Annex IV

NETHERLANDS DEVELOPMENT ASSISTANCE RESEARCH COUNCIL
- RAWOO -

PRIVATE SECTOR DEVELOPMENT IN THE SOUTH:
WHAT CAN BE THE ROLE OF THE PRIVATE SECTOR IN THE NORTH

Hans Christiaan Haan (consultant)

<u>draft</u>

Amsterdam
January 2001

TABLE OF CONTENT

1. INTRODUCTION

One of the issues related to the promotion of industrial development in the South, concerns the question what role, if any, the private sector in the north could play, and, if indeed it can contribute, what is required to attract foreign private companies and under which conditions should they should be allowed to operate. So far the emphasis has been a general improvement of the trade and investment climate within developing countries, assuming that this by itself will bring about increased economic relations and especially lead to direct foreign investments. It has become clear, however, in order to accelerate the creation of employment and incomes, a more pro-active approach is required, as the efforts at private sector development so far has not had a major impact on the large majority of the people without adequate work or incomes.

The RAWOO[1]/ is considering research into the need and scope for an improved knowledge infrastructure to provide the private sector in the Netherlands with additional, relevant information that would encourage the creation of sustainable economic relations with the private sector in developing countries. As a first step it commissioned a pre-feasibility study to chart the existing situation and available instruments, and the role of knowledge and information in relation to the creation of such relations. Please refer to ANNEX-I for background and detailed terms of reference for the study.

The study took place within a timeframe of 10 working days during which a number of interviews were held (please refer to ANNEX-II for a list of people consulted), and documents, reports and other material collected and analysed (see list of consulted documents).

2. PRO-POOR DEVELOPMENT

2.1 Economic and employment situation

Poverty in the world and especially in developing countries is massive and still increasing. Almost half of the world's population, 2.8 billion people, are living on less than USD 2 per day, and around 20% even on less than USD 1 per day (World Bank 2000). While poverty is multi-faceted with various dimensions, a lack of stable and secure income is one of the main causes of poverty. The majority of the population in many if not most developing countries suffers from un- or under-employment (ILO)

Efforts to accelerate private sector development have in most developing countries only achieved mixed success and in many countries eg. in Africa has been an outright failure. Important successes were achieved by a number of countries in East Asia (eg. South Korea and Taiwan) and to a lesser extent in Latin America. In general terms the contribution of the manufacturing sector to GDP, taken as rough indicator of the importance of the private sector,

---

[1] / The Netherlands Development Assistance Research Council (RAWOO) aims to build bridges in research for development aiming to stimulate research that responds to the problems and research needs of developing countries.

is on average 18% in low income countries, and even below that in the Middle East and North Africa (13%), South Asia (16%) and Sub-Sahara Africa (17%).

Table 1: Structure of output * (1999, in %)

	Agriculture	Industry	*(Manufacturing)***	Services
Sub-Sahara Africa	18	32	*(17)*	50
MiddleEast & N-Afr.	15	38	*(13)*	47
Latin America	8	29	*(21)*	63
South Asia	28	25	*(16)*	47
East Asia & Pacific	13	46	*(28)*	41
Europe +Central Asia	10	32	*(na)*	58
Low-income	27	30	*(18)*	43
Middle-income	10	36	*(23)*	55
High-income	2	32	*(21)*	64

Notes:

* This refers essentially to output from the 'formal' sector

** Manufacturing, together with mining, forms part of industry

Source: World Development Report 2000/2001 (World Bank)

As a result of the prominent role of the public sector and the limited progress in private sector development, the 'formal sector' (government services and modern enterprises in agriculture, industry, commerce and services) only constitutes a minor part of total employment in many developing countries. In fact, an estimated 40-60% of the total labour force depends on 'informal' employment in micro- and small enterprises.

2.2 Private sector in developing countries

The private sector can be an important motor of economic growth which has been shown to be of primary (but not necessarily sufficient - see below) condition for poverty employment (eg. the recent study by Dollar and Kraay). It provides additional employment and other sources of income, as well as opportunities for upward mobility of the poor and their children. Both of these are important for the reduction of poverty.

Within the private sector in developing countries 3 segments can be distinguished:

(i) large firms, including subsidiaries of multinational companies
(ii) small and medium modern firms, producing for the local market, and
(iii) micro- and small 'informal' firms, referring to very small and simple ventures.

Each of these segments have different growth potentials and assistance needs.

Large firms tend to produce in a relatively capital-intensive manner, using modern technologies that are usually imported. They include, especially in African countries that adopted structural adjustment programmes, many privatised parastatals. While especially the more labour-intensive ones (eg. factories in the textile and food sectors) can employ a sizeable workforce, the limited number of large firms and the general type of technologies in use, mean that their total employment is small when compared with the labour force of the country in which they operate. Moreover, their cost per job is so high that there is no way for them to create sufficient jobs for the rapidly growing labour force, let alone absorb all the persons currently un- and under-employed. They furthermore tend to have only limited linkages with other local economic sectors, especially when large parts of their equipment and production inputs are imported. As a result, there is also only a limited creation of indirect employment.

Small and medium modern firms bring a number of advantages for developing countries. They tend to be more labour-intensive than large firms, depend less on imports and instead maintain more linkages with other local enterprises. They are more likely to have regional urban centres as their base, providing a stimulus for regional development. Individually they represent less economic power and are easier to deal with for national and local governments. Also, as they operate less internationally, they are no so ‘foot lose’ and easier to convince for local expansion. This segment is relatively small in many developing countries, particularly in Africa, where the focus on the re-emerging debate on appropriate industrialization policies in fact focuses on the ‘missing middle’ of small and medium firms.

Micro- and small ‘informal’ firms make up the bulk of economic activities in developing countries, constituting 60-80% of all enterprises. In general these enterprises are not industrial in the conventional sense of the word, the majority of them even refer to pre-entrepreneurial self-employment ventures (now often called livelihood activities). They make use of simple technologies, ranging from traditional manual craft techniques to a mixed of modern-but-obsolete technologies, and have a limited potential for growth. Since the ‘barriers of entry’ to the micro- and small enterprise sector are low (both in terms of investment capital and skills), the sector functions as the employer of the last resort, employing in recent years in Africa between 70-90% of all new entrants to the labour market. As a result the competition is fierce, incomes are often meagre, the working hours long and the working conditions often gruesome.

2.3 Pro-poor development strategy

In the 1980s and 1990s major efforts were made to stimulate economic growth in developing countries. A major role was assigned to the private sector to generate jobs and stable incomes. Economic reform programmes were adopted in part to provide the necessary conditions for private sector development and endeavoured to reduce the role of the state, privatise parastatals, and introduce private sector friendly policies (eg. trade liberalisation). At the same time major donors such as the IFC/World Bank, USAID, EU, UN-agencies (eg. UNIDO and ILO), and others have initiated major ‘private sector development’ programmes to assist local business to benefit from the new opportunities and expand their operations.

