



**Decp** Dutch Employers  
Cooperation Programme

# DECP Annual report 2015





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# Preface by the Chairman

*May you live in interesting times!*



This ancient “curse” of uncertain origin comes to mind when we look at the world today. Global economic and political prospects are far from reassuring.

After the worst economic crisis since the Great Depression, economic recovery is still sluggish in most countries and certainly in Europe. Emerging

markets like Brazil, China, Russia and South Africa which were only recently touted as promising engines of economic growth, find themselves in serious trouble. The slowdown of the global economy has substantially reduced the demand for a wide range of commodities, drastically affecting the developing countries’ economic performance and spreading hardship and unemployment.

Financial markets look very vulnerable with not yet all of the necessary structural reforms implemented. The Euro crisis is far from over and Eurozone governments do not agree on the way forward. The refugee crisis, which only a year ago seemed a distant problem affecting mainly Italy and Spain is today threatening to engulf a great many European countries.

The above list of threats and challenges might well be enough to let one sink into a helpless and despondent gloom. I, however, think we should not let ourselves be carried away by pessimism. Some of the above problems are interlinked and can and should be tackled. Many refugees are fleeing from poverty and unemployment, so one of the things that we can do is try and promote economic growth. The recent decision of the ASEAN’s member states to form an economic union is a welcome step in that respect.

One sure way to promote economic growth is to help improve the business climate in our partner countries. A better business climate will bring jobs, reduce unemployment and alleviate poverty. With that objective in mind we have worked to increase membership, to enhance lobbying and advocacy, to improve communication, to provide services to members and to improve negotiating skills.

Assisting BMOs in achieving a better business climate has been DECP’s core business over the past 10 years. I can only hope that we will be enabled to continue providing our expertise to colleagues in developing countries in the years to come.

*Hans de Boer, chairman*

# 1. Introduction

We are pleased to present our Annual Report 2015. The report starts off with our view on the rationale for an employers' cooperation programme (chapter 2). In chapter 3 you will find a general overview of important developments regarding DECP in 2015, including a reappraisal of some policies.

You will notice in chapter 4 that this annual report's structure is markedly different from previous reports. Instead of picking a few countries and high-lighting a number of specific activities, we have decided to select a number of themes which are typical of DECP's work. There are 5 such themes, i.e. promoting greater involvement of members, furthering social dialogue, fighting corruption, promoting women entrepreneurship and cooperation with like-minded organisations and trade unions. In this chapter you will find a brief introduction to each particular theme followed by one

or more overviews of the various activities undertaken. We hope this structure will provide a better insight into DECP's overall effort deployed on a specific theme.

Chapter 5 sticks to tradition by providing a number of facts and figures, while chapter 6 introduces our three new partner organisations. In conclusion, chapter 7 looks to the future.

One final observation concerns the terminology used when referring to DECP's counterparts. We started out calling them 'employers' organisations'. However we found that this is too narrow a definition, because we also work with sector associations, business and trade organisations, as well as with women entrepreneurs organisations. Therefore DECP will in future refer to our counterparts as 'Business Member Organisations' or BMOs.

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## 2. The rationale for a BMOs' cooperation programme

There are probably no greater challenges for humanity today than the fight against global poverty. And while it is true that a lot has been achieved in terms of reducing poverty over the past decades, it is just as true that a lot remains to be done. Also, there is widespread agreement that there is no better way to fight poverty than the creation of jobs, preferably in the formal sector.

However, in many developing countries vested interests stand in the way. A bloated government bureaucracy is often only one of many obstacles. An overdose of rules, regulations, red tape and corruption are enough to discourage even the most determined and ambitious of entrepreneurs. So a serious effort to

improve the business climate is called for. And it is here that the private sector should play a dominant role, and in particular their representatives, the BMOs. The latter are indispensable actors in what should be a continuing dialogue both with governments and with trade unions.

Such dialogue will only develop however, if governments take BMOs seriously. And they will only start doing so if those BMOs effectively advocate and represent the interests of their members as well as the private sector at large. Unfortunately, there are quite a few developing countries where the representativeness of the BMOs is insufficient. So, the voice of business is not being heard and there is little pressure on





*Headquarters of both VNO-NCW and DECP. The billboard reads: on to 100.000 new jobs.*

the government to improve the business environment, work towards an effective market economy and alleviate poverty.

Some 10 years ago, as the Dutch government acknowledged the vital role of the private sector in economic development, it decided to try a new approach. One initiative was a request made to VNO-NCW, the Dutch apex employers organisation, to set up a programme to provide expertise and counselling for their colleagues in a number of developing countries. As a response to that request the Dutch Employers Cooperation Programme (DECP) was founded.

Over the years DECP has worked to strengthen its counterparts in many developing countries by finding

and keeping new members, by improving their communication with their members, with the trade unions, with the government and with the public at large, but also by training on how to provide services, on how to negotiate more effectively and a lot of other issues.

All this work proved to be worthwhile, as an independent evaluator concluded that a number of our counterparts stated that they, equipped with their newly acquired expertise, had succeeded in having a number of improvements of the business climate accepted by the government and approved in parliament.

### 3. A reappraisal

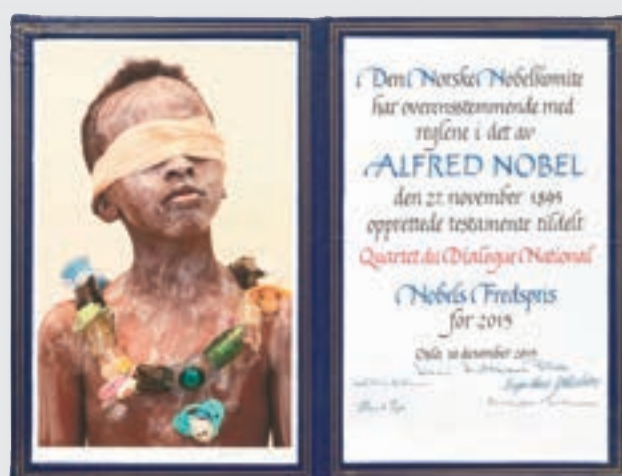


As described in the previous chapter DECP believes that the best way to achieve economic growth and subsequent growth of employment is for governments to provide room for the private sector and to draft and implement supportive policies. Too much government interference makes businesses hesitant to trade and fearful to invest. Governments have to be stable partners and enable partners to carry out their plans. Understanding the needs of businesses can be achieved by implementing regular private sector consultations. Strong and representative APEX –organisations of employers and employees are the most solid partners of Governments for social economic policy. DECP was established to strengthen BMOs in developing and emerging countries. That's what country managers and staff of DECP are aiming at, making business organisations strong, more customer friendly for their members, robust in their operation, widespread in their representation, focusing on the involvement of their members, trustworthy in their policy, potent in their preparedness for cooperation with other private sector organisations nationally and internationally.

The recent migration towards Europe made clear that besides escaping from the atrocities of war lots of people were also driven by the search for a better life. People no longer want to wait for a better future that might arrive sometime in the countries in which they were born and raised, they want a better and prosper-

ous life for themselves and their children now. The only real remedy against increased migration will be creating economic growth and stability in those countries. In this context a strong civil society might be very helpful. The Nobel Prize Committee acknowledged that by awarding the Nobel peace prize 2015 to the Tunisian civil society organisations, including the trade unions and BMOs, for their mediation efforts and constructive role in the recent crises.

DECP believes that BMOs can play a fundamental role in the framework of civil society, not only for the sake of businesses but also as means to an end for countries as a whole.



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Nobel Peace Prize for Tunisian civil society organisations

Therefore, apart from the core DECP activities of enhancing the operational capacities of partner organisations, DECP in 2015 actively supported BMOs addressing issues in the field of Corporate Social Responsibility (CSR). DECP also organized various trainings on social dialogue in a number of countries. It strongly supported the ITC-ILO program on women's entrepreneurship because women entrepreneurs are the most important drivers of economic growth in lots of developing countries, especially in the informal economy. In several countries DECP boosted the participation of companies in the realization of national and regional policy. And last but not least DECP started to try and put the issue of corruption on the agenda. All these issues will be addressed in this annual report.

DECP is equipped with more than 400 years of knowledge and experience in the leadership of BMOs. Our country managers generally work on their own in the countries they are responsible for. In 2015 DECP started with intervision –meetings to exchange views and match the various skills and expertise of the country managers. A library of presentations was started where the various Powerpoint presentations of country managers were assembled into one. A small archive of common knowledge and expertise was set up. The aim of the DECP is - instead of “giving a fish” - teaching partner organisations how to use a “fishing rod”. We sometimes provide some gear. But DECP is not a funding organisation through which we donate some money to make life easier for the short run. DECP invests in knowledge and experience and builds capacity. In 2015 DECP noticed that in some countries or regions some projects were done for the umpteenth time. In close consultation with the partner organisations involved or in cooperation with like-minded sister organisations abroad these programs will be gradually wound down or they will be transferred to those like-minded organisations for a new impetus. In these countries DECP will change its approach by focusing on special projects that directly derive from strategic bottlenecks in the business environment. DECP is not the only NGO focusing on BMOs in emerging and developing countries. Several other western countries have one. Most of them only finance projects. Just a few deliver advisory support, like DECP does. DECP

agreed to cooperate with two like-minded organisations, the Norwegian NHO and the Danish DI. We try to be as complementary as possible in our programs. For example NHO has taken over the support of the capacity building of the East African Employers' Organisation (EAEO), while DECP will focus on cooperative projects between EAEO and the East African Trade Unions Congress (EATUC). We expect to start these projects together with our Dutch counterpart Mondiaal FNV.

