

# Book review - Win: How public entrepreneurship can transform the developing world, By Fouzul Kabir Khan

## *Win: How Public Entrepreneurship Can Transform the Developing World*

By Fouzul Kabir Khan (Keystone Publications, Dhaka, 2021)

ISBN 978-984-34-9985-1, 223 pages

If we review the idea of public entrepreneurship in a broader context, we can see that the overarching theme is how to make government 'work', and 'work better' for the people it is meant to serve. If we look back to Chanaky's Arthashastra in the ancient age, Machiavelli's Prince in the middle age or modern-day Wilson's dichotomy of politics and administration, Roosevelt's New Deal to New Public Management (NPM) of the twentieth century and Digital and Electronic Government (DEG) and Open Government initiatives of today, 21<sup>st</sup> century, we can see it has been a perennial question or common concern of making government work better.

Scholars in management and public administration always looked for convergence on this central question. [Frederickson \(1980\)](#) proposed New Public Administration (NPA), [Hood \(1991\)](#) identified the characteristics of New Public Management (NPM), [Moore \(1995\)](#) highlighted strategic management in government for public values, while others ([Dunleavy et al., 2006](#)) prescribed for Digital Era Governance (DEG or E-Government) and Open Government ([OECD, 2016](#)). Specifically, the term 'entrepreneurial government' and 'reinventing government' became widely popular after [Osborne and Gaebler's \(1992\)](#) book, which formed the basis of NPR (national performance review) led by then US Vice President Al Gore.

Within this broader context, the book *Win: How Public Entrepreneurship Can Transform the Developing World* attracts special attention as this is an author's reflection of his journey as the CEO of a once-celebrated government-owned financial institution, named Infrastructure Development Company Limited (IDCOL) in Bangladesh.

The author, Dr Fouzul Kabir Khan, who had been the company's first full-time CEO (1998-2007), is not just another bureaucrat, he is a PhD in economics from Boston University, USA, authored other specialized books such as *Financing Large Projects: Using Project Finance Techniques*, and has taught in several universities at home and abroad, for example, North South University, BRAC University, the University of Massachusetts at Boston, National University of Singapore, etc. So this is not a mere reflection but rather an analytical narrative that can be used in classrooms in schools of management and government.

For readers' convenience, first I present a summary of the contents, having twelve chapters. Chapter 1 *A Humble Beginning*, introduces the case of IDCOL as an institution, based on which, the author built his argument for the case of public entrepreneurship.



IDCOL was originally formed with the World Bank fund and government mandate to encourage large-scale private sector infrastructure financing.

Chapter 2 *Treading a New Path* tells us how the author, then one of the in-service top-level bureaucrats in the finance ministry, applied for the job and got selected on an international open competition basis, and started building the organization almost from the scratch.

The next three chapters, *The Rocky Tract*, *Four Making Use of the Lifeline*, and *Oh, My Sun!*, basically are firsthand accounts of the initial hurdles of building any organization, then again in government. From initial inertia to emerging strategy along with the solar home system, he stated many interesting events, emerging strategies like wholesale financing with participating organizations (PO), all the contributions of different actors, including the last mile 'solar engineers' who were instrumental in making Solar Home Systems (SHS), and IDCOL itself, a success, finally.

Chapter 6 *Good Design is What Works* started reflecting on the reasons for the success of the SHS project, and continued through the next two chapters, *Beyond Lighting* and *Comparing and Contrasting Projects*. Interestingly, as the author narrated, the originally externally mandated schemes like large financing projects performed poorly, while small and locally-driven or institution-generated projects became an example of success cases of what he argues in Chapter Nine *Public Entrepreneurship*. Together, these four chapters built the argument solidly that if given time and space for experimentation and drive, public entrepreneurship can thrive in any public sector which is perceived as corrupt, inefficient, and inherently sub-par.