While all this has resulted in a renewed growth of the industrial production and some employment expansion has taken place, it is by far insufficient to solve the enormous unemployment and poverty problems in these countries. While an accelerated growth of the private sector is a necessary condition, it is not sufficient and other specific measures appear to be required.

As a reaction of the less than expected results of structural adjustment policies, international development practioners and donors are focusing more than before on poverty alleviation. In such a *pro-poor strategy*. For example, the World Bank’s *World Development Report 2000/2001* sets out to promote a strategy for poverty reduction that includes:

- promotion of income earning opportunities with a reasonable return on labour both in case of wage-employment and forms of self-employment, flanked by programmes to ensure the health and skills required to engage in such work activities,

- empowerment of the poor to have access to these employment and income opportunities, together with public services to take advantage of them, and
- enhancing security by reducing vulnerability to economic shocks, natural disasters, etc.

Some of the measures that have been suggested as part of pro-poor growth, concern deregulation directed at the development of small-scale activities (eg. simplification of licensing requirements), together with micro-credit programmes as the access of MSEs to commercial capital is limited.

These notions have given rise to substantial debate (see RAWOO lunch lectures by Prof. Gunning and prof. Kruyt), and other approaches to poverty alleviation have been proposed (see Cox and Healy 1998, Killick 1999, DfiD 2000).

2.3 Role of private foreign companies

Private foreign companies, including multinational enterprises (MNEs)[2]/, can play a role in stimulating and catalyzing economic growth and private sector development in the South. Their potential contribution includes: (i) investment capital, usually in international currencies and/or capital equipment, (ii) creation of employment, (iii) transfer of technologies and production/ management knowledge (system), and (iv) links to international market networks. Or, in other words, MNEs are not only important in providing and moving capital, but also as movers of ideas, technology and people (Fortanier 2001).

At the same time it should be realized that foreign direct investments (FDIs) also carry a number of risks, as in the past at least some international companies have been linked to the exploitation of the workforce, corrupting government officials, and degradation of the natural environment. An appropriate framework of policies and regulations, together with a strong government and relevant institutions to enforce them, is required to minimize such risks.

The real net costs and benefits of FDIs for developing countries are difficult to estimate and, in spite of a vast body of research still open to much debate. A recent synopsis of findings (Fortanier 2001) points out that the changes effectuated result from the use of 4 factors of production (labour, technology/knowledge, capital and natural resource) in relation to 3 dimensions of sustainable development (economic growth, environmental protection and social justice) or 12 ‘static’ effects, together with 2 dynamic effects: changes in the level of competition and the creation of forward and backward linkages.

At international level efforts have been undertaken to regulate FDIs (IRENE 2000). The most well-known one are the OECD Guidelines for Multinational Enterprises, which were drawn up in 1976 and revised on a number of occasions, most recently in 1999. they are wide ranging, covering employment, industrial relations, environmental considerations, information disclosure and transparency, competition, taxation and other aspects. They are drawn up by and for governments. Still, they focus especially on OECD countries and thus are not truly international, leaving out the developing countries in their formulation and enforcement - even though in the 1999 revision it was stipulated that MNEs from OECD countries are now also responsible for the activities of their subsidiaries outside the OECD

[2]/ One could argue, as indeed is done by Fortanier (2000) that all companies that invest abroad are multinational enterprises, but it is commonly accepted that MNEs particularly refer to large companies which have spread their management and administrative capacity over different locations.

area. According to some the Guidelines have many loopholes and their implementation is notoriously weak.

The European Union has also issued a series of directives, mostly on working conditions in relation to MNE operations. The North American Free Trade Agreement contains provisions on environmental and labour violations by companies operating in the NAFTA region.

While there are signs that some multinationals, urged on by shareholders and consumers, are gradually recognising the importance of ethical business operations, it is felt that there is a need for further strengthening of the international rules and agreements to ensure that foreign investment delivers the maximum benefits to all stakeholders, including the poor in developing countries, while inflicting minimum social and environmental costs (see eg. Movement for World Development 1999).

3. DUTCH PRIVATE SECTOR AND DEVELOPING COUNTRIES

Dutch direct investments in developing countries are increasing. According to available statistics these FDIs increased from Euro 475 million in 1987 to Euro 3540 million a decade later and even Euro 5990 million in1998. In this period, Dutch FDIs in Africa increased more than 120-fold - before falling back to a sizeable disinvestments[3]/ in 1999.

While at first sight these absolute figures are rather impressive, but when they are placed in perspective it becomes clear that there has in fact been little progress. Total Dutch FDIs in all countries increased almost 10-times, which means that the share of Latin America, South Asia and Africa together increased only from 5.5% in 1987 to 9.2% in 1999.

Table 2: Dutch direct investments abroad 1987 - 1997/1998/1999 (million Euros)

	1987	1997	1998	1999
Europe	3060	10414	21373	38240
America	4008	8618	10862	11042
Latin America	303	2106	4862	2590
South-East Asia	169	893	696	3624
Africa	3	541	432	-1539
Total	7394	21806	33776	51242

Source: Data from the Netherlands Central Bank internet site.

Moreover, Dutch FDIs in developing countries were largely concentrated in ‘emerging markets’, such as Brazil, South Korea, Thailand, Hong Kong, Taiwan, China and Mexico. In Africa only Egypt and South Africa have received some Dutch FDIs, but Ghana, in many respects still the darling of international donors, received over the 3 years 1997-99 only Euro 21 million in direct investments. In other words, foreign direct investments by Dutch companies in most and especially the poorest developing countries, remains minimal

[3] / From Egypt a total of Euro 1189 million and from Nigeria Euro 559 million were withdrawn by Netherlands-based companies. The cause for these disinvestments is not immediately known.

No further desaggregation of Dutch FDIs, eg. in terms of type of investing enterprise or receiving sector, is immediately available. From circumstantial information and evidence, however, it would appear that most of the investments are made by the larger Dutch companies and especially multinationals (eg. Shell, Philips and Unilever). It is said that Dutch small- and medium enterprises usually limit their dealings to the home and European markets and at most venture into Eastern Europe. Few of them are considering initiating business activities in or even trade relations with developing countries.

The website of the largest Employers Federation in the Netherlands (VNO/NCM) gives no further indication of views or activities of Dutch (large) companies in relation to developing countries. Further interviews should be held to learn more about it, and especially to assess the role that information plays in the investment decisions of companies. Similar interviews should take place with the organisation of small and medium employers (MKB) in the Netherlands.

4. AVAILABLE INSTRUMENTS TO STIMULATE ECONOMIC RELATIONS

As part of the *Herijkingsnota* of 1995 that realigned the policy and institutional framework governing development assistance provided by the Netherlands to developing countries, aid was more than before to be seen in relation with Dutch economic interests. The ensued -forced- collaboration between MEZ and DGIS has resulted in a growing set of instruments which attempt to combine the promotion of the Dutch private sector with development objectives. They are briefly described below.