Cooperation with the trade-unions is also one of our objectives, provided it is in the interest of the BMOs and their members. For example, due to the involvement of Mondiaal FNV in Peru, DECP in 2015 started cooperating with SNI, the BMO for SME's in the industrial sector. In Cambodia DECP got valuable leads through information of CNV International, which has been involved in that country for several years.

A temporary slowdown in activities in some countries in Africa provides new opportunities in some countries in Asia. DECP weighs these potential countries and organisations according to a framework of assessment using indicators, like i.a. : the presence of a representative BMO, independence from the government, willingness to build a long term relationship, does DECP's specific expertise match the needs of the organisation and last but not least, does the country figure on the so-called PSD-list, i.e. the list of countries in which private sector organisations are enabled to establish a program by the Dutch government.

The above paragraphs have i.a. described how, after 10 years of operations, DECP has introduced a few policy changes. In order to further increase our effectiveness we have also changed some of our procedures. Thus, starting in 2015 we have drafted our annual work plan with far more specific actions and objectives. Finally, in some countries the DECP partner organisations are unable to do their job properly. Sometimes they are blocked by old-fashioned structures, groups and interests. In other cases by political crises and turmoil. DECP sympathises with their plight and hopes that their situation will soon improve so that these organisations can do what they are good at, defending the interests of the private sector by lobby, advocacy and solving problems for their members.



## 4. DECP at work by themes

### 4.a Theme: Promoting greater involvement of members

#### Introduction

The existence of a business member organisation is heavily influenced by a broad and active membership community. The broader the constituency, the better the proof of one's identity to government and media. A lot of active members enhances the vitality of the organisation. A growing association attracts new members like a magnet. More involved members improve the input and the quality of policy making. And last but not least: more members, more income. That's why DECP in many countries supports efforts to increase the number of members as well as the involvement of members. In order to help membership organisations DECP issued this year a reader concerning marketing for business associations, called "Members Delight", designed as an easily accessible program for recruiting and retaining members in developing countries. Another useful instrument is the Membership Mapping exercise which involves the mapping of both the members and the non-member companies in the various regions, thus helping to establish a regional membership strategy and a service delivery plan.

In many countries lobby and advocacy is focused on the capital where government and business organisations are mostly based. We have found that all too often there is a large gap between headquarters and members in the regions. In order to better involve regional members with the policy making process of the head office, DECP supported the organisation of a number of regional activities in East Africa, Indonesia and Mongolia.

Another way to connect companies with the Apex organisations is by attracting sector organisations as members. In Eastern Europe in particular DECP promoted the establishment of sector organisations as

subsidiaries of the Apex organisations. Macedonia benefitted from this approach.

Below you will find a comprehensive overview of DECP's efforts to better involve members in 2015.

#### East Africa

In order to provide the regional staff with the opportunity to meet together DECP first organised a workshop for regional staff in Nairobi in 2013. This workshop looked at the challenges facing the regions as well as how they could be more effective in terms of efficiency as well as increasing their membership base.

In view of the success of this first workshop DECP together with ITC-ILO organised a further workshop in December 2015 also in Nairobi. This workshop not only included staff from Ghana, Tanzania, Uganda and Kenya who had attended the first workshop, but also Malawi and Zambia.

The second workshop concentrated on how the regions could be more commercially effective and therefore provide a greater income to their organisations and in turn serve their membership.

One of the main areas for membership services and the provision of income was the provision of training. It was established that there is a need for members to be kept fully informed on changes to employment law and the impact that it will have on employers. This training can often be provided by BMO staff and is a useful contribution to the overall income of the organisation.

During the course of the workshop time was spent on how the BMO at a regional level can provide more networking events for their members. This is an area which is often neglected but it can be one of the main reasons why employers join a BMO so that they can meet fellow employers in neutral surroundings. Time was also spent looking at the communication between the regions and the BMO head office. It was clear that effective communication leads to the regions





feeling that they are part of a larger organisation and not isolated which in turn leads to more effective regional offices.

One of the major benefits of bringing a number of regional staff together is that they are able to build a network amongst themselves and share not only best practice but also to discuss challenges that they face on a day by day basis.

## Indonesia

Indonesia is a large country. It has 32 provinces, each of which on average is as big as the Benelux. Our partner organisation APINDO faces considerable challenges in managing its regional organisation, in particular how to involve its regional members in its policy making.

With an eye on the 2014 presidential elections APINDO developed an 'Economic Roadmap', containing a range of policy recommendations. This APINDO Roadmap is an excellent piece of work, and it received a lot of publicity, but the broad membership in the regions was not consulted, and remained uninformed of its contents.

At this moment DECP stepped in and agreed with the APINDO secretariat, that, using the Roadmap as a basis for discussion, a range of informative sessions would be held across Indonesia, with our support.

At these meetings a lively debate was held on optimising the relations between the central and the local levels. Smaller enterprises in the region found it hard

to see the added value of membership: they were very pleased to be able to discuss their problems in the workshop. Suggestions were made on having regular meetings of all regional organisations with central APINDO on matters of common interest. Also it was felt that the regions should have a stronger presence in the Board.

Indonesia is a decentralised state, in which the provinces have considerable decision power on matters like the minimum wage level, infrastructural projects, and permits for setting up a business. Therefore there is a need to develop an effective local lobby that is backed up by headquarters. This requires an excellent co-ordination between the regions and the centre. Finally a need was perceived, to devote more attention to regional issues in the APINDO newsletters and on its website.

Many suggestions were made to strengthen the central and local ties. Local business needs strong support from the centre in its fight for a better business climate, as many local politicians do not have any business experience, and are inclined to measure their performance by the number of regulatory initiatives they take. In addition more guidance is needed on how to deal with the trade unions, which can sometimes be unreasonable in their wage demands. Local investment funds are frequently misused, for projects that are neither vital nor urgent.

Drawing conclusions from this range of workshops



*Conference to set up a new sectoral shoe-and leather organisation in Macedonia*

DECP and APINDO decided to develop a brochure with findings of the regional meetings, which can be used for acquisition purposes. In addition a follow-up will be given to the suggestions and comments made by the participants. Future seminars, on negotiation skills and lobbying, will also focus on regional problems. In conclusion, APINDO's efforts to involve its regional members in its policy making have gone off to a serious start.

## Macedonia

One of the main permanent duties of a BMO is to increase and strengthen its representativity by attracting new members and keep existing members on board.

The membership of a representative BMO is usually a combination of direct members and of collective members, i.e. either local and/or regional members and sector members.

Sector members gather companies of the same sector. The aim of sector organisations is to defend and promote the interests of all companies of the sector, or at least the majority which have joined the organisation, in particular vis-à-vis the trade unions, but also vis-à-vis the government, in particular some ministries, like finance, economy, trade, labour, etc.

In order to increase its membership and in view of the importance of good labour relations at the sectoral level as well as the role of sector organisations in the economic and social development of a country, DECP has assisted its partners in the Balkan and Caucasus region in setting up sector organisations.

In 2015, in Macedonia, with its partner BCM (Business

Confederation of Macedonia), a new sector organisation was set up for the important sector of the shoe-and leather industry. The sector is characterised by a large number of SME's and few big companies; in addition it also faces strong competition from the Far East. In recent years however, as labour costs in China have soared, there is a new opportunity for the sector if it succeeds in making new products in a flexible way, responding to the expectations and the trends of the fashion-market.

Following the Guide prepared by DECP on setting-up a new BMO, BCM started with gathering a group of interested shoe- and leather manufacturers in order to exchange views and opinions on the main problems of the sector. Next, during the summer of 2015, an intern was appointed for collecting statistical data about the sector and to visit many manufacturers in Macedonia. In October a general assembly was called with representatives of the many companies and experts of the shoe- and leather industry and at the end the decision was taken to set up a new sector organisation which will be registered at the ministry of Labour. The next step is for the board and management of the new sector organisation to develop a workplan to keep the members satisfied, in order to keep them on board.

## Mongolia

In view of the vastness of the country it is perhaps not surprising that there is a rather large gap between the regions and the head office of our partner MONEF (Mongolian Employers Federation).

Still, the MONEF leadership is very much aware of the need to involve the regions in policy making and to better take account of their specific needs.

Thus, the year 2015 brought intensified support actions in Mongolia, for the regional members of our partner MONEF, in this large and thinly populated country. In the preceding years DECP had identified with the MONEF members in the northern regions a range of local policy bottlenecks for small and medium-sized enterprises (SMEs). SMEs make up the bulk of Mongolian business in the interior of the country. As a result an action plan on SME policy was developed, taking in the comments of the members on an earlier ILO report on this issue. At that occasion it was felt that the lobbying capacity of the regional MONEF organisations was insufficient and we decided to organise a seminar on regional lobbying in North Mongolia. In June, about 30 regional entrepreneurs met, together with a few MONEF staff members, in order to discuss professional lobbying. DECP's 8 step lobbying process model, with case studies, served as an example. The participants developed their own cases, based on a problematic supply of electricity, which was felt to be one of the main bottlenecks for SMEs in the region. It was interesting to see that the regional business people saw their local governments as partners in lobbying the central government. It appears that the local level is well aware of business problems in the region, but lacks the funding for infrastructure projects, and the power to convince central policy makers.

So the conclusion is, that in Mongolia a pressing need exists for an increased co-operation between central and local MONEF organisations. A common lobby, both at the local and the central level, has to be set up in order to create the positive business climate that is needed. The physical condition of the country complicates the communication, and the internet is not accessible in all parts of Mongolia. As a follow-up to this regional support action DECP intends to help the regional organisations in elaborating their own strategies. That should serve as a basis for future lobbying actions and thus lead to a greater involvement of regional members.

