

OverseasREPORT

Afghan MPs Gain New Economic Perspective

Kabul, Afghanistan – Members of Afghanistan’s National Assembly have a growing interest in free market economics and democratic principles. In March 2008, CIPE and its partner the Afghan Center for Research and Policy Studies (ACRPS) began offering weekly lectures and discussions. Lecture topics are demand-driven, and participants say that a fundamental understanding of free market economic theory is exactly what they need.

The series grew out of CIPE’s 2007 analysis of the needs of Afghan members of parliament (MPs). Many parliamentarians received communist training in the 1970s and 1980s and witnessed the conflict economy of the past 30 years, yet have little experience in a market economy. This limited their capacity to take part effectively in debates over the country’s economic future. The CIPE-ACRPS training program has attracted MPs with communist backgrounds as well as



Members of Afghanistan’s National Assembly are showing support for free market economics and democratic principles. Above, MPs from across Afghanistan gather with CIPE staff to explore economic issues.

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Medvedev Decree to Eliminate Barriers to Business in Russia

Moscow, Russia – President Dmitry Medvedev – in one of his first official acts – issued a decree that directs the government to eliminate administrative barriers to doing business in Russia. The May 15, 2008 decree echoes the exact recommendations made to the Russian Government by CIPE’s regional- and federal-level partners and demonstrates that grassroots programs for reform can be effective in Russia. The decree directs the government to develop and submit to the Duma draft laws that will:

- Limit the frequency of planned state inspections of businesses and individual entrepreneurs to once in three years (except for tax inspections);
- Conduct unplanned inspections only at the consent of the Prosecutor’s Office; and
- Standardize and simplify the procedure for starting a new business.

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The Universal Challenge of Getting Institutions and Policies Right

by Richard N. Holwill, Vice President of Public Policy, Alticor

In times of economic uncertainty, long-held assumptions are called into question. So it is today, both in the United States and abroad. Among the assumptions under attack is the idea that free trade can contribute to economic growth. As economic dislocations take place, there is a very human desire to protect what we know and understand.

Today, changes in countries' economic fabric are endemic to a world where goods and services are instantly available. Not only can we buy fresh fruit and vegetables in mid-winter, someone is standing by in a far-off corner of the world to service our computer in the middle of the night.



Change becomes the primary constant in our lives. In an effort to hold on to what is familiar, many seek to limit, stop, or slow the pace of change. This frustration can be manifested in protests or even political movements – in the United States, for example, against trade or immigration. In my work, I see this same frustration among farmers in India, factory workers in China, and supporters of statist policies in Latin America.

Yet, we can no longer think of individual countries as discrete markets. In our single global market, success is defined by access to creativity, competency, and capital. The problem is that those commodities – ideas, talent, and the money to turn ideas into reality – cannot be legislated. These resources flow to places where strong institutions help build an environment for growth.

Institutional reform is key to addressing the challenges inherent in economic change. The Center for International Private Enterprise (CIPE) is dedicated to helping build strong institutions throughout the world to strengthen democracy. As a CIPE board member and having a special affinity for Latin America due to my service in Ecuador as U.S. ambassador, I am particularly impressed with CIPE's success across the region.

In Ecuador, for example, CIPE works with the Ecuadorian Institute of Political Economy (IEEP) to advance democratic debate on key economic priorities. Through radio and television programs, IEEP has helped political leaders and the public through the process of creating a new constitution by making the connections between proposed reforms and political and economic freedoms.

Peruvian economist Hernando de Soto, one of CIPE's first partners and a co-chair of the United Nations Commission on Legal Empowerment of the Poor, has tirelessly supported the idea that engaging the poor in institutional reform, while not easy, is possible – and produces long-term gains. Recently, the commission launched a report that emphasizes the need for reforms that are driven from the bottom up, a dynamic essential to long-term institution building.

