

Private Sector Engagement in SSC: Case of the Brazilian National Service of Industrial Learning (SENAI) in Cape Verde



*Aline Duarte da Graça Rizzo**

“The private sector’s participation in global politics is rapidly growing, and studies about Private Sector Engagement (PSE) in international cooperation are one of the most important trends, especially the role of the private sector in achieving the United Nations Sustainable Development Goals (SDG).”

Introduction

The analysis of the Private Sector Engagement (PSE) in International Cooperation is a trend subject in current cooperation studies, considering that the private flows surpassed the Official Development Assistance (ODA) during the last 20 years. Therefore, to map the private participation and to understand the role of multiple actors in South-South Cooperation (SSC) are an urgent challenge. In the II High-level Conference on South-South Cooperation (BAPA+40 - Buenos Aires Plan Action), held in March 2019 in Buenos Aires, the PSE was one of the most debated themes. It was emphasised the importance of examining this specific engagement in South-South Cooperation and, at the same time, the role of PSE in achieving the SDG (Sustainable Development Goals), the UN 2030 agenda.

In this sense, this paper aims to contribute to PSE debate through the case study of the National Service of Industrial Learning (SENAI), a Brazilian private center of professional training that operates in SSC projects in Latin America, Africa and Asia, under the coordination of the Brazilian Cooperation Agency (ABC).

* Institute for Applied Economic Research (IPEA), Federal University of Rio de Janeiro (UFRJ), Brazil. Views expressed are personal.

Firstly, a theoretical debate on PSE will be presented. After that, the projects implemented by SENAI and ABC in the South countries will be briefly showed, especially the case of Institute of Employment and Professional Capacity of Praia (IEFP) in Cape Verde. Financial resources that support these projects will also be analysed.

For this purpose, data sources will be collected from the institutional channels of the SENAI, ABC and IEFP, and from an interview granted by the head of SENAI International Unit (UNINTER). From the triangulation of these sources, the SENAI role in Brazilian South-South cooperation will be mapped and examined. Three core issues will orient this paper: What is the recent theoretical debate of the PSE? What are the projects implemented by SENAI in the Global South partner countries? How is the financial investment operated, both private and state, in the SENAI case?

Private Sector Engagement in International Cooperation: the Current Debates.

In the contemporary international scene, multiple actors operating at different levels and complex arrangements have challenged global governance structures. In the governance dimension of contemporary international cooperation, since not only states, but also civil society, individual actors and the private sector are involved in the process. Nowadays, the private sector's participation in global politics is rapidly growing, and studies about Private Sector Engagement (PSE) in international cooperation are one of the most important trends,

especially the role of the private sector in achieving the United Nations Sustainable Development Goals (SDG).

Over the past twenty years, the private sector role in international cooperation has been increasing, and in the 1990's surpassed the ODA - Official Development Assistance. (Adelman & Spantchak, 2014). At the same time, scholars have produced several studies about the theme. The intention here is not to deepen the theoretical analyses, but to present the main issues addressed in the current debate.

In the literature, two main perspectives are observed. In the first one, the benefits of private sector participation in international cooperation are highlighted. This perspective not only considers the private sector's contributions to be positive, but also recommends to enlarge the participation of private actors in international development strategies:

Not only have private actors changed the architecture of aid, but new strategies are changing the way aid is being delivered. Traditional, grant-making foundations are embracing program-related investments; corporations have gone beyond traditional corporate social responsibility to promote a shared-value approach and corporate volunteerism; investment funds are taking on mission-related investing; businesses are working to reach a double bottom line; remittances are being pooled into development projects and used for securitisation; and diaspora bonds are being issued to raise capital. With the large contributions from the private sector, it is critical not only to

include private actors in development strategies, but to stay current on the continuing changes within the private aid delivery system and its best practices (Adelman & Spantchak, 2014, p. 3).

On the other hand, a critical perspective focus is on the transparency and accountabilities challenges specially, on the risks of global financial market's interests overcoming the local people's interests in development projects:

New instruments, like development impact bonds and weather index-based insurance, are deepening financial logics in development narratives, institutional functioning, programmatic interventions and stakeholder subjectivities. Not all of these claims can or should be lightly dismissed. But critical scholars are raising a host of concerns. Out of what is an increasingly rich and detailed literature, two are very briefly mentioned here. The first concerns complexity, accountability and transparency. [...] A second concern is that of risk. Over-indebted farmers committing suicide in India, housing bubbles in Argentina and the enduring (and inherent) volatility of the global financial market are all forms and scales of risk that are largely unacknowledged in the ebullient language of 'fintech' and financial sector deepening. (Mawdsley, 2018, p. 194).