4.1 FMO

The *Financieringsmaatschappij Ontwikkelingslanden* (Netherlands Development Finance Company) was established in 1970 as a joint venture of the Netherlands government and the Dutch private sector[4]/ . FMO seeks to bridge the gap in private financing by providing loans and other financing to partners in developing countries, mostly financial intermediaries such as development banks, in developing countries. In this way it aims to catalyze finance for private sector development and foster economic growth in these countries. As different from its regular loans, which have to be repaid in foreign currency, loans directed at the small scale industry sector can be repaid in local currency which lays any currency risks with the FMO. Currently FMO focuses on loans to the financial sector, which includes, indirectly, financing of SMEs (in 1999: 55% of total financing), infrastructure and electricity sectors (see FMO 2000).

Almost half of FMO's portfolio (end of 1999) concerned projects in *low/medium income countries*, while round 25% of total financing concerned *low income countries* and *medium-high income countries*. The share of financing in Africa has gradually declined over the years and stands now at 12%.

FMO is now also responsible for the implementation of a number of special DGIS programmes:

[4] / After some changes, the Netherlands Government holds 51% of the stock, Dutch banks 42% and employers federations, trade unions and some 120 private companies and individuals 7%.

Small-scale Enterprise Fund
The Small-scale Enterprise Fund intends to assist in the financing of small companies (defined as having a maximum of 30 workers) in developing companies. FMO financing takes place via local financial institutions which on-lend the funds to individual companies. The FMO loans are long-term and mostly in local currencies. The loans to local companies can have a maximum amount of USD 100,000.

Venture capital
FMO's *Seed Capital programme* was started to finance new companies and financial institutions, especially in low-income countries in Africa. The venture capital is provided directly to companies or indirectly via FMO's local (financial) partner.

The maximum participation is NLG 600,000 for individual companies and NLG 1 million for financial institutions, mostly in local currencies. FMO will never be the largest shareholder and the local shareholder must have at least a 20% stake in the share capital.

Investment Promotion and Technical Assistance in developing countries
The Investment Promotion and Technical Assistance (IBTA) programme serves, with different operational modalities, developing countries and countries in Eastern Europe. The former focuses on the promotion of investment, international business partnerships and the improvement of business operations of companies in Africa, Asia and Latin America.

FMO contributes subsidies and interest-free loans. The main activities that qualify for such support are: feasibility studies, temporary management and technical assistance projects, and job-specific training and education.

ORET
The ORET (*Development Relevant Export Transactions*) programme was started in 1983 to support development-related export transactions by Dutch companies, part of which are financed through grants. The MILEV (*Industry and Environment*) programme was launched in 1993 with similar objectives and procedures but a higher grant percentage to promote projects with a environmental impact. Both programmes were merged in 1998, and transferred to the FMO in 2000.

The ORET/MILEV programme was designed to generate employment, boost trade and industry in developing countries and promote environmental protection (DGIS *The ORET/MILIEV Programme*, internet). It has a total annual budget of NLG 330 million, of which NLG 80 million is set aside for environmental projects. Normally the ORET/MILEV grant is 35% of the transaction, and in the case of Least Developed Countries 50%. The maximum size of the transaction is NLG 60 million.

Occasionally developing countries or companies in those countries order goods or services from the Netherlands without naming a specific supplier (this option has been specifically left open in agreements with India and China). ORET/MILEV is an example of a tied-aid programme: at least 60% of the hardware has to be of Dutch origin.

4.2 Management support (PUM)

The *Programme Uitzending Managers* (PUM or Programme of Deployment of Managers) makes available retired managers and senior technical staff for short terms periods. They are attached to firms or training organisations to transfer the practical experience that they have gathered in their working life. The local partner or organisation has to pay the equivalent of a local salary while PUM supplements this to international level and provides for travel cost and per diem.

PUM was started in 1978 by the two large Employers Federations in the Netherlands (who merged since). It is financially supported by DGID and run as a foundation.

4.3 Promotion of imports from developing countries (CBI)

In order to promote the export from developing countries, DGIS set up in 1971 the *Centre for the Promotion of Imports from Developing Countries* (CBI). The Centre is an agency of the Ministry of Foreign Affairs/DGIS, and focuses on small- and medium enterprises (SMEs) as well as Trade Promotion Organisations (TPOs) operating in developing countries. It also assists importers from Europe with the import of goods and services from developing countries.

CBI initially concentrated on the provision of relevant market information to companies in developing countries to enable them to export to countries in Europe. In recent years CBI has expanded its services to include:

- **matching programme** to pair exporters from developing countries with importers operating in Europe; the database contains some 3,500 regularly updated company profiles.
- **export promotion programme** to provide support to exporters from developing countries during the entire process getting a firm foothold in the European market, consisting of different modules
- **training programmes** such as seminars for exporters from developing countries focused on a specific product group, and seminars for officials from TPOs.

CBI published several handbooks on exporting to Europe (eg. The Guide *Exporting to* Europe and the manual *The unification of Europe: Harmonizing Regulations*, and publishes a regular *News Bulletin* (which recently started a series on designing web-sites for export promotion). It also prepared product market surveys for more than 80 product groups and quick scans on environmental, social and health standards for some 20 products. In the past it has prepared publications such as *Fashion Forecast*, *Eco Trade Manual*, *Packaging manual* and *Your Show Master* for participation in international trade fairs.

CBI runs a *Trade Documentation Centre* (located in Rotterdam) that provides supply-related information (eg. Country and sector information, exporters' directories, periodicals from developing countries as well as demand-related information (eg. Market information, trade magazines, address lists of European companies) for visiting exporters. CBI's *Green Buss* is its on-line database on European trade-related environmental policy and technology.

4.4 Feasibility studies (PESP)

The *Programme of Economic Cooperation Projects* (PESP) provides subsidies for Dutch companies to investigate the possibilities for economic relations with developing countries. Essentially PESP provides co-financing to conduct feasibility studies, market research and deployment of Dutch experts abroad. According to information on the MEZ website, it aims to stimulate economic relations with non-OECD countries and particularly seeks to stimulate Dutch exports. Many of the projects that are being developed with the assistance of PESP, are subsequently subject of support through the PSOM programme (see below).

4.5 Business-to-business promotion (PSOM)

A recent addition to the set of instruments concerns a programme to stimulate business relations between the Dutch companies and the private sector in developing countries (*Programme Collaboration Emerging Markets*, PSOM). More than some of the other programmes, PSOM appears to be is an interesting attempt to combine the promotion of the Dutch private sector with the development of the private sector in developing countries. The programme started in 1999 with a budget of DFL 90 million (from DGIS), and run by SENTER (an implementation agency of the MEZ). Just like ORET/MILEV, at least 60% of the hardware deliveries have to come from the Netherlands.