Strong institutions are needed to protect the rights and interests of the poor and engage them as economic actors. Crucially, helping people escape poverty addresses the economic issues that cause the frustrations that prompt people to turn against trade, immigration, and economic integration. Thus, CIPE is working to build institutions that serve us all. ♦

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Asia's First-Ever Corporate Governance Guide for Family Businesses Launched in Pakistan

Karachi, Pakistan – With the launch of *The Corporate Governance Guide: Family-Owned Companies* on June 4, 2008, Pakistan became the first country in Asia to have such a guide. Good corporate governance practices promote fairness, transparency, responsibility, and accountability – values key to a strong democracy. Stating his commitment to these values, Chairman of the Pakistan Business Council and former Minister of Commerce Razzak Dawood said at the launch event, “Corporate governance is necessary for the creation of human, intellectual, and financial capital... I am a strong believer that good corporate governance is not a cost, but rather a value addition, an investment in the future of the company.”

The guide was the result of a partnership between CIPE, the Pakistan Institute of Corporate Governance (PICG), and the Institute of Chartered Accountants Pakistan (ICAP), and was created with the input of family-owned companies, chambers of commerce, and business associations across the country. In countries like Pakistan, where a corporate governance code



Former Minister of Commerce Razzak Dawood (left) cited the value of corporate governance to firms at the launch of Pakistan's corporate governance guide for family-owned businesses.



has already been established for companies listed on the stock exchange, a corporate governance guide specifically for family-owned companies addresses the needs of a significant segment of the unlisted economy.

Family-owned businesses often founder under a lack of objective analysis on the part of independent directors, but mechanisms like family constitutions and family councils can manage corporate governance apart from the family so the business does not suffer. Pakistan's new corporate governance guide can help family-owned businesses become more sustainable by delineating methods for generational transitions and succession planning. By making family-owned firms more sustainable, good corporate governance at this level will contribute to long-term growth for the economy as a whole. ♦

The new guide is available on CIPE's South Asia web page at: www.cipe.org/regional/southasia

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World Movement for Democracy Fifth Assembly

Kyiv, Ukraine – Sixteen CIPE partners from around the world gathered in Kyiv, Ukraine to participate in the World Movement for Democracy Fifth Assembly from April 6-9, 2008. The Fifth Assembly brought together over 450 democracy activists, practitioners, and scholars from 104 countries under the theme “Making Democracy Work: From Principles to Performance.”

The assembly opened with remarks from Ukraine’s First Lady, Kateryna Yushchenko, who declared, “I wish you the opportunity to learn many new skills and generate many creative and innovative ideas that will enable you to return to your countries and... promote democracy, human rights, civil society, and freedom, and to overcome your hardships.”



Kateryna Yushchenko, First Lady of Ukraine, gives remarks at the World Movement for Democracy Fifth Assembly in Kyiv, Ukraine.

“Unifying people in protest is one kind of struggle, but creating democratic institutions, a strong economy, a rule of law, a civil society and a political culture that protects and realizes their dreams is another.”

*~ Kateryna Yushchenko,
First Lady of Ukraine, at the World Movement Fifth Assembly*

CIPE Workshop on Women’s Economic Empowerment

On April 10, 2008, CIPE conducted a follow-on workshop on women’s economic empowerment for a group of its partners, discussing strategies to further empower women in the economic and political spheres through organizational opportunities and international support. Suggestions included:

- Creating a database of statistics on women entrepreneurs around the world to serve as an educational and advocacy tool;
- Developing leadership programs for women to promote organizational success and personal growth;
- Increasing networking and long-term partner exchanges that extend beyond conferences; and
- Profiling success stories through case studies and awards programs.

A non-governmental effort initiated by the National Endowment for Democracy in 1999, the World Movement for Democracy is a global network of democracy activists, practitioners, academics, policymakers, and funders who have come together “to strengthen democracy where it is weak, to reform and invigorate democracy even where it is longstanding, and to bolster pro-democracy groups in countries that have not yet entered into a process of democratic transition.” The Fifth Assembly, organized in conjunction with the Ukrainian think tank Europa XXI Foundation, brought together a group of democracy activists to analyze the development of democracy in various regions of the world and discuss the challenges to creating democracy that delivers.