The role of the private sector in achieving the SDG is also a relevant issue in both perspectives. For the first one, the private sector is a fundamental tool to reach the sustainable goals, especially environmental ones. The emergence of the green economy and its importance for the international development is positively highlighted (Adelman and

Spantchak, 2014). In contrast, the critical perspective considers that SDG's has lower emphasis in poverty reduction, if compared to the MDG. In this sense, the private sector's participation in SDG reveals an important risk of improving specific markets instead of the social well-being. (Mawdsley, 2018).

Moreover, there is no consensus about what kind of flow should be considered as private engagement in international cooperation. In the wide approaches, the private sector can involve transnational corporations, finance sector and non-profit institutions, as such as philanthropic and civil societies (Adelman & Spantchak, 2014; Mawdsley, 2018). In the restrict approach, the PSE includes only organisations that have a core strategy and mission to engage in profit-seeking activities through the production of goods, provision of services, and/or commercialisation; excluding philanthropy, organised civil society organisations and other non-profit institutes. (Di Bella *et. al*, 2013). The last one is the approach adopted by the Organisation for Economic Co-operation and Development (OECD):

Private Sector...the organisations that engage in profit-seeking activities and have a majority private ownership (i.e. not owned or operated by a government). This term includes financial institutions and intermediaries, multinational companies, micro, small and medium-sized enterprises, co-operatives, individual entrepreneurs, and farmers who operate in the formal and informal sectors. It excludes actors with a non-profit focus, such as private foundations and civil society organisations. (OECD, 2016, p.1).

The literature focuses on the North-South cooperation, especially on the private sector engagement in contrast of Official Development Assistance. However, it's urgent to see how the private sector operates in the South-South relations. The PSE was one of the most debated themes at the BAPA+40 (Buenos Aires Plan Action), the II High-level Conference on South-South Cooperation, and more studies about this specific kind of engagement in South-South Cooperation are imperative. How is it possible to equilibrate the private interests and the SSC principles? It is one of the core questions in PSE in SSC analysis. This paper adopts the approach where all private flows and actors (profit and non-profit) in South-South cooperation are considered as PSE.

In the next section, the case study of SENAI, a Brazilian private institution that has a large experience in South-South cooperation projects with focus on Capacity Building, will be presented. The overview of SENAI practices will be showed and then, the specific project in Cape Verde will be presented.

SENAI and Capacity Building Projects

The Brazilian Technical Cooperation for Development (CTPD) considers the emphasis on Structuring Projects (*Projetos Estruturantes*) as a strategic tool. The Brazilian Cooperation Agency (ABC) defines "Structuring Projects" as ones that promote institutional strengthening in partner countries. This international cooperation modality is based on the Capacity Building concept, one of the SSC principles,¹ which suggest

that cooperation projects should focus on the recipient country autonomy. In this sense, developing capacity is not only "to donate" or "to transfer" financial resources and technology, but also to create and to strength local institutions that offer quality public services.

The creation of hospitals, professional capacity centers, universities and other public policies institutions is framed in the Structuring Projects concept. The initial cases of Brazilian Structuring Projects were the Professional Capacity Centers in Paraguay and Angola, in 2003, which were implemented by ABC and SENAI.² Brazil developed 22 Structuring Projects in Latin America, Africa, and Asia. The projects are mostly focused on agriculture, health and education, but there are also projects in the urban development and social security sectors.

The National Service of Industrial Learning (SENAI) was founded in 1942 by a partnership between the Brazilian State and the industrial sector, and aims to prepare capacity workforce for industry through the Professional Capacity Centers. The service is maintained by entrepreneurs, and the Nation Industry Confederation (CNI) is responsible for administration. Although SENAI was created to support the national/state agenda, it is considered a private institution.

SENAI is a non-state institution, managed by industrial entrepreneurs to answer the Brazilian industry needs in terms of capacity workforce. Although the organisation serves the national interests, acting in collaboration with the government and performs professional education as a public function, we cannot

forget that, as a private institution, it serves mainly to meet the industrial sector's interests. (Gonçalves, 2011, p. 72).³

In the 1970s, SENAI engaged in international cooperation as a provider. Its successful model of professional education had aroused the interest of other South countries. Furthermore, the model was applied in Colombia, Venezuela, Peru, Chile, Costa Rica and Bolivia. In these cases, the cooperation was supported by the Brazilian Ministry of Foreign Affairs, but this was not part of government agenda. Instead, it was an inter-institutional cooperation directly operated by the partner institutions. (Gonçalves, 2011).