## 4.b Theme: Social dialogue

### Introduction

Because of its role as the most important creator of economic value, the private sector is the government's partner for prosperity and the fight against poverty in most countries. The stronger the collaboration between government, employers' and business organisations and the representative organisations of employees, the faster economies grow. According to the International Labour Organisation ILO this has been demonstrated by empirical research by Sen, Velde and Hisahiro in 2007.

BMOs ask their governmental partners to create an environment in which entrepreneurship can flourish. This should enable their members to offer their employees conditions of employment that are economically and socially well-founded. Such companies are seeking cooperation and harmony, not conflict. Socially committed companies also see great advantages in collaborating in BMOs and like to take their responsibility in society.

Governments, BMOs and trade unions have to be constantly aware of their mutual dependency in developing society. They not only need to have an eye for their own interests but also for those of their partners. They have to bear in mind the sometimes conflicting interests of other partners when trying to reach an agreement. This axiom was and is an important driver for overcoming many conflicts in the Western countries, and one of the foundations for economic and social well-being.

In many partner countries DECP advocates the benefits of this type of social dialogue, sometimes in collaboration with the Dutch trade unions, like in Peru. But DECP does not just stick to words. It helps BMOs with training programs on mediation and negotiation skills, like it does in Vietnam as our country manager illustrates in the section below.

### Vietnam

Social dialogue is a hot issue in Vietnam. Back in 2011 DECP started a training of trainers in negotiation skills. The more the Dutch trainers learned about the actual situation regarding labour relations in Vietnam, the more they understood the need for better



negotiation and mediation skills. They learned about the worries of managers and employees through the description of real life cases in Vietnamese labour relations, in particular about the climate within companies. Relations between management and workers are often strained and have a negative impact on productivity.

DECP's partner in Vietnam VCCI/ VWEC showed a far-sighted view in calling for DECP's support in educating trainers who could subsequently train their member entrepreneurs in negotiation and mediation skills. As stated by Mr. Thanh, Vice President of VCCI, the Vietnamese Chamber of Commerce and representative of employers in Vietnam, harmonious labour relations are of utter importance for the Vietnamese economy (see insert). This was also underlined during the Conferences VCCI and DECP organized to meet all the stakeholders on the issue of labour relations. Social Dialogue is seen as one of the main tools to achieve more harmonious labour relations. The DECP-trained Vietnamese trainers, have organized themselves in "The Club", and this Club is committed to help implementing the social dialogue as laid down in the newly introduced Vietnamese Labour Code (2012).

This task of The Club got an extra dimension when in 2015 DECP started a cooperation with NHO (Norwegian sister organisation of DECP) in their project on social dialogue. In this project, the Vietnamese VCCI Bureau of Employers Affairs and NHO on the employers side and LO (Norwegian Trade Union) and VGCL (Vietnamese TU) on the labour side plan to support implementation of social dialogue as intended in the Labour Code.

In the years to come the trainers of The Club will be playing an important role in the implementation of social dialogue in the 23 companies participating in this project. Using the training programs developed during their education, together with NHO material on communication, these Vietnamese trainers will be instrumental in getting both entrepreneurs and unions equipped with the skills needed for a good and effective social dialogue.

## Peru

Actually talking to each other is something that Peruvian employers and trade unions rarely do. Of course there are negotiations about wages and working conditions, but often the two parties are diame-





## The view from Vietnam

by Mr. Thanh – Vice-President of the Vietnamese Chamber of Commerce and Industry



In the context of Vietnam and the increasingly deep integration into the regional and world economy with the new generation of free trade agreements concluded and to be concluded, Vietnamese firms now have many opportunities to expand their export mar-

kets, attract foreign investment, but they also face many challenges in an increasingly fierce competitive environment while the competitiveness of Vietnamese firms is still limited. Besides, the requirements on labour issues, environmental protection, and corporate social responsibility are taken increasingly seriously and should be strictly adhered to.

To compete and take advantage of the trade agreements, it forces the enterprises to continuously improve their competitiveness and strictly implement the provisions of law and social corporate responsibility in their enterprises.

In recent years, in the framework of cooperation between the Chamber of Commerce and Industry of Vietnam with the Dutch Employers Cooperation Programme (DECP) the Vietnam Women Entrepreneurs Council has agreed to implement a number of activities relating to training and consultancy to promote the development of harmonious, stable and progressive industrial relations at the workplace. The cooperation programme has contributed to raising awareness and capacity for the Vietnam Women Entrepreneurs Council in particular and the Associations, the members of VCCI in general, aiming at building harmonious, progressive industrial relations in the enterprises.

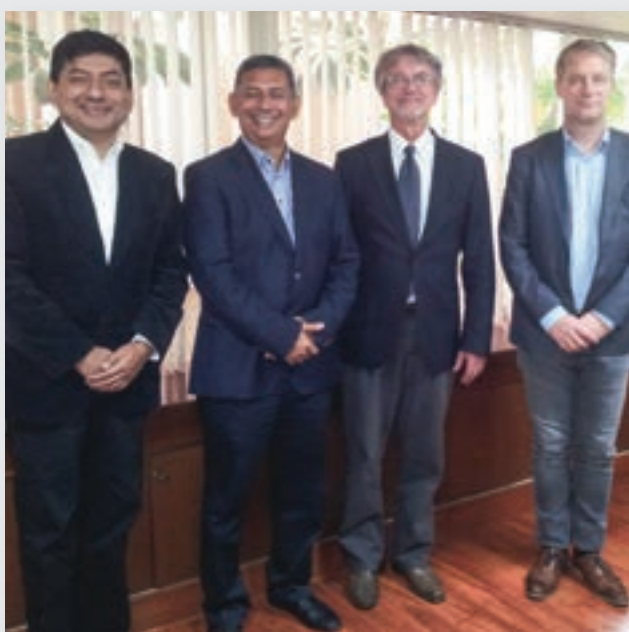
trically opposed. This has led to a lot of strikes and social unrest.

However, there now seems to be a cautious change. According to the social partners the government has little need for input from employers and trade unions. And the fact that in Peru there have been seven different ministers of Social Affairs in a few years' time, makes it difficult to build up relations. Social partners therefore depend on each other. In the spring of 2016 elections will be held and everybody expects the new president to do something about the rigid labour laws in Peru. Employers say that something has to be done about labour legislation, the most rigid of all of Latin America. But they want to avoid the pendulum now swinging back to the other extreme and the workers having to do without legal protection. That only would generate political strikes and cause social turmoil.

Against that background, a delegation of trade unions and BMOs visited the Netherlands in October 2014 upon invitation of Mondiaal FNV to get familiar with the so-called polder model. Like the Netherlands, Peru has a socio-economic council, but it is rarely consulted. But the members of the Peruvian delegation were particularly interested in the Labour Foundation (Stichting van de Arbeid), in which employers and employees consult each other about various issues. A recent return visit from the Netherlands made clear that the Peruvians seriously want to set up their own social dialogue. In this respect the trade unions already receive support by Mondiaal FNV. In November 2015 DECP visited Lima to explore the interest of employers to be supported by DECP on this subject.

The DECP representatives met primarily with the Sociedad Nacional de Industria (SNI), a BMO with a history of more than one hundred years. The SNI represents many family businesses in the industrial sector and is firmly rooted in Peruvian society. The SNI proved to be very interested in the development of social dialogue. Only recently the employers had been working with the largest union of Peru - the CGTP - on a joint proposal to the government on reform of vocational education. This was unique for Peru. The board of the SNI is determined to develop social dialogue in order to ultimately achieve a producti-

vity improvement of the Peruvian business community. Apart from SNI DECP was pleased to learn that the construction sector (Capeco) already has made steps towards social dialogue. The sector has a collective labour agreement that also stipulates contributions to sectoral training programs. Furthermore the new chairman of Confiep, a federation of sectoral organisations, also seeks better relations with the unions on a structural level.



*Starting Social Dialogue in Peru*

At the end of the visit it was agreed that DECP will support SNI, Capeco and Confiep in developing a Peruvian variety of social dialogue. This will be done in close consultation with the Dutch Embassy in Lima, the regional ILO office and Mondiaal FNV in the Netherlands. In 2016 four representatives of the Peruvian employers and worker organisations will come to the Netherlands for three weeks to gain first-hand knowledge of the work of the Labour Foundation.

Finally, DECP will also support the organisation SNI, for example by training-the-trainer-programs on negotiation skills and training on communication and lobby for the SNI regional offices.

## 4.c Theme: Corruption

### Introduction

Money is the root of all evil, as the expression says. The World Bank estimates that worldwide bribery amounts to 1.000 billion US Dollars. A conservative approach, they say. This does not include embezzlement of public funds or theft or abuse of public assets. The World Bank also calculated that countries with good governance and little corruption can expect in the long run a fourfold increase in income per capita as compared with countries where corruption is deeply embedded in society. Various DECP partner countries are scoring very badly in the Transparency Corruption Perceptions Index.

In practically all the board retreats of the partner organisations where DECP country managers were involved, addressing corruption is one of the major topics on the policy agenda. Nevertheless it looks like corruption is hard to handle in many countries. From the point of view of many businessmen there is a thin line between commercial transactions and corruption. And many of them declared that they were forced to play the game in order to safeguard the continuity of their business.

DECP emphasizes time and time again the inconsistencies between policy objectives and actual behavior. Behavior that legitimizes the undesirable current situation. That's why DECP emphasizes the corruption theme in many advisory missions and puts it on the agenda of board retreats and asks what they can do as a business organisation and what can companies themselves do about it.