The Fifth Assembly was a unique opportunity for CIPE partners to strategize with other practitioners working to advance democratic and economic development in their countries. At the assembly, CIPE conducted two workshops focusing on women’s economic empowerment and the role

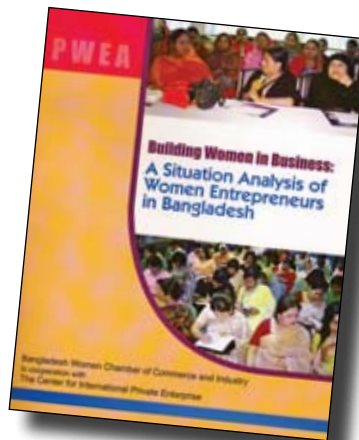
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New Poll Reveals First Clear Picture of Bengali Businesswomen

Dhaka, Bangladesh – CIPE partner the Bangladesh Women Chamber of Commerce and Industry (BWCCI) has recently released a situational analysis of women entrepreneurs in Bangladesh. The survey establishes a baseline for measuring change in perceptions, attitudes, and types of businesswomen currently working in Bangladesh, and will provide many of the facts and figures necessary to convince local and national policymakers that reforms on behalf of women in the economy are not only necessary, but long overdue.

While the data reveals many unsurprising facts, it represents, for the first time in recent years, actual numbers to describe a typical Bengali woman running her own business. The majority of women polled were married, between the ages of 21 and 40, had completed some high school-level education, and had a father and/or husband who attended university. Most women entrepreneurs had established their business in the past five years, and most remain unregistered with either the local or national government. BWCCI directly polled 130 women entrepreneurs and incorporated the views of another 1,400 women, as expressed at BWCCI events over the past year, for background and qualitative data.

Bengali women continue to face regulatory and financial hurdles when opening a business. First, information on the



registration process is difficult to access. The registration process itself is perceived as slow, bureaucratic, expensive, and fraught with bribery. Initial funding for a business often comes from the woman's own savings or family contributions – only 2 percent were able to obtain start-up loans from banks. (For ongoing funding, only 5 percent of the businesswomen who applied were able to obtain a loan from a bank.)

While Bangladesh has made significant efforts over the past five years to bring women more firmly into the economy, awareness is still a significant barrier. Women entrepreneurs are largely unaware of registration requirements. Although courses are offered nationwide on business basics, 15 percent of those polled were unaware of these programs and feel their businesses have suffered as a result of insufficient education.

In 2009, BWCCI will continue working with women's groups and individual entrepreneurs across the country to develop an advocacy agenda for improving women's access to business opportunities. The survey and accompanying analysis provides previously unavailable access to information about women entrepreneurs to the broader business community and policymakers, allowing more responsible decision-making in the interim. ♦

Poll of Women Entrepreneurs in Bangladesh Reveals...

- 80 percent of respondents do not own a computer.
- 50 percent of the women-owned businesses polled are unregistered.
- 80 percent of those polled opened shop within the past seven years.
- 86 percent of women do their own accounting.
- 36 percent have a company-specific bank account.
- 50 percent rely on word of mouth to advertise their businesses.



As part of a seminar conducted by BWCCI, businesswomen explore ideas for expanding their businesses and improving the local operating environment.

OAS Conference Strengthens Good Governance in Latin America

Medellin, Colombia – Private sector leaders in Latin America developed a number of concrete recommendations for strengthening governance in the region at the Organization of American States’ (OAS) Fifth Private Sector Forum on May 29-30, 2008. The forum was organized by CIPE partner the Colombian Confederation of Chambers of Commerce (Confecámaras) as a prelude to the annual OAS Ministerial Meeting in Medellin, Colombia. The forum’s theme, “Good Governance for Development and Competitiveness in the Americas: The Role of Public-Private Partnerships,” attracted 400 private and public sector leaders and officials from around the region.



CIPE Executive Director John D. Sullivan speaks on corporate citizenship at the OAS Fifth Private Sector Forum in Medellin, Colombia.

Private Sector Recommendations

At the OAS Fifth Private Sector Forum, three private sector working groups developed recommendations that were presented to OAS member states’ government representatives. The following are a selection of these recommendations.

Skills Training, Youth Employment, and Competitiveness

- To prioritize the development of comprehensive national strategic plans for education and skills training that are long term and based on needs of all stakeholders – the private sector, government, youth, and service institutions.
- To equip youth with values and attitudes of citizenship – leadership, respect, responsibility, integrity, and the sense of community – to be successful through in-school curricula and strong mentorship.