From the 2000s the Brazilian South-South cooperation strongly increased and was operationalised as a strategic foreign policy tool. In this period, SENAI was incorporated as a Brazilian Cooperation Agency partner to implement Structuring Projects in Southern countries. Through the partnership between ABC and SENAI, nine Professional Capacity Centers were implemented in Paraguay, Angola, Cape Verde, Sao Tome and Principe, Guinea Bissau, Guatemala, Jamaica, Peru and East-Timor. In some cases, the Center management was already transferred to local partners, and a new Center in Haiti is in initial implementation phase.⁴ In the following section, the case of Cape Verdean capacity center will be briefly presented. The historic process of ABC/SENAI in Cape Verde will be highlighted as well as the project's financial resources and some preliminary results.

Professional Capacity System in Cape Verde

The Professional Capacity Center in Angola, launched in 1999, was the first project of SENAI and ABC in Africa. The Center became a successful case and, because of its positive reputation, other African countries became interested in it. It is important to note that the Brazilian cooperation in the early 2000s had focus on African Portuguese - Speaking Countries (PALOP), offering several development projects as a foreign policy strategy. In other words, it is possible to observe both movements in Brazilian SSC: demand and supply.

In this context, the Cape Verdean government, through the DGCI/MNECC (General Direction of International Cooperation - Ministry of Foreign Affairs, Cooperation and Communities),⁵ requested ABC a proposal to restructure the national professional training system. The cooperation agreement was signed in 2004 by Cape Verde and Brazil representatives.⁶ The ABC requested SENAI to design and implement the project jointly with the Institute of Employment and Professional Capacity of Praia (IEFP), the local partner in the capital of Cape Verde.⁷ In 2006 the term of reference was elaborated and the project called "Strengthening and Technical Training of Human Resources for the Cape Verde Vocational Training System" was launched.

According to the interview granted by Gustavo Rosa, head of SENAI International Unity (UNINTER),⁸ this project was oriented by three main goals: renovation of the form building for training classes; provision of industrial

machinery; technical capacitation of Cabo Verdean team/staff/teachers to identify the local market needs in terms of workforce and to conduct the training center. The professional capacity courses focused on tourism and civil construction. In total, 12 courses were developed and offered to the population.

The project was financed by ABC⁹ (\$539.288 – corresponding 72 per cent) and the Cape Verdean government (\$208.000 – corresponding 28 per cent). In this sense, there was no financial investment from SENAI; its contribution was to coordinate the complete technical part and project’s execution.¹⁰ In 2008, the Center was launched offering the training courses to the population. The ABC/SENAI operation was concluded in 2010 and Cape Verdean institutions have become responsible for all instances of the capacity center.

The Professional Capacity Center of Praia is still considered one of the most successful cases of SENAI/ABC international cooperation. Some efforts of monitoring and evaluation, from both country partners, are available. Table 1, provided by Institute of Employment and Professional Capacity of Praia (IEFP), presents an evolution in number of attending students before, during and after the SENAI/ABC cooperation activities.

The SENAI Technical Report still highlighted IEFP high performance in work market, considering its high level of employability. In this concern, the IEFP is the number one in the whole country.¹¹ According to SENAI’s perspective, the Cape Verdean project

was successful. Observing the data source from Cape Verde’s side, the position is the same. It is important to say that a specific case was presented here, that has its own features and, at the same time, this case study contributes to generalise some of the process of SENAI engagement in Brazilian SSC. In the next section, some preliminary reflections will be pointed out.

SENAI engagement in South-South Cooperation: closing remarks.

The core issues addressed by this paper focused on the recent theoretical debate of the PSE; the projects implemented by SENAI in the Global South partner countries; and the financial investment operated, both private and state, in the SENAI case. The intention was not to completely answer all questions, but to point out some initial reflections.