PSOM offers Dutch companies a contribution of β of the costs of pilot and demonstration projects that will lead to either an investment or a long-term trade relation. It focuses on a number of developing countries: China, Cuba, Egypt, India, Ivory coast, Ghana, Mozambique, South Africa, Tanzania, Thailand, Uganda and Zimbabwe. PSOM's contributions explicitly aim at long-term business relations between the Dutch private sector and the one in developing countries rather than the export of Dutch items. In this way the programme provides Dutch companies a low-cost and low-risk opportunity to establish themselves in a foreign market, while at the same time it contributes towards the direct investments and the creation of employment in developing countries. Moreover, in striving to set up joint ventures, PSOM but explicitly also targets the transfer of know-how and experience. Further research is needed to find out how this is done exactly and what the results are in practice.

The priorities of the programme are determined in consultations with the governments of the selected countries. In all the PSOM-countries the following 3 sectors were selected: agriculture/ agro-processing, renewable energy/ environmental protection, and transport/ infrastructure; in Mozambique and Uganda tourism has been added as a 4th sector. On the basis of tendering, proposals from Dutch companies are selected to set up demonstration projects. PSOM will finance 2/3 of these pilot projects, usually some DFL 1-1.5 million (grant funding), while the rest has to be provided by the Dutch company together with the prospective partner. These pilot projects of joint activities last some 2 years which will provide the partners the opportunity to get to know and trust each other, and the Dutch company to explore the local market and gauge competitors.

The screening of the submitted proposals is based on a number of predetermined criteria. They include:

- intention to engage in long-term economic relations
- potential for (direct and indirect) employment creation
- potential for transfer of knowledge
- proven technology, suitable for available local skills and expertise
- no detrimental effects on local poor, women and the environment.

It is said that the attention that is paid to the intentions of the Dutch enterprises appears to succeed in weeding out those proposals which merely envision the export of Dutch products:

when compared with a similar programme directed at Eastern Europe (called PSO), proposals submitted to PSOM come less from consultants leading a consortium eyeing the delivery of hardware but rather from entrepreneurs who are looking for strategic partners in developing countries.

Some of its experiences in its first year of operation that were reported (see Dellevoet 2000) 2000) refer to the following. PSOM worked in 4 countries (China, Egypt, Ghana and Zimbabwe), and received 115 proposals. Only 15 were selected, for a total financial contribution of some DFL 23 million. According to the submitted business plans, the total follow-up investment would amount to DFL 72 million in 8 years. This would mean that every PSOM-guilder would catalyse a private sector investment of 3-4 guilders (which in the end, SENTER estimates, will turn out to be around 2 guilders). Interestingly, it was found that more than 75% of the proposals were submitted by Dutch small- and medium enterprises who had never invested in a developing country before. The projects are estimated to have generated some 1500 full-time jobs equivalents.

4.6 Responsible business

Recently there has been a (re-)emergence of the debate on ‘responsible business’. While before this notion was limited to campaign groups advocating the cause of –particular groups in- developing countries, now the discussions have a much broader base within society. For instance, at least two academic institutions (the *Institute for Responsible Business* at Nyenrode University and the *Department of Business-society Management* at the Erasmus University in Rotterdam) are carrying out research in this area.

Moreover, the tripartite Socio-Economic Council (SER), the main national advisory body on social and economic policies, published in December 2000 an Advisory Report on Responsible Business. Essentially the Council negates the need for the formal regulation of international business operations together with clear sanctions. It prefers to leave it to the social partners (ie. the employers federations and trade unions) to come with voluntary arrangements such as international investments codes. In this it appears to be heavily influenced by the situation in the Netherlands where indeed negotiations between the social partners play a major role. It is however to be questioned if this so-called ‘poldermodel’ can be projected to the international setting. Interestingly, the Advisory Report calls for the establishment of an *Information Centre for Responsible Business* which should collect relevant information and refer those interested in responsible business operations to other sources of information.

Another interesting development is the creation of an affiliate in the Netherlands of the European *Social Venture Network* (SVN) that brings together some 80 socially and environmentally engaged entrepreneurs. It seeks to develop and transfer ideas on business and personal development that contribute towards a sustainable international society. SVN is one of the civic organizations in the Netherlands that participates in the discussion on Responsible Business (eg. it submitted a contribution in relation to the SER advisory report on Responsible Business).

There are various other organizations who actively participate in this debate, including *Foundation for Research on Multinational Enterprises* (SOMO) and the *India Committee of the Netherlands* (LIW). In the reaction of the latter a plea is made for a much broader –and partly government financed- **Knowledge and Information Centre** to more actively gather and analyze information relevant for those interested to trade or invest in a responsible manner. It is pointed out that at the moment responsible traders find it very difficult if not impossible to assess the conditions under which particular items (eg. sportswear) has been produced.

4.7 Recent developments

In November 2000 the Ministry of foreign Affairs/Development Cooperation and the Ministry of Economic Affairs jointly published a policy document on the promotion of economic relations of the Dutch private sector with developing countries. The document[5]/ is not so much meant to put forward new policies but rather focuses on the streamlining of the existing set of instruments, especially in institutional terms.

The document deals with 3 basic elements for private sector development in the developing countries: (i) creation of an international enabling environment, essentially referring to the need to increase the export opportunities for developing countries by lowering the barriers in the North; (ii) improving the enabling environment within the developing countries themselves, which reads as a support for liberalization and privatization recipes (eg. correct macro economic policies, good governance, promotion of market development and investments in infrastructure), and (iii) specific support measures to strengthening the private sector in developing countries. In the view of the document, the first two areas are best left to multilateral actions. With regard to the third area, the existing instruments to involve the Dutch private sector (see above) are discussed and essentially maintained in a clustered configuration.

The role of the instruments are seen in relation to 3 specific problems faced by the international private sector and Dutch companies in particular, in their economic relations with the private sector in developing countries: (i) a lack of knowledge, both on the side of the Dutch private sector as companies in developing countries; (ii) difficulties in generating an adequate return on investments in the developing countries; and (iii) the relatively high political and credit-related risks. The last 2 issues are linked with the existing financial programmes of the FMO and the risk-reduction facilities of the Netherlands Credit Insurance Company (NCM).

The issue of the *knowledge gap* is not particularly well researched. Essentially it states that the private sector in developing countries is in need of information and knowledge in order to export their products and that these countries generally lack institutions to support exporting enterprises with factual information on world markets (eg. quality and environmental standards). No further analysis of the type and form of such information is made. Furthermore it is observed that many enterprises in developing countries require management support to strengthen their –international- operations, which often is not readily available. Again, without much argumentation and without any details on why? and how?, the document implicitly assumes that Dutch companies can play a role to bridge the knowledge gap and provide management support.

The document also points to these gaps in the knowledge of international enterprises, and in this respect particularly mentions -Dutch- SMEs. It observes that as the result of this,

[5] / The title of the document is *Ondernemen tegen armoede* which in the translation of the Ministry is 'Venturing against poverty', but might more aptly be called 'Enterprising against poverty'.

potential trade and investment relations will not materialize which negatively affects the development of markets and the private sector in developing countries.