When politicians speak out against corruption they are mostly blaming the private sector. But they often seem to forget their own role and that of civil servants. Here, the pot may well be calling the kettle black.

Therefore DECP welcomed and strongly supported the transparency initiative of the Employers' Federation of Cochabamba –as explained below by our country manager for Bolivia - which may well be an example for other partner organisations to address this plague of modern society.

### Bolivia

The FEPC -Federation of Employers in Cochabamba–

has launched –with DECP’s support- a project to make bureaucratic procedures more transparent and thus increase competitiveness of regional economy. A project that excels in its simplicity and should help shrink the informal economy.

The informal economy in Bolivia covers an estimated 70 percent of the total economy. In fact, Bolivia is the most informal country of South America. That brings along major problems such as unfair competition, smuggling, low productivity, low foreign investment and many undesirable situations like child labour and poor working conditions.

One explanation for the high degree of informality of the Bolivian economy is the high administrative burden and slow bureaucracy. In the ranking of the ease of doing business of the World Bank, Bolivia dangles in 157th place. Someone who wants to start a business in Bolivia needs about fifty days to fulfill the fifteen procedures that are necessary.

But there is another problem; because of the lack of transparency of procedures, an entrepreneur does not know what documents are required to obtain a building permit or an export license for example until he stands at the counter.

This is unfortunate and time-consuming because if it turns out that he has forgotten a document, he has to queue up again the next morning. Moreover, it might even tempt the official in question to impose additional requirements and later mitigate them against payment.

All this gave the FEPC the idea to create a directory of all procedures in order to give entrepreneurs an overview of the documents that are necessary for what procedure, the costs and the deadlines by which the relevant authority should respond.

BMOs in other countries made such guides. However, the distinctive feature of this project is that the FEPC asks the relevant authorities to validate the information. Are the procedures correctly displayed and are these indeed the documents required for the license? The fact that the information is validated by the authorities gives the entrepreneur a strong position when he stands at the counter and it also reduces possibilities for micro-corruption.

In the summer of 2015 the FEPC began to collect and retrieve information. Most of the authorities collaborated willingly. Now – in February 2016 – FEPC is awaiting the validation of the description of some last procedures. Once that is done, the guide can be printed and it can go online on a website. In the meantime, roadmaps are worked out about how to start a business, how to close one, how to get licenses, registering trademarks and others.

On the basis of the information of the directory, FEPC can make proposals to the authorities for improvement of the procedures in the mid and long term. This way, the guide will contribute to a better business climate in Cochabamba, less opportunities for corruption, less obstacles for informal companies to formalize and a basis for lobby-projects to fight bureaucracy.

DECP supports this initiative for more transparency with an investment in the necessary research and the guide.

## Eastern Europe

Corruption has proved to be a big obstacle for the development of strong BMOs in a market economy. DECP has therefore regularly recommended to its partners to take the fight against corruption seriously and has suggested to set up a help-desk for its members when they are confronted with requests for bribes by civil servants and other authorities.

In the countries of Central- and Eastern Europe, during the transition from a planned economy to a market economy, a lot of state-owned companies, public services and licenses were sold at very low prices to “friends” of the new political leaders or of the “party”. A few years later, the new owners managed to sell those assets at a much higher price to international companies, holdings and financial groups.

The former owners became ‘tycoons’ and used their new, fast-earned fortune to put pressure on decision makers and lawmakers in order to adapt the regulations to their advantage. Some of those tycoons also succeeded in controlling the media and use them to promote their own interests. Lawmakers frequently seem to be unaware of this background and of the impact of the proposals from the tycoons. They just satisfy the wishes of the tycoons who may well have

rewarded them for their support.

Recently, in the Albanian parliament a group of MP's proposed to the government to increase the excise taxes on locally produced beers and to reduce them on imported beers. They clearly didn't take into account the impact of such changes on the economy, on local producers, the labour market and tax revenues. DECP encouraged its partner BiznesAlbania to lodge a strong protest against this measure.

During the political crisis in 2015 in Moldova, one of the parties of the so-called pro-Europe coalition proposed to the president of the republic to nominate the biggest tycoon as a candidate new Prime Minister. The president refused to accept this proposal for "lack of integrity" of the proposed candidate. In order to be proposed as candidate for PM, the tycoon then proceeded to bribe several MP's from other parties to join the coalition, while at the same time the other parties collapsed. Finally a close ally of the tycoon was proposed by the president as new PM: he succeeded in forming a totally new government, with new ministers, in just a few days. The debate in parliament on the new government's programme and voting on it took only half a day. In the middle of the following night, the new government was sworn in by the president of the republic, while a multitude of militants of civil society organisations were protesting against the new government in front of the parliament building which was protected by a huge number of police officers. The protesters openly blamed the corruption of the new majority in the Moldovan parliament. foto Moldova protesters against corruption

It's obvious that this evolution is due to a lack of expertise and competences of the responsible leaders who see little need for transparency in a democracy. These are just a few examples of the kind of constraints that DECP's partners are facing.

The lack of competences and knowledge of the decision makers result in many cases in bad regulations which become a source for corruption and bribery and thus have a profound negative impact on the business climate. Against this background DECP counsels employers' and business organisations to raise awareness of this evolution and to advocate for transparent new regulations that are easy to understand and to implement.

## 4.d Theme: Gender

### Introduction

DECP's business plan has Corporate Social Responsibility (CSR) as one of its basic principles. Moreover it is focused on the role of female entrepre-

### Promoting women entrepreneurship

by Ms. Jeanne Schmitt, Senior Programme Officer at the ITC-ILO



Although in a growing number of countries women can work, vote or hold office, all too often they cannot own property, register businesses, obtain commercial loans, or otherwise fully participate in the economy. In some cases, "hard" legal obstacles still exist, linked for

example to the legal status of (married) women or to additional guarantees applicable for women.

Difficulties are also linked to "soft" constraints linked to society's attitudes towards women or unequal early conditions, for example, in education and training. Entrepreneurship is an important road towards increased women empowerment. Creating and running your own business is for many women a means of gaining greater social independence and to fully participate in their countries' economic life. This in turn helps achieving greater gender equality in societies.

Five years ago, the DECP and the ITC-ILO decided to embark jointly in an important project aiming at empowering women entrepreneurs. Unlike many donor programs who focus on the micro level i.e. helping individual women entrepreneurs with funding or training, the ITC-ILO and the DECP decided to concentrate on the meso level i.e. through promoting the capacity of Business Member Organisations (BMOs) to organize, represent and service women entrepreneurs in a more effective way.

Why BMOs? Because it is indeed the private sector, organized within representative structures, which can best respond to the needs of women entrepreneurs: by



neurship in developing societies. For the objectives of diminishing poverty and employment growth can only be effectively achieved if the talents of all mankind, regardless of sex, are being employed. The World Bank 2016 report “Women Business and the Law” shows that in practically all the DECP partner

countries, more than fifty percent of the women is working. In some partner countries in East Africa and in Cambodia this share is even more than eighty percent. In comparison with the Netherlands the female labor force participation is seventy four percent. However, while many women have a job, the Female

influencing public policies to ensure an environment that promotes investment, entrepreneurship and equal opportunities; by easing access to funding for women entrepreneurs and by servicing directly women entrepreneurs in a tailor-made way. The project led by the DECP and the ITC-ILO has evolved gradually. It focused first on raising awareness on the benefits for BMOs to organize and represent women entrepreneurs effectively as well as on the benefits for women entrepreneurs to be part of a collective business voice. Workshops were organized worldwide: for organisations in East and South Africa as well as West and North Africa; in the European and Asia-Pacific regions but also in the Caribbean. In 2015, a new step was taken to increase the impact of the project in selected countries, through the creation of a pool of trainers who have the basic knowledge, skills and experience to provide assistance to local business associations on how to foster women economic empowerment.

What are the results so far? 170 BMOs representatives have participated in the project's activities worldwide, including a first pool of 20 trainers. In parallel, surveys, case studies, guidance and training materials as well as online networks have been developed. At country level, implementation workshops are being prepared, with the potential of reaching out to 300-600 new participants. Even if a lot still needs to be done, we can be confident that the joint DECP-ITC-ILO activities are paving the way towards an entrepreneurship ecosystem more supportive of women.

Some comments from participants were :

"Being in the training business I have attended more than 12 TOT's from different countries through out my career as a trainer ,but I had not had one so impactful, so practical and with so much knowledge in such a short time."

Fatmah Nsereko, Coordinator FUEWEC of the Federation of Uganda Employers.

"...the best part of it was the opening of the mind to so many variations and used models by the participants of different nations... and the facilitation allowed us just enough guidance but to in fact have a practical experience. The next best part is that I came away with an idea, a plan to present to my chamber."

Sarrah Sammoon, Policy Advocacy Committee of the Women's Chamber of Industry and Commerce Sri Lanka.

"What struck me most was the participants' enthusiasm and eagerness to learn, which was mirrored by the ITC-ILO and CIPE trainers' eagerness to teach. Thus creating a vibrant and stimulating environment." Christine Rehbock, DECP Office Manager.



Entrepreneurship Index of the Global Entrepreneurship Development Institute tells us that far fewer women are entrepreneurs and then mostly in the informal sector. Just watch the enormous number of women working in markets, in shops and in the fields. But in most of the executive boards women representation is modest. Remarkably though, we find quite a few women leading their BMO, like in Kenya, Uganda, Vietnam, Thailand and Bolivia. Despite the increasing attention for women entrepreneurship the road for women is full of legal impediments and “soft constraints”. That’s why DECP, taking the cultural differences in our partner countries into account, promotes the importance of female entrepreneurship. Together with ITC-ILO, DECP has for many years supported and organized women entrepreneurship programs. With extra financial support of DECP, ITC-ILO in 2015 started with a training-of-trainers “Women Economic Empowerment through Business Membership Organisations”. This training had a collective part in Turin and an individual program at home. The final objective of the program is to use BMOs as a promotor of women entrepreneurship. Because of the importance of this theme DECP’s substantial support enabled not only its partner organisations, it also benefitted women representatives of other business organisations.

