

CHALLENGES AND PROSPECTS OF PUBLIC RELATIONS INVESTMENT IN ECONOMIC DEVELOPMENT

Joyce Wereko-Brobby

Chief Executive Officer, The Ghana Chamber of Mines

INTRODUCTION

To say that our dear continent is in dire need of investment for economic development is to state the obvious. Africa is a continent very richly endowed with all the necessary resources. This continent boasts excellent human resources. We have abundant mineral resources. We are endowed with oil and gas. We can boast of some of the biggest and longest rivers, extensive coastlines, water resources and many more. We have fertile lands as well as hills, mountains, wildlife, and so on. Despite all these, most African nations are among the poorest. Diseases, famine, political and social instability all make daily headlines on the African newsreel.

We can go on and on. Africa is a bundle of contradictions: we have all it takes to enhance local and foreign investment for the development of the economy. At the same time, we have the combination of factors that repel investment and retard economic development which is so critical for the enhancement of the quality of life of our people.

Contrary to what I have said so far, however, Africa is neither a write-off nor a lost cause. On the contrary, there are great opportunities for investment in Africa and exciting prospects for real investment. Indeed, Africa presents the best opportunities for the creative use of investments for economic growth and development. This presents a unique opportunity for all of us as PR practitioners to identify our shortcomings, face the challenges that militate against our development and strategize in order to put our various nations on the growth path. We need to confront the challenges that face us to ensure total growth. These challenges can be removed – challenges such as unskilled labour force, weak ministries, departments and agencies(MDAs), weak physical and financial base, poor policy framework and a demotivated,



inert judicial system, to mention a few .

The difficulty the private sector faces in dealing with the MDAs is also a cause for concern. True, much has been achieved in the last decade, but I think governments in Africa need to do far more. Because when the structural and policy framework is improved upon, our work as public relations practitioners will obviously improve. One example is the importance of re-enforcing and repositioning government institutions to formulate policies and make them sufficiently capable to provide the needed statistical data and reliable information and the direction needed for development. There is a dearth of such critical information at the moment. We do not even know the details of what we have. No wonder most of our governments are running our nations on a fire-fighting basis. The challenge – and believe me it is a challenge! – is to ensure that the continent, though riddled with problems, is seen from the perspective of the potentials it has and not the impressions it has become infamous for. This is the duty of public relations and it is gratifying that, as practitioners, we are willing to confront the challenges with the express commitment to finding lasting solutions to them.

Kindly permit me to highlight the views of one of the kingpins of PR practice even though we are all familiar with them. Of all the definitions of public relations that I know, the one I favour most is by Peter Wiwcharuck, which says public relations is a liaison:

or a connecting link between individuals or groups of people. The strength of the ties depends a great deal on the strength of the PR link.

Public relations can be expressed as making friends of the people. Public Relations' responsibility is not to sell product, but to sell the organization which makes the product.

The best way to make friends is to be at one with one. The function of PR is to be a friend to others, and thereby convert them to be friends of what he represents. The best way to keep friends is to cultivate them. It is the function of PR not only to make friends for his organization, but to maintain those that are of value to it...

Getting along with people requires a degree of compromise and adjustment.



An intelligent person will know what can be compromised and what cannot.

PR is exercise of diplomacy. Webster's dictionary defines diplomacy as the art, and practice of conducting negotiations . Diplomacy means using tact and wisdom when condition gets difficult...

PR is an instrument which opens up mail lines of communication between individuals, different groups and organizations... PR is a form of bridge-building.

The highlights of this rather long definition are that PR:

- Is liaison between individuals and groups of individuals;
- Is making friends of the people;
- Does not sell products but sells the organizations which make the products;
- Practitioners need to cultivate people and maintain them;
- Is akin to diplomacy and requires tact and wisdom when conditions are difficult;
- Clears away misunderstanding and interpret actions and motives of others;
- Is a two-way key problem prevention and solving technique; and
- Is a form of bridge-building.

What I propose to do from this point onward is to use some of these highlights to address both the challenges and prospects of public relations in investment economic development.