Governance, Business Climate, and Enterprise Formalization

- To create and promote a space and mechanisms for accountability, as a tool to strengthen democratic governance, involving the private sector as well as social and academic organizations.
- To promote best practices in corporate governance, transparency, and integrity in the hiring process between the public and private sectors, as a key factor in building the trust in the business environment.

Innovation in the Globalization Era

- To promote public-private-civil society partnerships to develop innovation that would have a high economic and social impact.
- To create tax incentives for corporations to invest on innovation, which would result in concrete solutions that respond to the needs of the market.

CIPE Executive Director John D. Sullivan moderated a panel on corporate citizenship with key regional business leaders, including Francisco Díaz Salazar, CEO and President of the Corona Organization; Maria Eugenia Brizuela, Regional Director for Corporate Sustainability for HSBC Latin America and former Minister of Foreign Affairs of El Salvador; and Bradley Googins, Director of the Center for Corporate Citizenship at Boston College.

Forum participants put forth a number of recommendations, which were communicated to the government representatives of OAS member states on June 1, 2008 during the Dialogue of the Heads of Delegation and the OAS Secretary General with Private Sector Representatives. Eugenio Marulanda Gómez, President of CIPE partner Confecámaras, led the dialogue’s discussion and summarized some of the key findings and pressing needs for the business community in OAS member states. ♦

“The private sector can and should be an example to government by taking a leadership role in combating corruption and strengthening institutions.”

*~ Eugenio Marulanda Gómez,
President of Confecámaras, speaking at the OAS Fifth Private Sector Forum*

Developing an Inclusive Youth Policy in Pakistan

Islamabad, Pakistan – Too often, the participation of young people is overlooked in the democratic policymaking process. This is changing in Pakistan. On June 3, 2008, young people gathered to make policy recommendations for the draft National Youth Policy of Pakistan. CIPE, the Islamabad Chamber of Commerce and Industry (ICCI), and the Ministry of Youth Affairs held a conference for students, young entrepreneurs, and government officials in Islamabad to discuss the draft policy in the first-ever opportunity for youth in Pakistan to provide feedback on policy directly to policymakers.

The enthusiasm of Pakistan's youth for playing an active role in the reform process was evident. To attend the conference, 130 participants traveled to Islamabad from all areas of Pakistan, including Lahore, Mardan, Multan, and Peshawar, just one day after a fatal bombing in the federal capital.

During breakout sessions, participants developed recommendations for the National Youth Policy in the fields of entrepreneurship, skills development, microfinance, and internship programs, which were provided to the ministry. Among the many practical suggestions, participants recommended:

- Establishing a lower loan interest rate for young entrepreneurs with sustainable business plans;
- Instituting a uniform application process for the government's internship program to give equal opportunity to all students;
- Creating career centers and incubation centers in universities and holding job fairs; and
- Cultivating partnerships between universities, chambers of commerce, and businesses to guide students in entrepreneurial activities and job placement.

The youth conference was attended by Secretary for Youth Affairs Ashfaq Mahmood, who demonstrated a strong commitment to engaging youth in the reform process. He took notes throughout the young people's presentations of their policy recommendations and provided comments and feedback after the presentations. Secretary Mahmood observed, "This is the beginning of the dialogue," and stated, "[the Ministry of Youth Affairs is] responsible for delivering the promises set forth in the [National Youth] Policy." He requested further input from the participants on the issue of developing the entrepreneurial capacities of rural youth, a pressing issue in Pakistan due to a high youth unemployment rate – twice that of the total unemployment rate – and a large youth population.

Speakers at the conference included Muhammad Ijaz Abbasi, president of ICCI, Moin Fudda, country director of CIPE Pakistan, and representatives from USAID and the Acumen Fund. Mr. Fudda emphasized the importance of creating a supportive business environment for youth, noting, "Bringing young entrepreneurs into

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Students and young entrepreneurs gathered at a CIPE conference make recommendations on Pakistan's new National Youth Policy.

CIPE-ADFIAP Project Wins Award Recognizing Good Governance

Manila, Philippines – CIPE partner the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) has received a prestigious award for its groundbreaking corporate governance training and advocacy in the region. The American Society of Association Executives (ASAE) and the Center for Association Leadership recognized ADFIAP with the Associations Make a Better World Award in recognition of the good corporate governance practiced among its 92 development bank members in 37 countries in the region. The award will be formally presented during the annual meeting of ASAE and the Center for Association Leadership in San Diego, California on August 16-19, 2008.