Chapter 10 *Collective Rhapsody* narrated the situation of how all parties who were skeptical and even hindered, now wanted to be a part of the 'success'. In Chapter 11 *Managing Wins*, the author elaborated his remarks in the preface section that success went through ups and downs, as reflected in 'W' of Win. Here he provides some post-mortem reflection on the causes of the decline of IDCOL's activities and performance following its peak in 2013.

In Chapter 12 *Epilogue*, the author reluctantly admits that IDCOL is on the verge of losing some ground and fears that it may end up as another limping public financial institution. But he also hoped that it can stand resilient by "going back to its root of financing large infrastructure projects" or can transform into a resurrected entity like before.

Now, if we review the content critically, first, the title itself seemed a bit confusing to project the "public entrepreneurship in the developing world" as a whole. Since it is about just one case in detail, IDCOL, which is similar to one government company in one country, the title could better be "IDCOL: A Successful Case of Public Entrepreneurship in Developing World" or something specific so that it can more accurately reflect the content of the book.

How many internal factors and how many external factors are responsible for the so-called success of IDCOL? The success or effectiveness of any organization can be attributed to both external factors and internal factors. Internal factors may be controllable factors, for example, leadership and management. External factors may be beyond the control of institutional management and may contain both opportunities and threats determining the performance of the organizations. Now, IDCOL has been a 'special purpose' company, created by the government, and funded by World Bank or the donors. In such cases, since the fund is coming from donors and donors prefer it, the government generally gives such organizational entities special mandates and allows considerable autonomy and freedom. That made IDCOL look private and modern or business-like, and not as typical government agencies. In addition, IDCOL received waivers from Central Bank in minimum capital and statutory reserve requirements, and so on. Thus, many crucial factors of its success were in fact, external.

Otherwise, as the account suggests (pp. 34-38), IDCOL could not do or show anything for five years. 'Government' was, so far, not in a hurry since the fund was coming from outside. But in 2002, after 5 years of its inception in 1997, the government wanted to shut down IDCOL due to its performance (lack of it, visibly) till then. However, IDCOL was given a 'lifeline' by the then finance minister M. Saifur Rahman, allowing more time for IDCOL to show

something. Now, contrary to the competitive market approach, only a government can afford to allow such time and uncertain performance by a 'government company', not to mention having the luxury of sparing several top-level civil servants for that.

So, while Dr Khan's enthusiastic CEO leadership had undoubtedly been an internal factor and served as a 'necessary condition' for IDCOL's so-called success, it was not a 'sufficient condition'. Sufficient conditions were created by other external factors, not supposedly enjoyed by the competition facing private companies, unlike IDCOL. This and other external factors made IDCOL a 'success story' amid ample government failures or inefficiencies. This distinction between internal and external factors attributable to a success story is important because, in other cases, internal factors like a charismatic CEO, or capable human resources, may fail to achieve another 'success story' if faced with the absence of sufficient external factor and or exposed to open competition in the 'market'.

The next point, IDCOL was not the first choice of the World Bank for the implementation of the SHS project. It came as a by chance, outside the original mandate of green-field infrastructure financing by IDCOL. And later the IDCOL SHS program succeeded largely due to a partnership agreement with two large non-government organizations like Grameen Shakti and BRAC solar program. Grameen Shakti is a sister company of Grameen companies founded by Nobel Laureate Professor Muhammad Yunus, and BRAC Solar is a sister company of BRAC social enterprises founded by Sir Fazle Hossain Abed. Both companies have been instrumental in implementing solar energy projects at the root level of Bangladesh.

As the account suggests (pp. 144-146), these unexpected things happened at a time when it was under deep pressure to be liquidated! Again, to the observer's eye, it is not 'public entrepreneurship' from within, but rather the luxury of time and space enjoyed by a 'government company'.

