this kind of space and given. Donors to begin to get into other areas like some shaping policy identifying issues that are affecting small businesses and they tend to meet regularly. So I think that's one area that can be exploited would think about some practical things that can be done so that they can become like as some form of smaller associations for more businesses.

[01:04:52] **Moussa Traore:** Perfect. Thank you so much Frank.

[01:05:03] **Margot Kitonis:** Yeah, thank you. And then Moussa, I would actually really like to hear your take on this as well. So this is really for all of us or Moussa, you can kick it to whoever you think would be more appropriate. So what role do development partners play in this? Shifting the landscape? So, you know, all developer partners don't work in the same contexts, given that USAID predominantly works and the least developed economies.

What do you think are the major priorities for building trust into the business environment in these countries? Moussa, I don't know if you want to give context or if you want to pick someone to say

[01:05:36] **Moussa Traore:** yeah, so I think obviously oftentimes when we talk about public private dialogue. And we're talking about it, especially in the context of tech enabled public private dialogue. We may be talking about a specific subset of, of economies that have, that are sufficiently advanced in e-government to be able to facilitate that. Right. But I think that, you know, in terms of there, there are so many other strategies to build public private dialogue. And I, and I'm, I'm interested in how we as a, a development partner.

And when I say we, we USAID that focuses on the, the least developed economies what, what should our priorities really be in this space? And if there, there are specific thoughts that that our guests have on that, I, I obviously have my thoughts about you. Sometimes there's, there's focusing on the private sector directly, but sometimes the private sector isn't necessarily yet organized in the way that you need that you need.

So there's that aspect of building a private sector's capacity altogether, right. To be able to actually voice their opinions, to be able to hold the government accountable to, to basically understand government regulation and to be able to, to, to point out asymmetries of information, like will talked about earlier then there's also the role that you know, other parties or other parts of civil society play, including the media, including youth including academia where they kind of.

Play this, this role in between where they can bring transparency in places where government isn't necessarily able to, or hasn't yet, they can also hold businesses accountable for illicit activities that they're engaging in and the kind of distortions that they might be creating in the market.

So those are kind of the, you know, the, maybe some of the less traditional angles that we can take are areas that we can work in from my, my perspective. Right. But I do want to hand it to, to, to, to the guests as well, if they have specific thoughts on, you know, what development partners like USAID working in the least developed economies should prioritize.

I don't know, if any of you have specific thoughts on this or if members of our audience want to chime in as well?

[01:07:59] **Frank Brown:** So Moussa, if it's okay. I just had one thing to, so. I think that at least from my point of view, I spent so much of my time in sort of techno technocratic searches for solutions. And, you know, in this kind of, wone where I am, you know, interacting with fellow anti-corruption nerds about the latest solution to the, the newest problem.

But in reality, in many of the markets where we work, you really, you need to have a simple narrative about why this matters to people and why. You know, corruption and the private sector impacts their daily lives, whether it's loss of tax revenue or perversion of the market, or, you know, not accessing credit, whatever it is, but that's, you need to have a simple, compelling narrative.

And it's so easy, at least for me to lose sight of that when much of my work day is spent on, on the exact opposite end of the spectrum. So that's those stories, those powerful stories, and are really, really important. The people best able to tell them are the ones on the ground in the countries themselves.

[01:09:07] **Moussa Traore:** That's a, I, I think that that point is also well taken. I think that there, there is generally you know, in, in a lot of the, of work that we do as development partners, there's a tendency to look at a lot of international benchmarks as, as context indicators of how we intervene and how, you know, we try to address a private sector or, you know, SME related issues.

And I think Frank part of what you're pointing to is that there is really some level of ground level work that needs to be done to kind of understand the problems and how they change from one locality to the next, but also how they defer depending on the development context. So thank, thank you.

Thank you for bringing that up and, and Janina is saying wonkisphere, I love that. So, I don't know. Will and George, if you have any specific thoughts George, for you in particular, I do have questions or I'm wondering if you can say something about the inclusion of youth, because I think that, I, I don't know if you would necessarily consider the, the groups that you work with as youth.

But they, they definitely are relatively young entrepreneurs and, and members of civil society and government. So if you have any comments on that.

[01:10:18] **George Khisa:** Yeah. So maybe just one addition I can make any work that involves especially young people and may require like changes at, at the police level or a much higher level. Requires bringing young people together so that they work kind of creating networks of young people. Collectively young people can push for a lot of their interests, but at an individual level, it, it becomes very difficult. So I think any work that USAID supports, especially in, in, in any space that may require some form of changes in policy, pushing government in certain directions, there must be a component of supporting building of networks of youth within that particular area of interest, because that is the only way then the government will pay attention and even policy makers and also obviously their, for their own visibility.