The award was given to ADFIAP for its work through the “Development Financing Institutions for Corporate Governance” project. ASAE and the Center for Association Leadership said the project “truly embodied the spirit of the Associations That Make a Better World campaign, which seeks to recognize outstanding examples of associations who make a significant contribution to the societies and economies worldwide.”

CIPE partnered with ADFIAP for this five-phased corporate governance project, which garnered wide participation of development financing institutions (DFIs) in the Asia-Pacific region. The multi-year CIPE and ADFIAP project helped educate DFIs about good corporate governance and then institutionalize corporate governance policies and practices in accordance with internationally recognized conventions.

The project began in 2002 with an awareness and orientation campaign on corporate governance issues. The next phase of the project developed a corporate governance scorecard for DFIs and other financial institutions, followed by efforts to expand the role of banks’ compliance officers to cover governance matters. In its final phase, the project tackled risk management within the framework of corporate governance.

To date, 623 board directors, CEOs, and senior managers of over 100 member banks, affiliates, and partners in 33 countries have benefited from the program. ADFIAP is the Asia-Pacific region’s leading association for development banks and other financial institutions, advancing sustainable development through its members. ♦

Learn more about ADFIAP at www.adfiap.org

Learn more about the American Society of Association Executives at www.asaecenter.org



ADFIAP staff were recently honored by the American Society of Association Executives and the Center for Association Leadership with the Associations Make a Better World Award. The award recognizes the achievements of ADFIAP’s project with CIPE in the “Development Financing Institutions for Corporate Governance” project.

Associations Shape Social Responsibility Agenda

Washington, D.C. – Social responsibility is increasingly a mainstream issue in the development world. But what does it mean to be socially responsible? More importantly, what role do business associations play?

Seeking to define a social responsibility vision from the private sector perspective, more than 800 business association leaders gathered in Washington, D.C. from April 30 to May 2, 2008 for the first ever Global Summit on Social Responsibility. Organized by the American Society of Association Executives (ASAE) and the Center for Association Leadership, CIPE participated by bringing partners from Colombia, Indonesia, Montenegro, and the Philippines, who contributed important developing-country perspectives to the summit debate.

Former Prime Minister of the United Kingdom Tony Blair delivered welcoming remarks, stressing the importance of engaging associations in helping solve some of the most pressing global problems. Over the course of three days, association experts worked to conceptualize the unique role that associations play in promoting sustainable growth and development. Recognizing this role, Susan Sarfati, president and CEO of the Center for Association Leadership and executive vice president of ASAE said, “As a community, we have taken a



The Global Summit on Social Responsibility was an opportunity for participants to share their perspectives on implementing corporate citizenship initiatives.

leap forward to unleash a new magnitude of socially responsible leadership with associations at the core.”

A number of initiatives came out of the event, which participants are now focusing on implementing. These include launching specific environmental initiatives, developing a set of global standards for association social responsibility, and forming partnerships between associations in developed and developing countries. As follow-on work, CIPE and its partners the Institute for Solidarity in Asia (Philippines), the Institute of Political Science (Colombia), Indonesia Business Links, and Montenegro Business Alliance will be organizing similar summits around the world to help define association social responsibility and develop guiding principles. ♦

World Movement for Democracy

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of the private sector in democratic, post-conflict reconstruction. CIPE partners used their experiences to illustrate successful reform strategies. In a powerful presentation, Selima Ahmad described her successes as an entrepreneur and the founder of CIPE partner the Bangladesh Women Chamber of Commerce and Industry (BWCCI). Democracy facilitates women’s empowerment and entrepreneurship, she noted, and this in turn helps to build a better and more prosperous

future. BWCCI recently experienced a huge policy success when the Central Bank of Bangladesh adopted recommendations to increase access to credit for women entrepreneurs. ♦

For more information about the World Movement for Democracy and the Fifth Assembly, please visit www.wmd.org

Business Fights Back Against Corruption

Washington, D.C. – A unique coalition organized by the World Bank Institute (WBI) has produced a new guide, “Fighting Corruption through Collective Action: A Guide for Business,” that provides companies with practical tips on reducing bribery and corruption. Recent research shows that corruption can add as much as 20 to 25 percent to the cost of public procurement, and that many companies are still faced with a dilemma of either paying bribes to win business or withdrawing from high-risk markets. The new guide offers practical help for companies everywhere to promote transparency internally and in their business conduct.