The author claimed that IDCOL has got an innovative structure in its shareholder structure and board composition during his tenure as the CEO. A secretary from the Economic Relations Division of the Finance Ministry held 500 shares in a fiduciary capacity and the other 500 shares were distributed among other shareholders among the government officials. Among the six directors, apart from the CEO on the board, three were secretary level of government, and three were nominated from the private sector. They might have had rich personal attributes and qualifications, but none of them had any 'financial stakes' or 'risks' in the performance of IDCOL. So, while for the CEO, this kind of 'innovative structure' made ample space for freedom and autonomy, I think, it lacked a functionally robust management control system from a board governance and leadership perspective. CEOs can play around with such 'boards' and so, it is not a commendable structure.

In general, IDCOL can be an ideal example of leadership, where a government bureaucrat utilized the opportunity to do some innovative and proactive activities. But if critically evaluated, it may not be appropriate to claim as an ideal example of 'public entrepreneurship' analogous to 'private entrepreneurship' and 'social entrepreneurship'. As clearly stated by the author, IDCOL was created as a special purpose entity for large-scale infrastructure financing to bypass the traditional bureaucratic mechanism perceived as inefficient and corrupt. Mr. Mohammad Muslim Chowdhury, Comptroller and Auditor General of Bangladesh, ex-Finance Secretary to the Bangladesh Government, rightly admitted in his remark in the book webinar organized by Chittagong Independent University ([www.ciu.edu.bd](http://www.ciu.edu.bd)), Chattogram, Bangladesh, on 24 June 2021, that IDCOL was conceived as a financial intermediary or a mechanism for financing large scale infrastructure projects but government 'just allowed it to overstep', for example, 'to do something to grab the opportunity in the growing solar home system landscape'. So, IDCOL may not be a pure example of 'entrepreneurship' in its institutional sense.

Now, some straightway praise about the book. The book, though a practitioner's account, has been written keeping students in mind, so it can readily be used as a case study in business management or public sector management programs and courses. It contains an

extensive glossary, footnotes, endnotes, references, and an index that made it academically meaningful. The appendix section contains very useful templates, particularly 4 A – Risk and Mitigation Matrix, Appendix 6, Indicative Term Sheet, 7 A, B – Financing and Approval process. These will help successive CEOs in the same or similar institution in a ready-to-use hands-on way.

The wholesale loan concept (p. 58) was a successful one from an institutional operational point of view, where credit risks were mostly transferred to retail level POs (partnering organizations) like Grameen Shakti, BRAC, and other NGOs and MFIs (microfinance institutions). Internally, he developed a transparent financial accounting system, tackled issues such as ‘subordinated debt’ with ‘senior lenders’, and created technical standards committee to insulate management from subjective biases. Externally, he courageously and effectively represented his organization with oversight counterparts like the Government of Bangladesh, World Bank, IIFC, UNDP, etc. We see the CEO taking a serious approach to develop the human resources and arranging extensive training and grooming programs for developing the investment officers who would be instrumental in selecting and assessing the project proposal.

As a leader with empathy for the team members, the CEO took personal time and effort to follow and rehab individual employees who went astray. He tried to build a distinctive organizational culture having ‘disciplined people’, with ‘disciplined thoughts’, and ‘disciplined actions’ (p. 16). He envisioned developing the right team with the highest level of integrity (pp. 120-121). He provided, what we call in management and leadership, the leading by example, which is evident in his denying the CEO’s cut, a Swiss watch, or project SUV from potential beneficiaries of ‘project financing’.

Dr Salehuddin Ahmed, a former governor of Bangladesh Bank rightly commented that there has been a few good examples of public enterprises in Bangladesh that worked well like IDCOL, such as PKSF, LGED, and REB. All of which had in common, a dedicated and efficient team of professionals, a strong governing body, support from government and donors, and most importantly, a transparent and accountable process of operations (Ahmed, 2021).