We are grateful to Ms. Jeanne Schmitt, Senior Programme Officer for Employers Activities at the ILO’s International Training Centre and responsible for this programme, for her willingness to provide an insider’s view of the activities deployed in this field over the past few years.

## 4.e Theme: Cooperation with like-minded organisations and trade unions

### Introduction

In a number of western countries the support of the private sector is an important part of their developing aid program, because there is a general belief that enhancement of the private sector in developing countries is the most effective way to create employment and consequently alleviate poverty.

Geopolitical interests determine the policies of many countries. Rich countries, power blocks and intergovernmental bodies will often donate funds. However we have noticed that after receiving such grants BMOs will be inclined to first and foremost please the donor instead of their own members.

DECP has a relatively modest budget. Its support consists of advice, training and board and staff retreats. We have learned that most of the time this is a rather effective way of providing tangible aid. Only exceptionally, and under strict conditions, do we provide budget financing. Our aid is focused on strengthening the BMO in the interest of its members, i.e. the companies in the country.

DECP’s way of working makes it rather simple to be complementary to programs of other organisations. In particular when it comes to like-minded organisations such as NHO from Norway and DI from Denmark. Organisations that are quite comparable to DECP as far as objectives, outlook, values, size, structure, cultural background, budget and embedment in society, are concerned.

In 2015 DECP worked with NHO in East Africa and Vietnam and we are very grateful to Ms. Tori Nettelhorst Tveit, Director at NHO, for her willingness to -later in this chapter- provide her perspective on the cooperation between NHO and DECP.

With the Dutch trade union Mondiaal FNV we share our efforts for the benefit of the WageIndicator Foundation, which maintains a website for comparing and documenting the terms and conditions of employment, working all over the world especially in developing countries. Furthermore we are exploring a quadrilateral project in which DECP and Mondiaal FNV



will support a collaborative project of the East African Employers Organisation and the East African Trade Union Congress. In 2014 Mondiaal FNV introduced DECP to the BMOs in Peru. The Dutch trade union CNV International provided us with valuable information about Cambodia. We are exploring further joint activities with CNV.

A long term cooperation has evolved with the International Training Center of the International Labour Organisation. In 2015 seven activities were organized in close cooperation with ITC-ILO. Among them were a Master training on the effective business member organisation (EBMO), specially designed for high potential staff members, as well as a Training of trainers on the Essentials of Occupational Safety and Health (EOSH) developed for the benefit of potential OSH trainers. Important sources for information and cooperation were the Royal Netherlands Embassies, PUM, MVO, FairWear Foundation and a big number of managers of Dutch companies abroad. We thank them for their input.

Below you will find a number of contributions outlining DECP's cooperative efforts.

## Vietnam

In our project in Vietnam, which started in 2009, cooperation is of course one of the most important conditions to make this project a success. While developing DECP's cooperation with our partner VCCI/ VWEC a substantial increase in cooperation partners occurred. Starting in 2014 VCCI and DECP organized two Consultation Conferences a year – mostly in Hanoi- in order to create opportunities to meet all our stakeholders and create an extra platform for dialogue, information and discussion. These conferences have proven to be a very helpful tool in practicing and facilitating VWEC's and DECP's cooperation with all stakeholders. These stakeholders are the Ministry of Social Affairs, representatives of enterprises, branches, universities, NGO's, Chambers of Commerce, Trade Unions and the Dutch Embassy. The last conference in 2015 took place in Ho Chi Minh City, which allowed us to extend our cooperation network to the south of Vietnam.

2015 was the year of the start of a very specific cooperation with our sister organisation from Norway, NHO. Exchanging information about each other's activities in Vietnam we found out that there was a 'striking' complementarity in our programs. Where NHO is running a program on Social Dialogue, the DECP project can supply the Vietnamese trainers who will be able to implement the program for participating entrepreneurs and their employees and in their mother tongue. In the course of 2015 NHO, DECP and our Vietnamese partner organisations, exchanged ideas on how to cooperate successfully, using the strength of each partner in an optimal way. The actual implementation will occur in 2016 and 2017. Vietnamese trainers educated by DECP will train entrepreneurs and employees on negotiation, mediation and communication skills, using tools and programs provided by both the Norwegian and Dutch partners in our Vietnamese European cooperation. In this cooperation the Vietnamese and Norwegian Trade Unions will also participate as partners in the Social Dialogue.

## East Africa

DECP has since its inception been able to achieve a considerable amount by working on a one to one basis with its partner organisations across the world. The bringing together of a number of BMOs either in Africa or in Asia has also been an effective part of the work of DECP.

An example of this work has been the creation and development of the East African Employers Organisation (EAEO). The concept of the EAEO was established in 2009 with full legal status being achieved in 2012. Throughout the development of the EAEO DECP has provided both technical and financial support. This has enabled the EAEO to become an established organisation recognised in East Africa as the voice of employers in respect of the development of the East African Community (EAC).

DECP during the course of 2015 looked strategically at its work in Africa and felt that although a considerable amount still needs to be achieved with the EAEO it was time for the DECP to shift some of its resources into





other areas such as Asia.

Resulting from discussions with the employer's organisation of Norway (NHO) it was agreed that they would undertake the funding of the EAEO with continued technical support from DECP as and when required. This cooperation not only provides the support required by the partner organisations but also provides them with enhanced technical and financial resources.

DECP has also been working closely with Danish Industries (DI) of Denmark. This cooperation has been in the form of providing support to the EAEO as it has been working with DI on a Social Dialogue project. Similarly, DECP is developing a project in cooperation with Dutch trade union Mondiaal FNV addressing the issue of the free movement of workers in East Africa.

## Peru

If everything works out as expected 'Peru' will be a good example of how different partners can successfully join forces.

The counterpart of DECP on the union side Mondiaal FNV has been active in Peru supporting the major Peruvian trade union Confederación General de Trabajadores de Peru (CGTP). When representatives of the CGTP in 2014 were invited to the Netherlands to learn more about the so-called 'polder model', the idea came up to invite the employers as well for this mission. And so in October 2014 a delegation of some twenty employers and union representatives visited the Netherlands. They visited the Labour Foundation, as well as bilateral training projects. DECP gave a pre-

sentation -for just the employers' representatives- on the history of the social dialogue in the Netherlands and the experiences on the employers' side.

The joint visit raised so much interest among the Peruvians that they invited their Dutch counterparts for a return visit. So in June 2015 a delegation consisting of VNO-NCW, Mondiaal FNV and the Labour Foundation traveled to Peru. They noted that there is a genuine interest in the Dutch expertise in the field of social dialogue, but also in opportunities to strengthen the organisations of the social partners. On the employers' side the Sociedad Nacional de Industria (SNI) seems to take the lead in improving relations with the unions.

Therefore, in November 2015 DECP went to Lima to explore opportunities to support employers in setting up a social dialogue together with the SNI.

The visit made clear that our support is most welcome. Other BMOs like Capeco and Confiep also showed great interest. The Dutch ambassador in Lima declared his willingness to support the project wherever necessary. Roberto Villamil, senior specialist for Employers' Activities of the ILO Office for the Andean Countries, gave his support to the enhancement of the social dialogue in Peru.

Before, during and after the visit to Peru DECP kept in touch with Mondiaal FNV. Thus, in December it was agreed that Mondiaal FNV will support the CGTP trade union while DECP supports SNI, but that activities will be closely coordinated.



## NHO collaboration with like-minded organisations

by *Tori Nettelhorst Tveit, Director at NHO*

The Confederation of Norwegian Enterprise (NHO) is the main employers and business organisation in Norway. The organisation has around 24 500 member companies employing more than 550 000 people. NHO's main objective is to create and sustain conditions that secure the competitiveness and profitability of business and industry, and thereby maintain the basis for a good standard of living, sound economic growth and sustainable development.

NHO is actively involved in promoting improved business environment, entrepreneurship and decent work in developing countries through



*Tori Tveit amidst overseas colleagues*

partnership with NHO sister organisations in several countries in Asia and Africa. The project cooperation is funded by the Norwegian Agency for Development Cooperation (Norad). NHO's partners are selected on the basis that they are the leading BMOs (EOs) in their respective country, and thus have a similar role as NHO has in Norway. Capacity building based on experience and knowledge from NHO is offered to the EOs in areas of mutual interest. The partnership is built on trust and confidence as sister organisations. Collaboration with other like-minded organisations, like DECP, is an integral part of NHO's international engagement. Sharing of information and

analyses of the partners that both organisations work with is of high value. Coordination of activities to avoid overlap is also very important. This type of collaboration creates synergies and will lead to better results.

NHO has a good and close relationship with DECP since its establishment in 2005. The two organisations took the initiative to establish a "Like-minded Group" of several European organisations working with similar development projects. The network of organisations exchange experience and discuss challenges.

NHO and DECP have both established long-term cooperation with a number of employer's organisations. In some countries this is the same EO and also within the same area. Three examples can illustrate the cooperation:

Vietnam. DECP and NHO are cooperating with Vietnam Chamber of Commerce and Industry (VCCI) with a project related to Social dialogue. DECP has trained local trainers in negotiating skills, while NHO and the Norwegian trade union LO, are assisting their partners in developing a model and implementation for collective bargaining agreement. The trainers trained by DECP are now involved in the NHO-VCCI activities.