“The purpose of this guide is to establish a level playing field and assist firms who would otherwise have to abandon doing business in a corrupt environment,” said Djordjija Petkoski, Program Leader at WBI. “It should become a staple component of a company’s approach to promoting ethics and to managing the risk of fraud and corruption. Equally, the guide should also be of interest to enlightened governments and other organizations that share the goals of eliminating corruption from business dealings.”

The guide’s solutions to the corruption problem center on collective action – getting companies to work with their competitors, governments, NGOs, and other stakeholders to help make their countries’ business environments more transparent. By taking the lead, the business community can facilitate important changes that improve the business climate and ensure that resources are not wasted, poor people receive the services they deserve, and countries don’t miss out on the benefits of foreign investment – and to help companies stay out of the corruption trap. The guide provides concrete guidance on how this can be achieved.

Rather than inventing new tools, the guide captures many existing programs and successful initiatives



President and CEO of Transparency International - USA Nancy Boswell and CIPE Executive Director John D. Sullivan discuss WBI's new guide and web portal, "Fighting Corruption Through Collective Action - Resources for Business" at the guide's launch in June 2008.

in one place. What do you do if you are a company employee faced with bribe extortion on the local level during procurement project bidding? What if you lose projects to competitors who bribe their way through? How do you reform corruption-prone legislation? To address these dilemmas, users of this new tool can turn to decision trees that guide them to an appropriate action, supported by specific case studies from various countries.

Organized by WBI, the coalition of organizations that cooperated to produce this guide comprises



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World Bank Institute · www.worldbank.org/wbi
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 Sanlam · www.sanlam.co.za

www.fightingcorruption.org

Visit the guide's companion web portal at www.fightingcorruption.org



NGOs and multilateral organizations, including CIPE, the UN Global Compact, Global Advice Network, Grant Thornton, Siemens, and Transparency International.

“Companies are rightly concerned about the costly damage to their brand and reputation if they become associated with bribery and other forms of corruption. This guide will prove invaluable to business and compliance managers and not just in multinational companies but small and medium-sized enterprises as well,” said Sterl Greenhalgh, Head of Corporate Fraud Investigations at Grant Thornton UK.

Launched in late June 2008, the guide is available online at its companion web portal, www.fightingcorruption.org. ♦

Liberian Business Associations Supporting Members in a Challenging Environment

Monrovia, Liberia – Business associations in Liberia confront a range of challenges when assisting entrepreneurs in developing their businesses, yet have a strong commitment to helping their members. Liberia's economy is expanding rapidly under the democratic dispensation of President Ellen Johnson Sirleaf, and this is a perfect opportunity for business associations to contribute positively to the emerging democracy and sustainable growth. As part of efforts to build the capacity of association executives and board members to lead their organizations by example, manage finances effectively, and develop their membership, CIPE held a workshop for 20 prominent business association leaders on June 3-4, 2008.

Since 2007, CIPE has supported the efforts of business associations and non-governmental organizations to fight corruption and function effectively and successfully in the challenging economic environment of present-day Liberia. CIPE expanded on these efforts after the June workshop during on-site consultations regarding the range of challenges business associations confront. These associations and their members are acutely aware that their efforts are a key component in a broader struggle to cement the rule of law by inventing a stable middle class in Liberia. Their comments to CIPE emphasized structural economic and governance problems, rather than internal management dilemmas. The associations stressed that the majority of chief staff executives work without pay while simultaneously managing other business ventures.

Other challenges include the pressures of delivering benefits to members who cannot afford to attend meetings, do not have access to telephones, or receive the majority of their communications via text message. In addition, the associations described the persistent problem of corruption at ports of entry, where businesses are forced to deliver multiple bribes in order to secure the importation of their goods.