SENAI’s operation is clearly a case of private sector engagement in South-South cooperation, with focus on SDG achieving. This case here was localised in the broader views of PSE, which includes all of the private engagement diversity (Adelman & Spantchak, 2014; Mawdsley, 2018). All projects implemented aim to improve the professional education systems in partner countries. In this sense, the activities coordinated by SENAI and ABC focus on the “Structuring Projects” concept which is based on capacity building and autonomy of partner countries, and Cape Verde’s case is a successful example. In addition, it is important to say that SENAI is signatory of the UN Global Compact, the UN

initiative to stimulate the private sector to act voluntarily in development promotion, environmental preservation and the human rights defense.¹² SENAI's intention to contribute with the SDG is expressly described in institutional documents:

Due to its international insertion, SENAI is currently considered as one of the three most important actors to the Brazilian international cooperation execution, contributing to meeting the Sustainable Development Goals, specifically goal 4 - Quality Education - Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all (SENAI, 2016, p. 4).¹³

However, considering SENAI as a private institution some specific features should be noted. Firstly, all SENAI and ABC South-South cooperation projects are financially supported by the Brazilian government, in other words, there is no SENAI financial investment in these projects, thereby, SENAI's participation involves exclusively the project's design and implementation. Furthermore, its participation can be considered a public-private partnership (PPP) for international cooperation, if it is comprehended in a general concept, due to the Brazilian law on PPP which restricts the public and private partnership to the domestic ambit.¹⁴

Table 1: Evolution in number of attending students before, during and after the SENAI/ABC cooperation activities

Period	Year	Beneficiaries
After	2015	490
	2014	435
	2013	262
	2012	615
	2011	218
	2010	202
During	2009	20
	2008	20
	2007	75
	2006	16
	2005	60
	2004	(N/A)
Before	2002/2003	190
	2001/2000	89
	1999/2000	196
	1998/1999	289

Source: Institute of Employment and Professional Capacity of Praia (IEFP). (2016). In SENAI - National Service of Industrial Learning - Technical Report. Cape Verde. Brasília.

Secondly, it is important to highlight SENAI's private interests in cooperation projects, considering that it is an institution supported, managed and funded by the Brazilian industry sector. These interests are present in SENAI's institutional discourse:

From SENAI's perspective, its experiences abroad – whether through technical cooperation projects or provision of services – increase the brand value, consolidate political capital for the interests of the Brazilian industry, enable its technical team to develop new specialties, and intercultural competences, so important and required in the current highly globalised scenario (SENAI, 2016, p. 4).¹⁵

In cases such as the Angolan capacity center, the focus was to prepare skilled labour for Brazilian companies that operated in the country, especially in the civil construction sector and oil industries. On the other hand, in the Cape Verdean Centre the workforce was prepared only for the local market, but it was observed a “tied aid” case considering that the purchase of machinery for training classes favored Brazilian companies.¹⁶

Finally, SENAI's engagement in South-South Cooperation is an exception in the entire Brazilian private sector context. Among multinational Brazilian companies, about 87.5 per cent have operations in Southern countries, but also only 17.2 per cent of these companies are engaged in cooperation for development projects.¹⁷ Consequently, the SENAI SSC activities should be comprehended as a specific case of Brazilian PSE in international cooperation.

Oriented by the core questions, this study described SENAI's activities in Southern countries, with special description of the Cape Verdean case; mapped the financial flows of its activities; and localised the SENAI case in the current PSE debate. Through a partnership with Brazilian government (ABC), SENAI has been an important actor in Brazilian SSC in Latin America, Africa and Asia countries. These projects are guided by the “Structuring Project” concept and presented successful results.

However, considering that the PSE in international cooperation involves several actors and so many different kinds of financial flows, that should be accurately analysed. It is not possible to use SENAI as an example to provide a generalised perception. Therefore, this paper aimed to contribute to debate, with an important case study that reveals some paths and possibilities of partnership between southern countries and a private institution to development promotion.

Endnotes

- ¹ SSC Principles (Nairobi Conference): Horizontality, Non-Conditionality, Demand-driven, Sovereignty, National Ownership, Capacity Building, Mutual Benefits, Multi-stakeholders, Knowledge-sharing.
- ² ABC - Brazilian Cooperation Agency -- Available: <http://www.abc.gov.br/gestao/projetosestruturantes> Access: August, 14th 2018.
- ³ In the original: “Conforme demonstrado nesta seção, o SENAI é uma instituição não estatal, gerida pelo empresariado industrial para responder à necessidade de formação de mão de obra para a indústria brasileira. Embora a organização atenda a interesses nacionais de modo geral, tenha como característica marcante a colaboração com