Uganda. NHO and DECP have been supporting the Federation of Uganda Employers (FUE) for many years. When FUE were facing challenges related to governance and sustainability of the organisation, NHO and DECP jointly assisted the board and management with advice and support. In East Africa NHO, DECP and Danish Industry (DI) are supporting the work of the East African Employers Organisation (EAEO). A close network and collaboration between the three organisations and EAEO ensure that the engagement of the three organisations are in line with the priorities of EAEO.



*Workshop for East African regional staff*



*APINDO'S Agung Pambudhi and Diana Savitri*





## 5. Facts and figures

This chapter provides an overview of facts and figures concerning the countries we work in, the partners we work with, the instruments we deploy, our output in numbers and the methodology we have developed to measure the performance of our counterparts. (bovenstaande tekst verspreid over beide kolommen)

### Countries and partner organisations

By the end of 2015 the DECP was operational in 17 countries (see Table 1). This implies or may seem to imply that the DECP is rather selective in its country approach. And in fact, in a way it is.

There are a number of countries where the state of affairs is highly unstable and occasionally even hostile towards foreign visitors. Our programme cannot make a sensible contribution under such circumstances. Secondly, we cannot and do not want to impose ourselves or our ideas upon any partner in any country. So, we are demand-driven. In – again- a number of countries we have come across potential partners who showed little or no interest in our contribution. And

some of them for very good reasons, because they are already well on their way. With these we try to maintain a relationship as friends. Their experience, skills and expertise can be of great value to boost regional cooperation between and beyond DECP-partners.

Though almost every country counts multiple business organisations, we strongly believe that in view of our programme's objective it is unity that builds strength, not division. Secondly, improving the business climate – an essential element in our vision - is also a means to an end, the end being structural alleviation of poverty by way of formal (and proper) employment.

It is for these two reasons that in most countries we team up with the Apex BMO. Local circumstances are however decisive. So, as Table 1 shows, in some countries we do have more than one partner. In most cases this is because partners are closely linked, in one case (Bolivia) it is because the provincial level is of greater relevance vis-à-vis our objectives.



Meeting BIZNESALBANIA

Table 1: List of countries and partners in 2015

Country	Partner(s)
Albania	BiznesAlbania and National Businesswomen Association
Bolivia	Federación de Entidades Empresariales Privadas de Cochabamba (FEPC)
	Federación de Empresarios Privados de Chuquisaca (FEPCh)
	Federación de Empresarios Privados de Santa Cruz (FEPSC)
	Federación de Empresarios Privados de Tarija (FEPT)
	Federación de Empresarios Privados de La Paz (FEPLP)
Burundi	Association des Employeurs du Burundi (AEB)
Cambodia	Cambodian Federation of Employers and Business Associations (CAMFEBA)
Ghana	Ghana Employers Association (GEA)
Indonesia	Indonesian Employers' Association (APINDO)
Kenya	Federation of Kenya Employers (FKE)
Macedonia FYR	Business Confederation of Macedonia (BCM) and Macedonia Association of Business Women (ABW)
Malawi	Employers' Consultative Association of Malawi (ECAM)
Moldova	Confederatia Nationala a Patronatului din Republika Moldova (CNPM)
Mongolia	Mongolian Employers Federation (MONEF)
Pakistan	Employers' Federation of Pakistan (EFP)
Peru	Sociedad Nacional de Industrias (SNI)
Tanzania	Association of Tanzania Employers (ATE) and Zanzibar Employers' Association (ZANEMA)
Uganda	Federation of Uganda Employers (FUE)
Vietnam	Vietnam Chamber of Commerce and Industry (VCCI) and Vietnam Women Entrepreneurs Council (VWEC)
Zambia	Zambia Federation of Employers (ZFE)



## Activities

### - Advisory missions

Advisory missions are the prime product and output of DECP. They are generally carried out by a 'country manager' who is much more than a linking pin between DECP and a respective BMO. DECP's country managers are experts in the field of organising employers towards lobby and advocacy. Their expertise comes from years of practical experience. Years that also provide them with the kind of seniority that is required to really make the connection.

It gives them a leading edge in becoming a trusted partner in whom the executive director of a BMO can confide. And such confidence is much needed to make consultancy, training, workshops and conferences worthwhile.

DECP's country managers visit 'their' BMOs up to two to three times a year, to actually 'sit' together with the Executive Director, members of the board and senior staff to put things to work. Things like a strategic plan or a business agenda for example. It is as hands-on as possible; we dislike producing paper to occupy shelf or drawer space.

In between their visits, country managers are in regular contact with 'their' partners using modern devices like email, Skype, etc.

In 2015 DECP's country managers carried out 51 advisory missions, many of which were alongside other activities such as a conference or a workshop.

### - Training, workshops and board retreats

Major trainings are frequently organised in close cooperation with the ILO Training Centre in Turin, either in Turin or on location in the country or region. These trainings can be as 'basic' as the 'Effective Business Member Organisation'-training that deals with all aspects of organising employers, but just to grasp the basics. They can, however, also be as specific as an in-depth training on how to set up an effective OSH Service for members. Such trainings usually take up to 4 or 5 days. Many trainings include a distance learning part so that participants come well prepared.

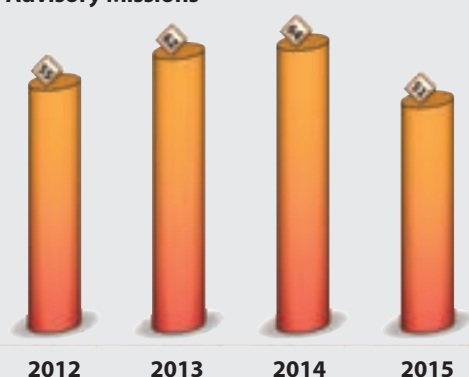
These trainings are mostly carried out by bringing together participants from BMOs in a particular region, which also helps to build regional relationships.

Workshops are more limited in time and scope, dealing with a specific topic like 'How to set up newsletter' or 'Lobby, Core Business of a BMO'. They are focused on practical exercise and can be concluded with specific assignments like actually producing a newsletter or writing a press communiqué and organising a real live press conference within a defined period of time.

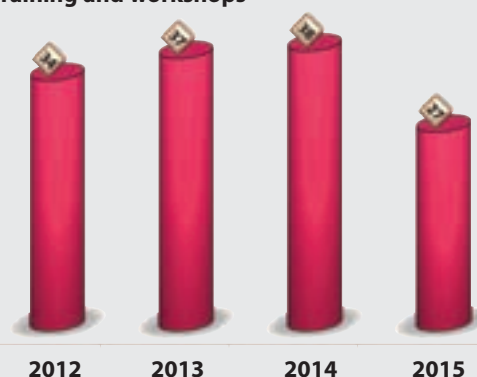
Board retreats are of relatively short duration because they mostly involve the (busy) leadership, in particular the board of the partner organisation, but they have proved to be helpful in making a frank assessment of the situation and in setting a new direction.

In 2015 DECP carried out a total of 27 trainings, workshops and/or board retreats with a total of 551 participants. Of these trainings and workshops 16 were at a regional level (i.e. including participants from more

**Advisory Missions**



**Training and workshops**



than one country or from several regional BMOs within a country).

Trainings and workshops addressed a range of topics: occupational safety and health, empowerment of regional organisations, membership recruitment and retention, lobby and advocacy, providing (training) services, women entrepreneurship, etc.

The gender component was slightly off balance with 351 men participating and 200 women. Especially the regional activities attracted mostly male staff members.

## - Conferences

Conferences are one way for BMOs to get in contact with their members. These conferences are organized by the BMO and they are fully responsible for its contents. DECP supports the activity with a small financial contribution and –when invited- with the presence of the DECP country manager. A total of 13 conferences were held with 250 participants attending.

**Conferences**



## - Finance projects

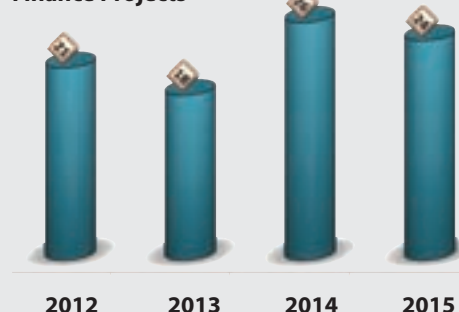
DECP is generally opposed to budget-funding. It is too easy to become addicted to donor funding and extremely difficult to survive once the donor stops his contribution and members have to pay for what they have over the years become used to getting (almost) for free. Yet, without some financial support an organisation may find itself trapped in a vicious circle, sometimes even unable to stand up. If (potential) members do not know what the organisation is (or could be) doing, why should they become a member and pay their subscription, let alone pay on time and to the proper

amount? So, too often they simply do not become a member or do become a member but simply don't pay. But money is needed to produce newsletters, to set up a website (and keep it up-to-date!), to hire an intern when starting to set up a new service, etc. Advertising paid for by members may finance a newsletter or a magazine, but in the beginning what do you have to show for?

On such occasions DECP may provide some 'seed money', but always limited in time and amount, clearly specified and conditional.

In 2015 DECP provided financial assistance in 24 cases to all in all 14 partners in 9 countries. These projects included: support in carrying out a study on private sector development, supporting the partner with interns to carry out a Membership survey and assistance in rolling out a CSR-center (notably for 4 federations in Bolivia).

**Finance Projects**



## - Achievements

All of the above activities are generally called 'output'. It is the type of result DECP can be held accountable for.