Dr Hossain Zillur Rahman, ex-advisor of the Caretaker Government and a think tank chairman (named PPRC), rightly remarked that the big message from Dr Fouzul’s book is that the “good entrepreneur” is not a matter of the private sector only, rather can be in the public domain also (Rahman, 2021). But it should not be the case only when a special purpose company is created out of the box. Rather it should be in the ‘whole of government’. Here it may be mentioned that the late Qamrul Islam Siddique provided public entrepreneurial leadership in the Local Government Engineering Department (LGED). Though a regular department rather than a publicly-owned company, LGED with its entrepreneurial leadership, achieved a ‘connectivity revolution’ through feeder roads that connected myriads of villages and towns across Bangladesh.

I agree with former bureaucrat and currently UNDP consultant, Mr. Ranjit Kumar Chakraborty that the storytelling approach of Dr Khan grabs the readers’ attention without compromising the technical rigour of the content. And also, the book could be more voluminous given its technicalities but the author restrained himself to keep it concise (Chakraborty, 2021).

In conclusion, the book is a definite contribution to the existing discourse on improving management in government. As it is said, there is a need for a framework for the proper selection and appointment of leaders in the public sector, given the importance of management and leadership in public sector units (PSU), and the need for motivation, culture, and policy design (Gupta *et al.*, 2018). These types of practitioner reflections should be accommodated in day-to-day discussions and routine training programs for public servants.

Said all, I want to add critically to the continuing debate of what and how government can work better. That one or two examples of ‘special purpose’ organization created out of the

main structure of government cannot be ideal examples of entrepreneurship in the public sector. Rather the entrepreneurial spirit should come from within the whole government structure. The political leadership of government should create an enabling environment for the bureaucrats – ‘managers’ in the public sector. And, the bureaucrats themselves should come out of their box to solve problems creatively with a customer (citizen) oriented mindset. After all, they are paid for that with the taxes paid by the citizens at the bottom.

**References**

- Ahmed, S. (2021), “A book useful not only for undertaking new public enterprise projects but also for expanding existing ones”, *The Business Standard*, 18 June.
- Chakraborty, R.K. (2021), “How public entrepreneurship can deliver public good”, *The Financial Express*, 8 July.
- Dunleavy, P., Margetts, H., Tinkler, J. and Bastow, S. (2006), *Digital Era Governance: IT Corporations, the State, and e-government*, Oxford University Press, New York.
- Frederickson, H. (1980), *The New Public Administration*, University of Alabama Press, Tuscaloosa, AL.
- Gupta, V., Kulkarni, S. and Khatri, N. (2018), “Leadership and management of public sector undertakings in an emerging economy”, IIMA working papers, W.P. No. 2018-01-04, January, India.
- Hood, C. (1991), “A public management for all seasons?”, *Public administration*, Vol. 69 No. 1, pp. 3-19.
- Moore, M.H. (1995), *Creating Public Value: Strategic Management in Government*, Harvard University Press, Cambridge, MA.
- OECD (2016), “Open government: the global context and the way forward”, OECD Publishing, Paris, available at: <https://doi.org/10.1787/9789264268104-en> (accessed 10 May 2022).
- Osborne, D. and Gaebler, T. (1992), *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector from Schoolhouse to Statehouse City Hall to Pentagon*, Addison Wesley, Reading, MA.
- Rahman, H.Z. (2021), “When entrepreneurship can be a public good”, *The Daily Star*, June 13.

**About the author**

Moslehuddin Chowdhury Khaled is an Associate Professor in the Department of General Management and Human Resource Management, Business School, Chittagong Independent University, Bangladesh. He earned his PhD and MPhil in Management focusing on Management in Government from Chittagong University. Before coming to academia, he had 5 years of corporate experiences in different organizations - small, large, local, multinational, donor agency, etc. Focused on in-depth qualitative approach, his research interests include management mechanism and gaps in Government, Public Service Reforms, Enabling Environment for business, Small and Family Business, Social Enterprises, and SDG. Moslehuddin Chowdhury Khaled can be contacted at: [moslehuddin.khaled@ciu.edu.bd](mailto:moslehuddin.khaled@ciu.edu.bd)