To overcome these information and knowledge gaps, the document refers to “knowledge-enhancing instruments” for the benefit of the Dutch exporters and investors. These turn out to be existing programmes such as CBI, PUM, IBTA, PESP and PSOM, which consist mostly of practical instruments to assist individual companies to explore markets and assess potential partners in developing countries. Only the CBI serves the private sectors in the Netherlands and, especially, in developing countries in a more generic way, through the dissemination of relevant information. The outreach of the other programmes, by virtue of their resources is rather limited (eg. the most promising programme PSOM can finance some 30-40 projects per year).

No further knowledge or information initiatives are proposed in the policy document; it only announces that the programmes mentioned (except CBI and PUM) will be clustered in the SENTER agency. As such it can be questioned to what extent this will help to bridge the knowledge gap, also since SENTER is meant to be an efficient implementation agency and has no background, nor interest to be a knowledge and information broker. It would seem that by not analyzing further the role of information in the process of entering into private business relations with developing countries, a chance is lost in the document to add an instrument that focuses more directly on the identified knowledge gap - as was suggested by the SER in its latest advice and has been requested by civic organizations active in this area.

The policy document, which was discussed at a recent workshop (29 January 2001) organized by SOMO, with an active participation of the Minister of Development Cooperation, has also become the focus of a number of other criticisms (see eg. Filbri 2001 and Hoebink 2001).

4.8 Final observations

The conclusion so far must be that in the Netherlands there exist a rudimentary set of instruments to stimulate Dutch companies to engage in economic relations with developing countries. While some appear to be rather export promotion programmes favouring Dutch companies (eg. ORET/MILEV), others seem like genuine efforts to promote private sector development in developing countries (eg. most of the FMO activities and especially the seed capital programme) and to identify and cappitalize win-win situations for the private sector in the Netherlands and that in developing countries (eg. CBI and PSOM). More research is needed to assess the results and impact of these programmes. An important deficiency of the available instruments is that most of them (the FMO seed capital facility is an exception) do not differentiate between types of companies, and in principle they are open to small and medium enterprises (SMEs) as well as large firms. Or, conversely, so far few specific efforts are made to target the instruments to Dutch SMEs who probably have the best potential to contribute to pro-poor development in developing countries.

Secondly, from the brief summaries of the existing set of instruments it can be seen that few of them are geared towards the least developed countries - the FMO SME and seed capital programmes are probably the only ones. This means that for those countries which are least of subject of private commercial investments (unless they are rich in natural and especially mineral resources), no extra efforts are made, as could be expected from a bilateral donor.

Thirdly, there are in the Netherlands, as well as internationally, a large number of civic groups active in the discussion on foreign investments/ multinational companies, responsible business and sustainable international development. Some of them engaged in their own information collection and research (eg. SOMO, Netherlands Working Group on India), but their resources to do so independently are very limited.

Fourthly, while positive in itself, the emerging discussion in the Netherlands (and internationally) on responsible business, is so far focussed particularly on labour/human rights and environmental aspects. Scant attention is paid to the more economic aspects in relation to the creation of employment and incomes, especially for the poor, the strengthening of local entrepreneurship and, even broader, the design and implementation of an appropriate 'pro-poor' industrial development strategy in developing countries.

5. ROLE OF KNOWLEDGE AND INFORMATION: A PRELIMINARY ASSESSMENT

5.1 Need for knowledge and information

With regard to pro-poor private sector development and especially the role of international economic relations a pivotal role is played by relevant knowledge and information.

From the point of view of potential target groups to use the knowledge and information, at least 3 categories can be distinguished.

i) *private companies*, who require relevant information to identify win-win situations that are beneficial from their own business point of view as well as benefiting the host country. In the case of investments in developing countries they need information on prices and conditions on factor and product markets, together with information on relevant laws and regulations and information on potential business partners;

ii) *governments* are in need of relevant information to formulate appropriate policies and to gauge the effects of the instruments in use;

iii) *civic groups* are in need of information in order to fulfil the growing responsibility which is given to them as watchdogs of trends and particular cases in international development and especially with regard to the effects of the operations of private companies in developing companies.

When it is realized that there will be differences in the knowledge and information required by these target groups when they are based in the Netherlands or in developing countries, the information needs will form a matrix of 3 by 2. More, it seems likely that multinational enterprises will have different information needs from small and medium enterprises (SMEs), or at least have different ways to access such information. Finally, entrepreneurs and companies interest in responsible business will have a different set of information needs from enterprises which have a more commercial and short-term business outlook.

5.2 Existing sources of knowledge and information

Private companies
With regard to sources of information for private companies, the main information provider in the Netherlands is the *Economic Information Service* (EVD), which forms part of the Ministry of economic Affairs. Also the *Chambers of Commerce* will have some information, but to a large extent they will depend on and refer to the EVD. The EVD analyzes on a quarterly basis the request it receives by type and country. The underlying data (EVD 1999) show clearly that with regard to developing countries, most information is sought on emerging markets in Asia (China, India - increasing rapidly and Indonesia) and Latin America (Brazil, Argentina and Mexico), and least in Africa (Egypt and South Africa).

These sources of information will be most important for SMEs, as many of the large multination companies will have their own data bases of information. The EVD is largely re-active, providing information on request. This will probably restrict the number of enquiries from Dutch SMEs on developing countries, as their business horizon is said to be generally limited to West Europe, with possible extension into Eastern Europe, but hardly ever to countries in Africa, Asia and Latin America.

For entrepreneurs and firms from developing countries who are interested to engage in economic relations with the Dutch private sector, the CBI is regarded to play an important role. Within their own countries the Chambers of Commerce can be of assistance, although their limited financial and human resources tend to pose major constraints.

At international level, there are a large number of initiatives to promote international investments as a way to spur economic growth in developing countries. The International Trade Centre ITC) in Geneva, the implementing agency of UNCTAD/WTO, aims through public-private sector partnerships to stimulate exports from developing countries. The World Bank also has set up the *Multilateral Investment Guarantee Agency* (MIGA) which is tasked to enhance the flow of capital and technology to developing countries. This is done in part through the dissemination of information on investment opportunities. The International Finance Corporation (IFC), which also belongs to the World Bank group, similarly is engaged in investment promotion, in Africa especially for SMEs. UNIDO runs an electronic matching scheme for sub-contracting relations.

For entrepreneurs with interest in responsible business operations, no specific data and information bases seem to be available. That will mean that they have problems to get factual information on the poverty, employment and labour situation (eg. the level of wages required for minimum basic needs, activities of trade unions, etc.), and on the role they could play within pro-poor economic and development policies in specific countries. They probably are, for instance, interested in information on opportunities to set up long-term relations with local companies to whom they could transfer relevant technologies and knowledge.