That's the only way that that can be achieved. Yeah.

[01:11:08] **Moussa Traore:** I, I like that quite a bit, George, because I think what you're, you're also pointing to here is this notion that you know, youth need to be included in the process because they are the, the, the, you know, they are the future, right. And, and trust isn't something that we build or. In, you know, a couple months, it's something that can take years, sometimes generations. And so this, the work that you're doing, I, I particularly appreciate because it's creating the fertile ground for that trust relationship to develop. So I, I really do want to say thank you so much for the, for the great work that you're doing in, in this space as someone who's leading this, this, this intervention for, for East Africa. Well, I don't know if you have any thoughts on this but feel free to chime in and no pressure. Yeah, sure.

[01:11:52] **Will Nielsen:** Well maybe continuing on what George was describing with that, the importance of the social interaction piece is opportunities to help communicate competency and, and integrity.

I think our, the it's not always a huge lift required to be, to communicate that. I mean, it could be done very simply as a part of a, a communication campaign or an awareness campaign. But it can be done in more complex situations as well. I'm thinking of there have been some studies around the idea of operational transparency and the way in, in this particular case, it was a us based case, but it was looking at how understanding what government is doing and the different steps that are being taken to address different issues that have been come up, seeing the, each, seeing the gears moving and all the people involved and what the roles of those different people are creates this increased sense of trust. You see what's happening. What. In terms of you see what was previously behind the scenes. Once you see it, you have greater appreciation for it, and there can be that element of trust. But I think there's a, there's a variety of ways that groups have gone about communicating competency and integrity on, I guess, on your note, mostly with regard to well development partners and civil society.

I know on the public procurement side of things, there's the group transparency international that helps facilitate integrity packs that they tend. I think they tend to be for larger public contracts, but they have this role of oftentimes being. Broadly, publicly communicated to show that there's this additional element of integrity built into the public contracting process.

And it involves the oversight of this transparency international chapter or third party, social witnesses. But so sometimes I think there's small ways that or small, small activities that can be conducted, especially some of these examples are on the public sector side, but it may apply on the private sector side as well.

But noting those and then being able to effectively communicate those out and broadly. So that there's that greater appreciation for government activities occurring. Right.

[01:14:12] **Moussa Traore:** Thank you so much Will. And, and, and thank you particularly for your, for mentioning that bit about the, the packs and this kind of echoes, a comment that we received in the chat.

And I'm sorry if I'm not pointing to the person who said this it was actually communicated to me by our producers, but I think echoes very nicely what you're saying about kind of procurement. And the role that development partners can play and the person said USAID can work as an influencer and can advise

business enabling policies as a prerequisite for their PPP funding, sort of capacity building through contracting.

And I think that's a really good summary of some of what you're saying as well. And I wanted to make sure that I kind of highlighted that before I handed over to Margot. I'm so glad that we for, you know, for, for the majority of the of, of the, of the webinar, we've kind of kept the viewership for nearly the entire time.

We've had a few people start to drop off. But this is, this is really great to me to know that so many people are interested in this. Unfortunately, obviously we can't get to all the questions. But like I said, if this is a topic of interest we can see about doing more in this series, obviously Margot I'll hand it over to you.

[01:15:29] **Margot Kitonis:** Yeah, thank you. And I will ask our production team, Abby, maybe if you could go ahead and copy and paste the biographical information of the three speakers, just so if the audience wants to like follow up with them or learn more about them or try to connect if you could paste that in the chat.

So for everybody to know they posted it like very at the beginning of the event, but maybe posting it again would be really helpful. Yes. So we have seven minutes left. We have reached the final part of the webinar. So to our awesome attendees, this was so much fun to see you connecting to some of our speakers who were able to engage in the chat as well.

Certainly to everybody on camera, who we were able to answer some of those questions that were very off the cuff. I know they were unexpected. We're really grateful. Before we close out, I do just want to hear from each of you. One last time. And we're basically just asking you to leave us with a concluding thought.

Now we talked about a lot. So this is really just like personal preference or, you know, something that you'll just really want this big group of people to know either about your work or advice or anything like that. So it's going to go, George Frank and Will. So George, we're going to start with you. So any final thoughts here, please?

[01:16:37] **George Khisa:** Just one, I thank you so much. And this was a, a very helpful living for me, learning a lot. I think, just to mention that in any work we are doing, especially in developing economies really think about the role young people can play not only as beneficiaries, but really as agents of change so that we invest in that we, we can be able to reap the fruit in a few years' time.

[01:16:57] **Moussa Traore:** Thank you.

[01:16:59] **Margot Kitonis:** Thank you, Frank. It looks like, oh, there you are. Frank. Please go ahead.