Still, rendering advice, organising trainings, doing workshops or providing for the purchase of printing material or a computer, always remains a means to an end. The objective is independent, representative, well governed, self-sustaining BMOs effectively advocating the interests of private business vis-à-vis governments and the public at large, thus contributing to a better business climate and more formal and proper employment.

So, can DECP's performance be measured in terms of an improved business climate of the target countries? An increase in jobs? Less unemployment? It will be

impossible to ever answer any such question with an honest and wholehearted 'Yes!' though it is clearly the focus of what DECP is about.

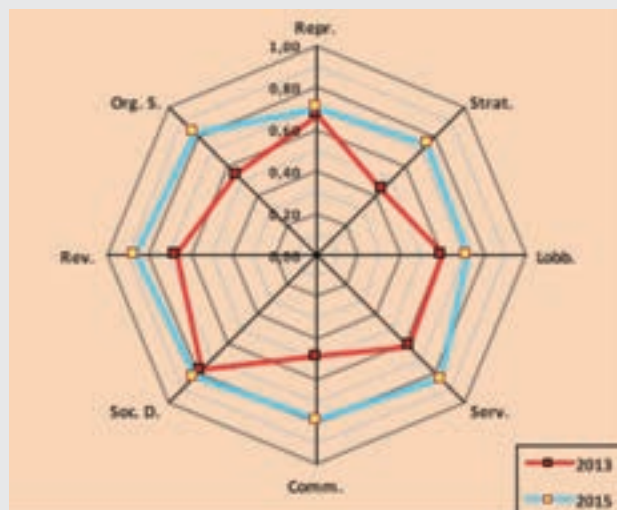
## Measuring Characteristics

After the 'output' as tallied in the section above we now turn to measuring 'outcome'. This has turned out to be a methodological challenge.

We have developed a method that focuses on eight important characteristics of a BMO. We address these characteristics in a questionnaire totaling 57 questions overall. Each question requires assessment of a specific issue, situation or aspect referring to one of the eight characteristics on a scale that ranges from 0.0 to 1.0. The various assessments result in an average per characteristic. These averages are graphically presented in a 'spider web' graph, immediately showing the difference in comparison to an ideal situation (that is when all characteristics would meet a full 1.0; such an organisation would be beyond any possible improvement and can therefore only exist in our imagination) as well as to previous assessments.

The characteristics are the following:

1. Representativeness / membership
2. Strategic orientation
3. Lobbying
4. Services to members
5. Communication
6. Involvement in Social Dialogue
7. Revenues of the organisation
8. Organisational structure, including Governance



The spider web graph shows the results per characteristic of assessments carried out in 2013 and 2015 by one of our partner organisations.

The graph shows that over the years improvements were achieved regarding most of the characteristics but especially in strategic orientation, communication and organisational structure. On the other hand there is quite some room left for improvement with regard to representativeness and social dialogue.

The graph also shows we move in small steps. No chance of leaping to 1.0 scores on any characteristic without distorting reality.

Public information on the activities deployed by DECP is available on the DECP website ([www.decp.nl](http://www.decp.nl)) on the page Activities and also under Countries.

It is important to underline that the information required to carry out these assessments is provided by our counterparts on a confidential basis. DECP therefore does not publish the results, so as not to undermine a relationship that by its very nature can only be based on mutual trust.

## Evaluation

There is one type of result that, although it still is not outcome, is more than output. It is how our output is evaluated by the recipients.

Trainings and workshops are generally evaluated using an evaluation form in which participants are grading the quality of the organization of the workshop, the applicability of its content, the quality of the expert contribution and the benefits to the partner organisation. Training and workshops given by DECP managers were appreciated with an average score of 4.5 on a 5 point scale. The practical benefit for the participants was also rewarded with an average score of 4.5, while the participants graded the relevance of the contents for their BMO with an average of 4.3 points. The trainings given together with ITCILO show even higher scores with resp. 4.6 points for the resource person(s) and 4.7 points for both the relevance to the participant's job and to the BMO itself.

## 6. New partners

DECP is always interested in finding new partners. A temporary reduction of the cooperation with some partner organisations combined with the coordinated approach with like-minded organisations, provided an opening for some new partnerships. Where other programs donate funds, DECP will always try to build up relationships with organisations that are interested in especially advice, coaching and training. To learn how to use the fishing rod, investing in knowledge and capacity building.

In the search for new partners DECP has a number of points to examine:

1. Is the country on the so-called PSD-list, the list of countries in which the Dutch Ministry of Foreign Affairs enables NGO's to roll out their programs?
2. Is there a representative BMO, which acts nationally and internationally?
3. Is the potential partner a member of the International Organisation of Employers (IOE)?
4. Has the organisation shown any interest in the DECP program?
5. Is the management of the organisation competent enough to execute the program?
6. Is the organisation willing to start a long term relationship?
7. To what extent is the BMO autonomous from the government?
8. Does the socio-economic and political climate in the country meet minimum standards?
9. Do the capacity and expertise of DECP match the needs of the potential partner organisation?
10. Is there a positive balance between DECP's input and the potential benefit for the partner?
11. Is there a special request of the Dutch government?
12. Does the organisation have a certain size?
13. Has the organisation already acquired a respectable presence in the community?
14. Does the organisation want to commit itself?
15. Does the organisation have a democratic governance structure?
16. Is the organisation receptive to new members and ideas?
17. Is it safe to travel?

In 2015 and on the basis of these criteria a fact finding mission was organized to Peru, Malawi, Cambodia and Thailand.

Thailand was subsequently removed from this group since the Dutch Ministry of Foreign Affairs took Thailand off the PSD-list because its GDP per capita was too high compared with other countries that were not previously on the list.



## Doing Business



A very useful instrument for our partners is the information that has been - since 2004 - collected annually by the World Bank and the International Finance Corporation and is presented in yearly 'Doing Business'-reports.

It is a work in progress, which makes year by year comparisons somewhat difficult. The major significance however, is not so much the overall ranking of partner countries. It is rather the detailed information it provides on a well-selected set of items that are of great importance to anyone who contemplates starting up a business or who actually runs a small or mid-sized business in any of the economies surveyed (which in fact are almost all the economies around the world). The items in

the DB 2016 listing are: (1) Starting a business; (2) Dealing with construction permits; (3) Getting electricity; (4) Registering property; (5) Getting credit; (6) Protecting Investors; (7) Paying taxes; (8) Trading across borders; (9) Enforcing contracts; (10) Resolving insolvency.

If the doing business climate in your country ranks high in worldwide comparison, but shows poor performance in providing you with e.g. electricity (many procedures, many days to get connected, high costs), would that be acceptable since registering property in your country is as easy as can be? The answer, of course is a clear and absolute 'No'. And so it should be a top priority on the agenda of the Apex business- and employers organisation.

The detailed information that is available for each country on the website is very helpful in assessing and understanding the precise needs of the business community in focussed discussions with members. That is why – especially when meeting new partners- we draw their attention to these reports and in particular to the Country Report that is available for every single country at [www.doingbusiness.org](http://www.doingbusiness.org).

## Cambodia

The Cambodian Federation of Employers and Business Associations, in short CAMFEBA, is the only independent Apex BMO in Cambodia. Around 250 companies are members whereas 25 sector organisations are associated with CAMFEBA. It is a well-organized federation with 22 employees with permanent contracts and a broad package of activities on lobby and advocacy, membership services, training and networking. Nevertheless CAMFEBA could use some support in the field of capacity building, strategy, membership growth, membership involvement and several other policy themes. Cambodia is a poor country with an enormous potential of young people. Fifty percent of the population is under 22. A lot of constraints have to be solved like: overregulation, a lacklustre performan-

ce by the government, corruption, lack of education, a disproportionate number of trade unions as well as an imbalanced economy. 80 percent of exports is produced by the garment industry. CAMFEBA is eager to play an important role in solving the country's problems.

Apart from their national focus, CAMFEBA runs the presidency and the secretariat of the ASEAN Confederation of Employers (ACE), a collaboration program of the BMOs of 6 ASEAN-countries: Philippines, Cambodia, Malaysia, Singapore, Indonesia and Thailand. Vietnam, Laos, Brunei and Myanmar are not yet a part of ACE. The voice of the South East Asian Employers needs now to be heard, since in 2015 the membership states of ASEAN signed an agreement to

set up an economic community, like the European Union. DECP already has a partnership with VWEC-VCCI in Vietnam and APINDO in Indonesia.

## Peru

In the Peruvian capital Lima DECP contacted the Sociedad Nacional de Industria, founded in 1896 in order "to serve the industry by promoting competitiveness, value creation and the sustainable development of the country, through a team of committed and highly skilled people". The SNI is considered a very prestigious and professional organisation. The current chairman Andreas von Wedemeyer is assisted by an executive committee of ten members, each with his own portfolio. The SNI has 53 committees representing the different branches of the industry. There are five regional offices.

The SNI has the following lobby priorities. The industrialists aim at a more effective government stimulated by social dialogue and the rule of law. Crime – above all in Lima - is very high and therefore 'safety' is a serious preoccupation. Finally the infrastructure needs improvement, roads in Peru are of bad quality. Peru has a population of 31 million inhabitants, only

16% of them are over 65 years old. Lima, with more than 10 million inhabitants, has 44% of all economic activity. The private sector pays 29% of all taxes, but 53% of the companies are informal and do not pay anything. The informal economy is considered to be one of the major problems of Peru.

In order to increase revenues the Peruvian government intends to raise taxes for large (formal) companies, but that will only increase the pressure to get out of the formal and into the informal sector.