Governments
With regard to business relations, governments in the North have a relatively large capacity to prepare policy documents, design programmes and instruments, and evaluate the results and impact of interventions. Moreover, they have both ample resources and access to academic and other institutions who can be hired in consultancy capacity to collect or produce any required information and analysis. Still, it would appear that in spite of this, not all the past instruments to stimulate the private sector in the Netherlands to engage in business relations

with developing countries were well conceived and designed[6]/. There is clearly room for enhanced use of available research and information capacity to improve and expand the set of instruments aiming to intensify the involvement of -Dutch- companies in private sector development in developing countries.

The situation of governments in the South is obviously quite different. Their internal capacity is often far more limited, as are their possibilities to rely on external advisory services. Here a distinction needs to be made between countries like, for instance, India and Brazil, which have more resources available, as well as a more developed (semi-) academic capacity and consultancy services, and the least developed countries in Asia and Africa which have neither of these. In these countries academic institutions tend to be under-funded and under-staffed, while local consultancy capacity only gradually emerging. In spite of the existence of a number of renowned institutes in the South, it would seem that, with clear exceptions, the larger part of studies and reports on the various aspects of employment creation and industrial development, continues to come from the North.

Civic organizations

It has become clear that especially civic organizations, who are receiving increasingly recognition for their role in monitoring the effects of private sector operations, are in need of relevant information. Their opportunities for independent research are usually limited, even though in the Netherlands there are a number of ways to obtain funding for them. In developing countries such facilities do not exist and the opportunities for local civic organizations to be actively involved are therefore severely curtailed.

In this respect is it interesting that the Netherlands India Committee in its reaction to the recent SER advisory report, refer to the lack of knowledge and information and publicly requested for a semi-public Information and Promotion Centre to support companies who have genuine interest to engage in long-term, responsible business relations with developing countries.

5.3 Conclusion

The situation of widespread poverty and pervasive un- and under-employment in many development countries, requires urgent action. General policies to stimulate economic growth in these countries, while a necessary long-term condition for improvement, are by themselves not sufficient to solve these problems, certainly in the short run. Specific measures to generate employment and incomes for the poor need to focus first of all on the economic sectors where they are found now: smallholder farming and the ‘informal’ sector of micro- and small enterprises. They include programmes for: land reform; education and training; development and transfer of relevant technologies; medium-term capital and business development services for SMEs; and deregulation and streamlined licensing procedures for the benefit of small producers. Private sector development can play an important complementary role within a pro-poor development strategy, not only for the -direct and indirect- creation of employment, but also, and potentially more important, in the provision of essential production inputs to micro-, small and medium enterprises, as well as sub-contracting items from them.

[6] / Hoebink (2001) memorizes the history of an instrument of guarantees for equity participation in developing countries which in over 10 years attracted only one Dutch company…..

Foreign direct investments can bring many advantages to developing countries, provided that the local government has established and enforces a suitable framework of conditions. Generally such business relations will be governed by the economic interest of private companies, but ‘win-win situations’ do indeed exist. Moreover, there is a growing interest, also within business circles, for responsible business operations that bring benefits to the poor.

There is a major role for relevant knowledge and information to play in bringing about the described ‘win-win’ situations and actively support responsible business, both with the intention to contribute to pro-poor development in the South. This refers to various types of knowledge/information, ranging from factual information on parameters of importance to both ‘commercial’ and ‘responsible business/pro-poor’ international investors and traders, via cultural knowledge for company staff on how to engage in proper business relations with developing countries, to trend analyses and impact studies for governments and civic groups involved in activities to promote ‘pro-poor’ private sector development. So far this aspect has received at best some lip-service, as in the recent DGIS/MEZ policy document. In the interviews that were held as part of the preparation of this report, the suggestion to expand the knowledge and information base, did not immediately arouse much interest and it would appear that important opportunities will be missed because of this.

The options that have been outlined above are still very general and need to be worked out further. In particular more in-depth interviews with representatives of the different segments of the private sector in the Netherlands are needed so as to arrive at the most effective ways to gather and disseminate relevant knowledge and information with an eye to stimulate sustainable economic relations between the Dutch private sector and that in developing countries. And, last but certainly not least, more attention has to be given to the issue to further expand the knowledge and information capacity in the North versus the opportunities for developing countries to develop their own infrastructure in this area.

CONSULTED DOCUMENTS

CBI,
CBI News Bulletin, several issues (CBI, Rotterdam).

Aidan Cox and John Healy,
Nov 1998, Promises to the poor: the record of European Development Agencies (ODI Poverty Briefing #1, ODI, UK).

American Council for Voluntary International Action,
undated, Trends in development (www.interaction.org).

Gemma Crijns and Gerard Oonk,
Jan 2001, *Bedrijven zijn niet zo gevoelig*, in: *de Volkskrant* (9/1/01, PC, Amsterdam).

A.J.F. Dellevoet,
July 2000, [article on PSOM], in: *International Samenwerking* (Ministry of Foreign Affairs/ Development Cooperation, the Hague).

DfiD,
2000, Eliminating world poverty: making globalization work for the poor – White Paper on International Development (DfID, London).

DNB,
statistics from www.statistics.dbn.nl .

EVD,
1999, internal data on the request fir information that were received (specially prepared information, EVD, The Hague).

Marlies Filbri,
Feb 2001, *Een gemiste kans* [A lost chance], in: *Onze wereld* (NOVIB, The Hague).

FMO,
2000, Annual Report 1999 (FMO, the Hague).

Fabienne Fontanier,
Jan 2001, The role of multinationals in host country development: a synopsis (Erasmus University, Department of Business-Society Management, Rotterdam).

Paul Hoebink,
Feb 2000, *Plichtmatig private* [Perfunctory private], in *Onze Wereld* (NOVIB, The Hague).

IFC,
undated, Building the private sector in Africa (IFC, Washington)

2000, Paths out of poverty: the role of private enterprise in developing countries (IFC, Washington).

IRENE (Mandy Macdonald),
March 2000, Controlling corporate wrongs: the liability of multinational corporations (IRENE, Tilburg).

Tony Killick,
May 1999, Making adjustment work for the poor (ODI Poverty Briefing #5, ODI, UK).

MIGA,
information from website www.miga.org .

Ministry of Foreign Affairs/ Ministry of Economic Affairs,
Nov 2000, *Ondernemen tegen Armoede – Notitie over Economie en Ontwikkeling* (Policy document, The Hague).

PriceWaterhouseCoopers,
undated, *Sociale en ethische verantwoording: keurslijf of lijfsbehoud* (PriceWaterhouse-Coopers/ Nyenrode University).

RAWOO,
2000, Coping with globalization: the need for research concerning the local response to globalization in developing countries (RAWOO, publication # 20, The Hague).

RAWOO lunch lectures by J.W. Gunning (6/11/00), Dirk Kruyt (23/11/00): www.rawoo.nl

SENTER,
information form website www.senter.nl .

SER,
Nov 1997,

Social Venture Network,
information from website www.svneurope.com .

UNDP,
undated, Promoting poor pro-growth (www.undp.org/Report/HRD97/HDRPRO.HTM)

USAID,
information on sustainable development: www.usaid.gov/economic_growth/strategy.htm

VNO/NCW,
information from website www.vno-ncw.nl .