CHALLENGES

Challenge No. 1

The perception of the rest of the world is that Africa is a dark continent, bereft of good human capital and filled with corrupt and self-serving leaders. You and I know, of course, that every nation, every continent has a good share of corrupt and self-serving leaders – it is not an African preserve. The names “mafia”, “organized crime”, “white collar crimes”, and so on are not African inventions. But my task is not to split hairs on these issues. What I want to stress is that, as PR practitioners, our duty lies in clearing away the misconceptions and misunderstandings and to interpret the actions and motives of others in such a way as to present our individual nations and corporate organizations as entities with the right mix of



people, practices, laws, ethical values and skills that will make investment both welcome and promote economic development. This will, require spending time to understand and appreciate the dynamics of cross-cultural behaviour within the peculiar contexts of the various publics of national leaders, investors, professionals, managers and the ordinary people who are supposed to be the direct beneficiaries of economic development.

Challenge No. 2

Africa is made up of different countries but, collectively, we are perceived with reservation. This perception is caused by military arbitrariness, breakdown of law and order and corruption. Africa is seen as both a high-risk and high-cost investment destination.

Consequently, investors are wont to expect inordinate rates of return on the capital they bring to the continent, which invariably feeds into the prices of the products, and services they offer. The result is the perpetuation of the cycle of impoverishment of our people. Is it any wonder, therefore, that sections of the populace have little confidence in investment, especially, foreign direct investment (FDI) as a catalyst for economic development?

In the investment cycle it is expected that at the initial stage local entrepreneurs would predominate and then foreign investors would partner them during the growth stage. While Africa's share of foreign direct investment has been low (only 2 per cent of the global share) , intra-African investment holds the key to increased economic development ,hanging the ingrained perceptions of foreign investors that it could be arduous and time consuming. It would require repeated and continuous demonstration of attitudinal and behavioural change even though we all agree we need a new paradigm. In the final analysis, self help is the best help, so we need to take our destiny in our own hands and change the continent's image of always relying on others help us to develop. The passion with which we professionally create healthy relationships between stakeholders and our companies needs to be harnessed and leveraged to change the image of Africa.

We also need to reflect on the effects of the negative news carried by foreign media regarding



diseases, disasters and wars in Africa on its attractiveness as an investment destination when indeed these very countries are the ones supplying arms to the continent.

It is noteworthy that while, for example, corruption in some foreign countries are attributed to the individual perpetrator, the same media attribute corruption in Africa not only to the individual but also to the institution, governments and country as a whole.

Challenge No. 3

As stated earlier, Africa is blessed with rich natural resources, which we can harness for economic development. Yet, most of these resource-rich countries have been engulfed in corruption, civil strife, and wars. Thankfully NEPAD envisions that its ideals would be better achieved through sub-regional groupings such as Economic Community for West African States (ECOWAS) and South Africa Development Council (SADC). It is essential to motivate African entrepreneurs to explore investment opportunities across their borders in the sub-region. For example, the Ashanti Goldfields Company (AGC) has successfully expanded as a giant in the mining industry from a single mine to a multi-country mine thereby diversifying its portfolio regionally within Africa. Quite recently its product diversification has led to the acquisition of platinum exploration interests in South Africa. Such initiative undoubtedly conveys a confident African enterprise in the investment climate of the continent, which is laudable.

There are further opportunities for entrepreneurs across countries within Africa. The petrochemical industry in Nigeria annually requires salt amounting to at \$1.5m, which is currently imported from South America when Ghana next door is naturally endowed with vast amounts of the mineral and can easily meet the needs of Nigeria. Mercifully there are a few examples of notable successful countries which are worth mentioning.

Botswana, for example, has the world's largest GDP per capita growth. It is in the enviable position of possessing half of the world's diamond resources but its success is also attributable to the sound economic management of its rich resources and genuine democratic institutions,



which have supported impressive development. The country's record on business ethics and market liberalization is outstanding. In its world economic freedom report, 2002 the Cato Institute classified Botswana as Africa's freest economy. Again, in 2001, Transparency International ranked Botswana as the least corrupt country in Africa. Indeed, genuine democratic institutions in the country have encouraged good governance and a strong culture of transparency and accountability in public finances, thereby enhancing Botswana's image in the international community.