The Peruvian labour legislation is very rigid; it is almost impossible to fire a worker, even if he has been caught stealing. In order to fire a worker the employer has to pay a compensation of 1.5 monthly salary for every year of employment. Since 2010 the Peruvian economy is shrinking and private investment is decreasing.

According to the SNI, this situation calls for a dialogue with the major trade union in Peru, the CTGP.

Traditionally, relations between employer organisations and trade unions have been bad. They only see each other when negotiating about labour conditions. But recently both employers and trade unions made clear their wish to improve their relationship in order to have more of an impact on government policy.



*Getting to know the CAMFEBA staff*



*Fact-finding in Malawi*

DECP will support SNI on starting the social dialogue and a train-the-trainer programme on negotiation skills. These activities will be coordinated with other Peruvian BMOs like Capeco and Confiep.

## Malawi

DECP established a partnership with the Employers' Consultative Association of Malawi (ECAM) after an initial visit in October 2015. DECP found that ECAM is a well-respected organisation with strong connections with labour unions, politics and government. ECAM's opinions and views on behalf of Malawi business are taken seriously and it is fair to say that ECAM is influential. The organisation is consulted by the government on a regular basis.

It is also true that being influential is mainly true for the areas of social affairs and industrial relations, not so much in areas related to economic policy. In those areas the chamber of commerce clearly has the lead when it comes to being the voice of Malawi businesses. ECAM has a friendly but at the same time competitive relationship with the Malawi Chamber of Commerce and Industry, the latter being bigger and financially stronger.

The BMO has a small but well organised bureau with young, well-educated and ambitious staff of 6 persons

– including 2 interns - based in Blantyre, the economic centre. Work is made difficult by being underequipped, e.g. when it comes to computer equipment. The financial position of ECAM is vulnerable, making it very difficult to execute a good program in terms of advocacy and services.

The weak financial position of the organisation follows from its main weakness overall: the small membership base. Only 200 companies are listed as members of which 160 paid their membership fee in 2015. In comparison: the chamber of commerce has about 500 members. Ironically no one knows how big the potential membership of both ECAM and the chamber in fact is.

After discussing ECAM's priorities DECP agreed to support it in executing a work program that focuses on broadening the membership base, starting with marketing research to identify members' (customers) needs and to identify potential new members. The development of new marketing tools and a review of the current fee system is also part of this process. Following this, a recruitment plan will be developed to gain new members, thus increasing ECAM's income and ECAM's position as the representative of the Malawi business community.

## 7. Looking ahead

DECP is now more than halfway its 4 year program 2014-2017. So it is time to look ahead. Reflecting on what has been achieved by the end of 2015 the DECP board has expressed the intention to go for the continuation of the program beyond 2017.

In 2016 DECP will make new plans to discuss with our main donor, the Minister for Trade and Development in order to get a clear picture of DECP's future as soon as possible. Such clarity would benefit our relations with both our present as well as potential future partner organisations. The main distinctive features of the DECP will remain. Where other private sector programs often provide funds for projects to their beneficiaries, DECP sends expertise to achieve the main objective that the partner organisations become totally self-supporting. DECP creates cross cutting platforms where specialists from various countries in the region are interacting and can learn from each other. The DECP country managers advise and assist staff in managing their organisation and facilitate board retreats to develop strategy translated into concrete action plans. DECP will subsequently focus on implementation of these action plans. DECP works together with like-minded organisations for combining the qualities and the networks of these partners in order to mutually make programs more effective and efficient.

We will continue to seek cooperation with the Dutch trade unions, wherever this is useful for both sides. The ultimate goal is enhancing the quality and effectiveness of the BMOs to increase their impact on the business climate in their country. These fundamentals: hands-on tangible support, working according to the demands of the BMOs and collaboration with other parties for the improvement of business influence should remain the essence of the program in the future.

Originally the DECP program has mainly focused on capacity building of the partner organisations. There is little doubt that a lot remains to be done to improve the quality of employers' and business organisations

around the globe.

Nevertheless, there is also a growing demand for support on specific issues. Most business agenda's end with a kind of shopping list of wishes for the government. Unfortunately not all the BMOs are sufficiently equipped to develop the most adequate advocacy on those subjects towards governments. Frequently there is a lack of intrinsic knowledge. Some years ago DECP started together with ITC-ILO to improve expertise and skills on Occupational Safety and Health. In 2015 due to the initiative of the Dutch Labour Foundation (Stichting van de Arbeid) specific expertise on social dialogue was flown into Peru, because the Peruvian trade unions and BMOs were eager to learn more about the Dutch 'Poldermodel'. DECP will continue to support our partners with the implementation of activities on specific issues. Because they are not just interested in the theory, but rather in how it works out in practice. In the future more specific knowledge in the field of business advocacy issues will be transferred to the partner organisations.

From a Western perspective we usually look for an immediate and tangible pay-out of our investments. This line of thinking increasingly applies just as well when discussing the results of Dutch development cooperation programs. However, ever since its inception DECP has held the view that things don't always work that way in lots of partner countries. Improving the business climate requires patience and a long term commitment. Aspects like culture, religion, nepotism, corruption and poverty are often standing in the way of change and progress. Here a Dutch expression is very valid: pulling the grass doesn't make it grow any faster. Of course it is frustrating for DECP country managers to have to deal with the dancing procession of Echternach - two steps forwards, one backwards - but one has to keep faith that the effort will pay off in the end. Still, because of a lack of progress in some countries we may temporarily reduce our activities.





*Business in Ulaanbaatar, Mongolia is booming*

“Reculer pour mieux sauter” (step backward for a better jump), as the French call it. And sometimes we ask our ‘like-minded’ international partners to take over in order to give new impetus to the program.

Looking to the future DECP will need time to achieve its objectives in some countries, but we will not get stuck there. According to our general insights and experience with the partner organisations we will act firmly but flexibly.

The international environment in which DECP is working has clearly deteriorated. More than in the recent past DECP will have to deal with geopolitical and social unrest. The creeping civil war in Burundi is probably the worst that could happen to our partner the Association des Employeurs du Burundi. Its members, companies which are close to bankruptcy themselves, are no longer able to pay their membership fees. What had been carefully built up over the last few years is tragically falling apart. In Moldova the political turmoil between the EU-oriented and the Moscow-oriented parties has seriously destabilized the economy. Corruption is widespread.

In all those countries where DECP was involved with building up the BMOs, we will try to remain in close contact with director and boards, waiting for better

days to come and hoping that the seed that once was sown will flourish at some time in a better future.

## Reporting

Finally there is the question of transparency of reporting. In 2016 DECP will start publishing its activities following the format of the International Aid Transparency Initiative (IATI) and the Guidelines published by the Ministry of Foreign Affairs in December 2015.

Given the very nature of DECP’s counselling of its partner organisations, confidentiality is obviously the key to building a trusting relationship. Therefore, DECP shall always respect the degree of confidentiality to which its partners will feel entitled.

On the other hand DECP is also committed to reporting as transparently as possible. While at first, there would seem to be a conflict between confidentiality and transparency, DECP was gratified to note that the Ministry’s Guidelines provide a pragmatic and sensible way out of this dilemma by requesting- on a case by case basis - to strike a balance between “...safety (i.e. confidentiality) on the one hand and a useful, meaningful IATI publication on the other hand...” and leaving the final decision on what information can be published to the publishing organisation.

# The DECP organisation

In 2015 the DECP board consisted of:



Hans de Boer  
Chairman of  
VNO-NCW  
(Chairman)



Michaël van  
Straalen  
Chairman of  
Royal MKB-  
Nederland  
(Vice-chairman)



Mees Hartvelt,  
AWVN  
(Treasurer)



Niek Jan van  
Kesteren,  
Director general  
of VNO-NCW  
(Member)



Albert Jan Maat,  
Chairman of  
LTO Nederland  
(Member)



Ineke Dezentjé  
Hamming-  
Bluemink  
Chairman of  
FME-CWM  
(Member)



DECP Senior and Office Management 2015. Standing from left to right: Andrew Moore, Bram Van Overbeeke, Rogier Chorus and Peter Boorsma. Seated: Dirk Joosse, Jannes van der Velde, Christine Rehbock, Paul Witte and Jean-Marie Standaert

# On DECP

The foundation Dutch Employers' Cooperation Programme (DECP) is a public-private partnership established by Dutch employers and the Ministry of Foreign Affairs in December 2005 with the aim of strengthening the position of employer organisations in developing countries.

Via DECP, Dutch employer organisations offer professional expertise to employer organisations in developing countries.

Dutch employer organisations and the Ministry of Foreign Affairs took the initiative to set up DECP because they believe that well-functioning business organisations can make a contribution to sustainable economic development in the partner countries.

DECP wants to strengthen the capacity of business organisations in developing countries by transferring knowledge and experience, by cooperating with national and international organisations and through

financial contributions to programme activities.

In implementing its programme DECP works closely with several international organisations including the ILO (in Geneva), the International Training Centre of the ILO (in Turin) and the International Organisation of Employers (IOE) in Geneva, NHO in Norway and Danish Industry in Denmark.

As one of the Dutch agencies active in the field of private sector development DECP cooperates with fellow agencies in the Netherlands, such as the PUM Netherlands Senior Experts programme, FNV, CNV and the Netherlands Enterprise Agency (RVO).

**Visitors**

Bezuidenhoutseweg 12, The Hague,  
The Netherlands

**Postal address**

P.O. Box 93002,  
2509 AA The Hague,  
The Netherlands

**Phone**

(+31) (0)70 3490 186

**Fax**

(+31) (0)70 3490 185

**E-mail**

info@decip.nl

**Internet:**

www.decip.nl

**Design**

Fase2, Paul Veldkamp  
info@fase2.org