World Bank,

2000, World Development Report 2000/2001 (World Bank, Washington).

information on private sector development: www.worldbank.org/html/fpd/privatesector

World Development Movement,
Feb 1999, Making investment work for people: an international framework for regulating corporations (WDM, UK, www.wdm.org.uk)

M E M O R A N D U M

To : **Members of the Council**

From : **Secretariat**

Date : **6 October 2000**

Number : **R-2000-XII-16**

Subject : **'Strengthening the knowledge infrastructure for North South economic co-operation under ICES/KIS III'**

Proposal for 'COS Coordination Fund'

Feasibility study

The Dutch Economic Affairs Ministry has a well-endowed programme to upgrade the Dutch knowledge infrastructure. The programme will run for a number of years and stimulate research, training and the expansion of research capacity. Decisions concerning funding from this Knowledge Infrastructure (KIS) programme are made in the Interministerial Commission for Policies concerning the Economic Structure (ICES).

COS/RAWOO have suggested to establish a Knowledge Platform that will stimulate socially responsible investments by the Dutch private sector in developing countries, to the benefit of both the Dutch economy and the economy of the developing countries. The objective of the Platform would be the production and dissemination of knowledge for mutual benefit

Before further steps will be taken, regarding forwarding official proposals, the RAWOO Secretariat has been invited (by the Commission of Sector Councils - COS) to put forward a proposal for a feasibility study to be funded through the COS Co-ordination Fund.

We propose to commission a feasibility study to be funded through the 'COS Coordination' fund to further explore the merits and feasibility of a knowledge platform. A steering committee will be appointed by the Council. The input from RAWOO's southern Council members is required. Before implementation a systematic in-depth analysis of the Southern perspective is necessary.

Attached is a proposal for the feasibility study.

Project costs for phase 1 will be f 50.000.Supervision of RAWOO members and support by RAWOO secretariat will be borne by RAWOO.

Proposal Draft

Feasibility study 'Strengthening the knowledge infrastructure for North South economic co-operation under ICES/KIS III'

Background
Since private sector initiatives in developing countries are larger nowadays than investments through development aid, and these initiatives are often facilitated by northern governments, it seems worthwhile to stimulate a knowledge based dialogue on the implications of private sector investments in developing countries, both in terms of development and environmental goals and in terns of needs in developing countries (e.g. the need for fair trade, the need to get fair access to technology and management skills, the need to respect rules and regulations). One of the problems is, for instance, that the private sector is increasingly driven by reaching targets of share holders value. This, however should not go at the cost of other objectives, such as the contribution to socio-economic development (e.g. stimuli to small and medium enterprises) and improved environmental practices of oversees investors. Through more systematic and knowledge based joint efforts, win-win-options could be revealed and be made subject of research and knowledge capacity building in both the North and the South. Through its North South composition RAWOO is in an excellent position to explore potential opportunities and threats.

With these considerations in mind, COS has suggested to use part of the funds available under ICES/KIS III to establish a Knowledge Platform that will stimulate socially responsible investment by the Dutch private sector in developing countries, to the benefit both of the Dutch economy as well as the economy of the developing countries.

The objective of the Platform would be production and dissemination of knowledge that:
- enables the Dutch private sector to invest and operate in developing countries in a socially responsible and sustainable way;
- enables relevant stakeholders in developing countries to get access to relevant knowledge for its own socio-economic development purposes in general and its own private sector in particular;
- helps creating an enabling environment for enterprise development in developing countries, both in the public sector (e.g. training, education, legislation, etc.) and the private sector (e.g. widening the scope for PPP and N-S partnerships.

Proposal for a feasibility study
RAWOO proposes to conduct a feasibility study with the objective to explore whether there is a potential interest in financing such a knowledge platform both in the private and public (government and R&D) sectors in the Netherlands, and if yes, under which terms.

The following questions need to be answered:
- On the Dutch side, what are the potential partners in the platform and what is their interest in taking part (e.g.: Ministry of Economic Affairs, Ministry of Foreign Affairs/DGIS; Stichting Onderzoek Multinationale Ondernemingen (Foundation Research Multinational Companies, SOMO), Programma Uitzending Managers (Netherlands Management Cooperation Programme, PUM), Financieringsmaatschappij Ontwikkelingslanden (Netherlands Development Finance Company, FMO), Dutch Institutions for International Education and relevant other R&D institutions in this field, a limited number of companies with experience in this field).
- Would it be useful to involve international organizations such as World Bank, UNCTAD, UNIDO? And What are their experiences?
- Which set-up is needed for the platform in order to guarantee a balanced approach (Dutch interests versus developing countries' interests)?
- Are there or have there been similar ventures or projects (bilateral or multilateral)?
- Which further steps are needed before further steps can be taken?

Methodology

Information will be collected through:
- A assessment of secondary sources (mainly policy documents);
- Interviews with relevant actors and experts in this field in both the private, public and R&D sectors in the Netherlands and abroad; including some other donor agencies who have experience in this field (WB, DFID, etc.);

The study will be conducted by an independent consultant, with private sector experience in both the |North and the South.

Planning

The study will be conducted in the period of November 2000 – May 2001. The findings of the study will be presented to the RAWOO plenary meeting mid June 2001.

A second phase will be proposed in case potential partners show a serious interest in the knowledge platform.

This second phase will concentrate on the demand side in the private and public sector in a limited number of potentially interested developing countries.

Supervision

A working group of RAWOO council members will form a steering committee with the task to supervise the progress of work.

Budget

A total amount of f 50.000,- for project costs is proposed for the first feasibility study, to be funded by COS Coordination fund.
Supervision by RAWOO Council members and support by the RAWOO secretariat will be borne by RAWOO.

PEOPLE MET AND CONSULTED

RAWOO,
Mr Ed Maan, secretary
Mr Eduard Jansen

Ministry of Foreign Affairs/ Development Cooperation
Mr Bas van Noordenne, Head Dept. of Rural and Urban Development (DRU)
Mr Robert Dijksterhuizen, Dept. Private Sector (DOB)
Mrs Hannie Loermans, Research Programme (DVO/OC)

Ministry of Economic Affairs
Mr Remco van Wijngaarden
Mr Frank ter Borg, Economic Information Service (EVD)

SENTER
Mr Bas Pulles, PSOM Programme
Mr Andre Dellevoet

FMO
Mr Martin F. de Jong, Manager Special Services

SOMO
Mrs Marlies Filbri, Director

Landelijk India Werkgroep (LIW)
Mr Gerard Oonk, Coordinator

CURRICULUM VITEA

Personal data

Name	HAAN, Hans Christiaan
Address	Nassaukade 88hs, 1052 CW, Amsterdam, The Netherlands tel: 31 - 20 - 681 1332, fax: 31 - 20 - 421 1202, email: *hchaan@planet.nl*
Date of birth	April 21, 1953 - Hengelo (The Netherlands)
Nationality	Dutch
Profession	Development Economist