Such successes need to be publicized to create role models out of the continent. What we see rather is that we in Africa do not know what is happening on our own continent and so we become victims of what the foreign media institutions, both print and electronic, dish out to us. As African public relations practitioners, we have a moral duty to sell the great potentials of Africa abroad to give the right information about our continent. I am by no means advocating a situation where we laud every African performance even when it is below standard. Rather, as PR practitioners, we need to use our creative skills to educate and reorientate ourselves towards the tenets of good governance, rule of law and the demands of the market.

Challenge No. 4

Africa needs consistency in policy decisions. The situation where African countries shift the “goal post” after investors have been wooed into the country creates a credibility gap, which may be difficult to fill. What is even more distressing is what happens to local investors. While barriers to exit may be very high in some industries such as mining, the bitter comments of existing investors would scare away potential investors and support companies who might leave at the least opportunity.

It must be emphasized that investors are looking for credible and consistent business environments in which to operate. Indeed, over-optimistic promotions would only lead to loss of credibility, since investors would conduct due diligence and would see problems on the ground. African investment promoters should therefore be guided by the basic tenets of telling the truth. Marketing practitioners are enjoined to “only market what you have”. Even



where nations “hard sell” their countries and due diligence does not unearth hidden flaws, an investor would through “cognitive dissonance”, when the investment decision is made, investment actualized and he is confronted with the defects; the disappointed investor, is likely to ward off prospective investors although he may seldom complain. In no time investment inflows will dwindle.

Being in the mining industry, I would like to say that some of the cognitive dissonance issues relate to poor policy making in the areas of land use, as well as non-efficient and non-effective uses of royalties and lack of consistent and result-oriented corporate planning which create serious tensions and development problems in many mining areas. These defects ought to be addressed.

SO WHAT ARE THE PROSPECTS?

We need not lose sight of the immense opportunities that abound on our beloved continent, but as I have alluded to earlier, they cannot be realized without surmounting the inherent challenges. Therefore, let us work closely with policy makers to make our continent investor-friendly for African entrepreneurs and for foreign investors. By so doing, the negative perceptions about investment regimes in Africa would be ameliorated and the perceived high risks and high-cost removed.

WHAT SHOULD WE BE DOING?

PR as Bridge Building

Effective PR spans generations and closes communication gaps – the gaps of mistrust that exist between governments and the people, between corporate organizations and their publics, between the urban and rural people, and, ultimately, between various ethnic groups as well as between nations on our continent.

Bridges provide access to new territories. They make communication and other interaction possible. Absence of bridges isolates and insulates people from others and inevitably prevents development and growth.



As PR practitioners, we need to work hard at building bridges in our nations and communities. The challenges of development in Africa are too important to be left in the hands of government alone. In any case, governments are supposed to provide the right environment through good governance so that the rest of the people can move about freely and carry on with their daily businesses.

Politicians have become extremely powerful because we have made them so. As PR practitioners our role is to ensure that we make things right. Bridge-building is exciting because it leads to new discoveries and opportunities. As practitioners we do not only have our professional skills as advantage but we are people of influence and that is an even greater advantage. We need to network among ourselves and use our collective strength for advocacy and lobbying so as to make governments, parliamentarians, corporate bosses, chiefs and local government officials the prime movers of development.

PR as Diplomacy

Maybe this is where people think we are spin doctors. No PR practitioner of merit will indulge in spin-doctoring or using gimmicks to “sell” their organization. This, however, is a perception and the only way we can overcome it is to be sincere in the use of our communication and coordination skills. Since PR deals with many different people we must do all we can to help our various publics to feel through their attitudes and prejudices and reach common ground. We need to be tactful and we need to learn to listen without always giving the impression that we have answers to every conceivable problem.

PR and Informing People

PR thrives on giving the right information to people within and without about what organizations stand for. This requires us to know much more about the whole organization. Here we must think about the nation as well as the continent. We need to partner and collaborate with those in other disciplines as we normally do during our conferences. There is a lot to do and we should be among those who should spearhead the campaign to make Africa investment friendly. We must ensure that the laws are right and promote equity. We must be concerned about the spread of education, about proper land use, about good environmental



management. In short, we should see ourselves as part of the solution; and for me that is a wonderful prospect for the advancement of Africa. We have the knowledge and we have the skills. We should create powerful networks and position ourselves in the mainstream of decision-making. That is how we will be able to move our nations individually and collectively to enjoy the benefits of economic development based on good investments.