- o Governo e realize função pública na área do ensino profissionalizante, não podemos perder de vista que ao constituir-se como uma organização privada esta instituição atende primeiramente e sobretudo aos interesses de um setor específico da sociedade brasileira: o empresariado industrial". (Gonçalves 2011, 72).
- ⁴ SENAI - National Service of Industrial Learning. Available: <http://www.portaldaindustria.com.br/senai/> Access: Jun 10th, 2019.
- ⁵ See: ABC - Brazilian Cooperation Agency - Project document of Professional Capacity System in Cape Verde - Aug, 2008.
- ⁶ The Basic Cooperation Agreement was signed in 1977 and promulgated in 1980. ABC - Brazilian Cooperation Agency - Project document of Professional Capacity System in Cape Verde - Aug, 2008.
- ⁷ SENAI - National Service of Industrial Learning - Technical Report - Cape Verde. Brasília. Jun 9th, 2016.
- ⁸ Interview granted by Gustavo Rosa to the author in Jun 13th, 2019, via Skype.
- ⁹ The Brazilian financial resources were managed by UNDP.
- ¹⁰ ABC - Brazilian Cooperation Agency - Project document of Professional Capacity System in Cape Verde - Aug, 2008.
- ¹¹ IIEFP Review. December, 2011. In: SENAI - National Service of Industrial Learning - Technical Report - Cape Verde. Brasília. Jun 9th, 2016.
- ¹² UN Brazil - Global Compact UNDP - Available : <https://nacoesunidas.org/onu-no-brasil/pacto-globalpnud/> Access: December 21st, 2018.
- ¹³ In the original: "Devido à sua inserção internacional, o SENAI é hoje considerado um dos três atores mais importantes para execução da cooperação internacional brasileira, contribuindo para o alcance dos Objetivos de Desenvolvimento Sustentável, especificamente no item número 4 - Educação de Qualidade - Assegurar a educação inclusiva e equitativa e de qualidade, e promover oportunidades de aprendizagem ao longo da vida para todos". (SENAI 2016, 4)
- ¹⁴ Brazilian Government. Institutional Website. Available: <http://www.brasil.gov.br/> Access: March 1st, 2019.
- ¹⁵ In the original: "Da perspectiva do SENAI, suas experiências no exterior - seja por meio de projetos de cooperação técnica internacional ou prestação de serviços - aumentam o valor da marca, fortalecem o capital político para defesa de interesse da indústria brasileira, possibilitam a seu quadro técnico o desenvolvimento de novas expertises e competências interculturais, tão importantes e demandadas no cenário atual altamente globalizado." (SENAI 2016, p. 4).
- ¹⁶ Interview granted by Gustavo Rosa to the author in Jun 13th, 2019, via Skype.
- ¹⁷ Author's data survey from Brazilian Multinational Ranking of Dom Cabral Foundation.

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INDIA COMMITS RS. 4500 CRORE FOR DEVELOPMENT PROJECTS IN BHUTAN

The Third India-Bhutan Development Cooperation Talks were held virtually on June 28, 2021 where the Development partnership of India and Bhutan and overall progress of the ongoing Project Tied Assistance (PTA) projects were reviewed. According to the Ministry of External Affairs statement, India has committed assistance of ₹4500 crore for the implementation of development projects and ₹400 crore for the transitional trade support facility during Bhutan's 12th Five Year Plan. The 12th Five Year Plan has 77 large and intermediate projects and 524 Small Development Projects (SDPs)/High Impact Community Development Projects (HICDPs) which are at various stages of implementation.

The Indian delegation was led by Rahul Chhabra, Secretary (Economic Relations), MEA and the delegation from Bhutan was led by Kinga Singye, Foreign Secretary, Royal Government of Bhutan. Ruchira Kamboj, Ambassador of India to Bhutan, also attended the talks. Bhutan's foreign secretary appreciated India's role in the socio-economic transformation of Bhutan and also emphasized the importance of HICDPs at the grassroots level. India's effort to frontload the release of funds for various projects was also commended, in the light of COVID-19 pandemic. Both sides also agreed on implementation of some new PTA projects across sectors such as road infrastructure, water management, industrial parks and COVID-19 management.

Source: (2021, June 28). India, Bhutan review development cooperation, agree to implement new projects. Money Control. Retrieved from: <https://www.moneycontrol.com/news/india/india-bhutan-review-development-cooperation-agree-to-implement-new-projects-7099871.html>