Specialisation

- Promotion of small and micro-enterprises (MSEs) and development of the informal sector in urban and rural areas, through:
  . support services (credit, in-plant counselling, technical skills training)
  . introduction of improved technologies
  . conducting sector and macro policies
  . strengthening/creation of (informal) MSE-associations
  . incorporation of a gender perspective
- Micro credit schemes for income-generating activities
- Community-based skills training for self-employment
- Involvement of MSEs in solid waste management
- Special support programmes for women and other special target groups
- Employment planning and labour market research
- Institutional development and training for capacity-building of NGOs, MSE-support agencies and other organisations

Education

Vrije Universiteit, Amsterdam, Netherlands
- B.A. 1973, Economics
- M.A. 1979, Development Economics
- B.A. 1975, Western Sociology

Languages

Dutch (mother tongue), English (fluent), Spanish (excellent), French (fair)

Special skills

- Project/ programme evaluations
- Organisation and facilitation of (staff) training courses

Present position

1999 to date **Free lance consultant**:
Short term consultancies in the area small and micro- enterprise development, micro-credit, vocational training, business development services, gender, institution building, employment planning, and technology studies, in Latin America, Africa and Asia.

Professional experience, previous positions

1995 to 1998 **Director of TOOLConsult**:
Manager/ senior consultant of a consultancy firm with 6-11 core consultants, engaged in small and micro- enterprise development, renewable energies and gender & technology, working in Africa, Latin America and Asia.

1993 to 1996	**Chief Technical Adviser (ILO/TOOL) of FIT Programme**: FIT aimed at promoting the use and local manufacture of farm implements and equipment for food processing, through the development of innovative approaches to strengthen local organisations providing support services to small metal working and food-processing enterprises in Africa, especially in Ghana and Kenya. Examples of such innovative MSE support mechanisms: *Rapid Market Appraisal*, *User-led Innovation*, and *MSE Exchange Visits*.
1991 to 1993	**ILO Chief Technical Adviser of a Community-based Training (CBT) project at the National Manpower and Youth Council, Manila, the Philippines.** 'Training for Rural Employment and Income Generation' (TRUGA) project aimed to develop and pilot test an effective and cost-efficient methodology for the planning, organisation, delivery of rural skills and management training, aiming to stimulate rural off-farm employment.
1986 to 1990	**Staff member at the Royal Tropical Institute (KIT) in Amsterdam**, of 'Enterprise Development' section of Rural Development Programme. Main work activities included research, training and consultancies in the field of small-scale industries, urban informal sector and rural non- farm employment; credit; institution building; employment planning and urban development
1983 - 1985	**Expert for ILO/PREALC (Employment Promotion Program for Latin America), based in Panama**. Responsibilities: Employment planning, in particular related to small-scale economic activities in urban areas and rural non- farm activities; in: Panama, Nicaragua, Costa Rica, El Salvador and Guatemala. Conducted a special regional study on urban informal sector support programmes in Central America.
1980 - 1982	**Associate Expert for ILO/SATEP (Southern Africa Team for Employment Promotion), based in Zambia.** Work activities: Policy research and project formulation in the field of employment creation, with emphasis on promoting industrial development, small-scale industries and informal sector. Conducted a number of MSE field studies.
1979 - 1980	**Project officer Ministry of Foreign Affairs**, Netherlands, in charge of project administration of Research Programme in and for developing countries
1976 - 1979	**Economics teacher**, Amsterdam, Netherlands
1975	**Field** Researcher in Tunisia for REMPLOD (Reintegration of Emigrant Manpower and Promotion of Local Opportunities for Development) and *Vrije Universiteit*. Main duties included conduct a budget survey of migrant families; identification of opportunities for employment-creating investments.

<u>Consulting assignments</u>

From 1980 - present	Short consultancy missions for bilateral, international and local organisations, including: Netherlands Government/DGIS, ILO, FAO, IFAD, UNDP, WHO, DANIDA, USAID, World Bank, Carl Duisberg Foundation, NOVIB, and SNV, in various countries: in **Latin America**: Bolivia, Colombia, Costa Rica, El Salvador, Guatemala,

Honduras, Nicaragua, Panama, Peru;

in A**frica**: Botswana, Burundi, Ghana, Kenya, Lesotho, Malawi, Mali, Mozambique, South Africa, Sudan, Swaziland, Tanzania, Tunisia, Uganda, Zambia, Zimbabwe;

in **Asia**: Bangladesh, Indonesia, Nepal, Pakistan, Philippines, Sri Lanka, Thailand, Vietnam; and

in the **Middle East**: Syria, United Arab Emirates, and Yemen.

ACRONYMS

BDS	-	business development services
CBI	-	*Centrum Bevordering Importen uit Ontwikkelingslanden* (Centre for the Promotion of Imports from Developing Countries, NL)
CIDA	-	Canadian International Development Agency
CoCI	-	Chamber of Commerce and Industry
DfID	-	Department for International Development (UK)
DGIS	-	Department of International Cooperation (Ministry of Foreign Affairs, NL)
DNB	-	*De Nederlandse Bank* (Netherlands Central Bank)
EU	-	European Union
FDIs	-	foreign direct investments
FMO	-	*Financieringsmaatschappij Ontwkkelingslanden* (Netherlands Development Finance Company)
GDP	-	Gross Domestic Product
ICTs	-	information and communication technologies
IFC	-	International Finance Corporation (part of the World Bank group)
IGAs	-	income-generating activities
ILO	-	International Labour Organization (Geneva)
IRENE	-	International Restructuring Education Network Europe
LIW	-	*Landelijke India Werkgroep* (India Committee of the Netherlands)
MEZ	-	Ministry of Economic Affairs
MIGA	-	Multilateral Investment Guarantee Agency (World Bank group)
MSEs	-	micro- and small enterprises
MSEps	-	micro- and small entrepreneurs
NGO	-	non-governmental organization
ORET/MILEV	-	*Ontwikkelingsrelevant Export Transactions* (Development Relevant Export Transactions, NL)
PESP	-	*Programma Economische Samenwerking Projecten* (Programme Economic Cooperation projects, NL)
PSOM	-	*Programma Samenwerking Opkomende Markten* (Programme Cooperation Emerging Markets, NL)
PUM	-	*Programma Uitzending Managers* (Programme of Deployment of Managers, NL)
OECD	-	Organisation of Economic Cooperation and Development
RAWOO	-	Netherlands Development Assistance Research Council
SOMO	-	*Stichting Onderzoek Multinationale Ondernemingen* (Foundation for Research of Multinational Enterprises, NL)
UNCTAD	-	United National Conference on Trade and Development
UNDP	-	United Nations Development Programme
UNIDO	-	UN Industrial Development Organization
USAID	-	United States Agency for International Development
VNO/NCW	-	main Employers Federations in the Netherlands
WDM	-	World Development Movement (UK)