[01:17:03] **Frank Brown:** I just popped out to get a book that I was going to recommend that folks read. So it's called The Conundrum of Corruption. It's written by one of my favorite anti-corruption academics, Michael Johnston. Who's now retired, but, but wrote this book about a year ago.

So he makes a point that I've, I've come to subscribe to after about a decade in this field, which is that anti-corruption well, two points. One is that the sort of anti-corruption industry, right? Which, which I

think is a, it's a somewhat cynical way to describe certainly the, the body of businesses around the foreign core practices act and reducing risk for big companies, but also to some extent, to be very candid with the folks in the development world as well.

And he, he talks about that in a very constructive way. And then more importantly, he talks about that. You can't just look at anti-corruption by itself. It's part of. The best way to look at it is, is through a social justice lens, cuz fundamentally when you're motivating people to, to, to change behaviors, corrupt behaviors, you're, you're appealing to social justice issues.

And that's that also goes back to my point about creating a narrative. Fundamentally those narratives resonate most deeply when they're grounded in social justice issues and the equitable distribution of resources. And this doesn't have to be some sort of, you know, right left issue. It doesn't have to be a political issue.

It's just a, an issue of distribution of resources. And the more we can take that holistic approach and look for example, at environmental issues and labor issues as well as corruption and how corruption undermines the ability to, to hit the right standards on labor and environment, the better off I think we'll be and will, will be certainly be more impactful.

So that those are my closing words. And just thanks so much for having me here. I've learned a lot.

[01:18:46] **Margot Kitonis:** Thank you. And Will please

[01:18:48] **Moussa Traore:** Well, you know,

[01:18:49] **Will Nielsen:** Kind of continuing on the lines of where, what Frank was describing with the element of, of having that narrative. Going back to this whole behavioral insights, behavioral economics topic.

I just encourage folks to have that in mind, as they're thinking about trust-oriented interventions, or if trust is a, is a co-objective alongside other policy reform objectives that may be on folks' mind. So thinking about trust, the different forms it could take if there's any measures of it in place and how these, the very human aspects of, of understanding the, the value of it with, you know, understanding the, the emotional factors, the social norms, having all of those in, in your mind, as you're moving through these interventions, I think will be helpful going forward and echoing George and Frank as well. I appreciate joining this, this event as well, really, really informative.

[01:19:46] **Margot Kitonis:** Thank you. Our speakers really did put in a lot of effort here and were comfortable and very trusting with this format. So we appreciate it, but I do also want to give some credit to my co-host here. Moussa before I, I hand the microphone to him this event was really, really. He, he came up with this on his own Moussa, did he really pulled inspiration from the work of the three speakers. So Moussa really deserves a lot of credit for this event. And it's also just wonderful to be able to hear another smart person close out with any final thoughts. So Moussa, giving you the microphone, if you could just give us some final thoughts for the audience.

[01:20:25] **Moussa Traore:** Margot you're giving me too much credit, but I, I do want to say thank you for, for really helping to facilitate this. And, and, you know, as a communicator, as somebody who thinks

about things in a much broader way than I do, thank you for making me think about the critical things to, to really engage in this discussion.

Thank you to Frank and Will and George, for all of your contributions in terms of takeaways. I want us all to remember that trust is about having a relationship. And that relationship is ever changing. The, the, you know, the, the motivations of the individuals that are involved is changing, which is why behavioral economics is important.

It can often take generations for that change to come about. So we need to really consider who we're engaging with in building the trust relationship and make sure that we have an inclusive representation of the private sector that we also include the, the youth in the conversation. We can obviously also use technology to, to facilitate some of these conversations around trust.

And you know, the, the, the goal here is for us to have started this conversation. Here, where we talk about trust and how it feeds into the business environment and into public private dialogue, or how public private dialogue advances trust. But I hope this is just the beginning of the conversation as we continue to brainstorm collectively.

So I'm looking forward to reconnecting with all of you and continuing this conversation. Thank you so much.

[01:21:50] **Margot Kitonis:** All right. Thanks everybody. So this session is going to be posted to Resonance and to Marketlinks soon. So please do feel free to share with any colleagues or trusted partners who you think might find it interesting.

In the meantime, for our audience and certainly our speakers keep up your bold efforts in actions to continue strengthening the capacities for our partner countries in improving the regulations to promote better business environments. So for everybody attending, we do have another webinar coming up on August 4th and that is going to be trade facilitation the road ahead.

It's another one of USAID's economics and market development colleagues. It should be really exciting. You'll see some communications about that soon. And this information will be posted through market links and other social media. So, thanks again, everybody. This was a, a really great event and we really appreciate the audience participation, truly. It really made it what it was.

[01:22:44] **Moussa Traore:** Thank you all so much. Have a great one.