Accessible credit is another challenge; the associations cited the difficulties of administering, on behalf of local banks, complicated microcredit programs whose terms are imperfectly understood by their members. These microcredit loans typically involve interest rates of 25-33 percent over a six-month period, in addition to origination fees. The terms of these loans are confusing to borrowers, and unsurprisingly, the loans are subject to a very high rate of default. Liberian business associations play a vital role in securing these loans for their members, but in the process are responsible for explaining the complex terms of the loans, and are subject to the anger of borrowers who tend to feel surprised and defrauded when they finally realize how much the loans cost. Business associations do play a constructive intermediary role within a larger microcredit system by providing their members with access to credit, but urgently need to improve their capacity to educate borrowers about the pitfalls and benefits of borrowing. ♦

CIPE YouTube Channel

At the World Movement for Democracy Fifth Assembly in April 2008, CIPE took the opportunity to discuss democratic development on camera with President of the National Endowment for Democracy **Carl Gershman** and other experienced practitioners. These discussions have been posted on CIPE's YouTube channel: www.youtube.com/cipeforum.



Larry Diamond, author of The Spirit of Democracy, discusses his new book and issues ranging from "the struggle to build free societies around the world" to the ongoing crisis in Zimbabwe with CIPE Executive Director John D. Sullivan.

Small Grants Get Big Returns in Pakistan

Karachi, Pakistan – One of the most important elements of CIPE’s work in Pakistan since opening its office in Karachi in 2006 has been building and supporting Pakistan’s business associations and chambers of commerce. CIPE’s small grants program in Pakistan is having a great return, producing a number of innovative projects supporting economic growth and democratic participation in Pakistan. CIPE has reached 110 organizations with tools to improve membership services, financial management, advocacy, research and development, communications, and strategic planning.

A key component of this work is CIPE’s technical assistance grants program. Through a competitive process, CIPE selected six local chambers of commerce to receive targeted financial and technical support to improve services to their membership. Through stronger chambers and better businesses, these six organizations are working to shore up Pakistan’s faltering economy in the face of increased inflation, food, and oil costs. The successful projects of three of these chambers are featured at right.

The **Lahore Chamber of Commerce and Industry (LCCI)** created a Women Entrepreneur Resource Center to assist its 400 female members in various aspects of business development. The center provided much-needed services, and within just one month, LCCI gained 34 new female members.

The **Quetta Chamber of Commerce and Industry** developed a website and computer-based membership database. The new system helps the Quetta chamber communicate with its members and facilitate greater networking between members.

The **Sarhad Chamber of Commerce and Industry (SCCI)**, located in Pakistan’s North West Frontier Province, offered a series of courses to women entrepreneurs on topics such as microfinance, financial management, and company registration. As a result of its programs, SCCI gained over 100 female members, enough to register as a new women’s chamber of commerce. In one of Pakistan’s most conservative regions, this is a huge step forward for women trying to enter the economy. ♦

Provincial Business Agendas Expand Advocacy in Iraq

Arbil, Iraq – In 2007, CIPE sponsored the Kurdistan Regional Business Agenda in Arbil in association with Kurdish business associations, chambers of commerce, and economic think tanks. Building on the success of the Kurdistan Regional Business Agenda experience, CIPE has helped expand the initiative to three additional provinces in Iraq – Anbar, Basrah, and Najaf. An unprecedented effort in Iraq, the agenda served as a powerful advocacy tool for the private sector and showed that the Kurdish business community is determined to play a positive role in Iraq’s democratic and economic development.

Business agendas mobilize and motivate the business community to have a positive influence on legislation by setting legal and regulatory priorities for policy development and advocating through a clear,

unified voice. Business agendas identify regulatory and procedural obstacles to doing business, and then offer specific recommendations for reform.

Drawing on its experience in countries including Afghanistan, Paraguay, Russia, and Ukraine, as well as the Kurdish region of Iraq, CIPE launched the new Provincial Business Agenda effort on May 25, 2008 in Arbil. The meeting was attended by over 20 participants representing business associations, chambers of commerce, think tanks, and academics from Baghdad, Anbar, Basrah, and Najaf. Participants developed a work plan and identified key sectors to be addressed in the business agendas: industry, transportation, agriculture, tourism, agriculture, and contracting. ♦

CIPE Resources en Español

In May 2008, CIPE released two new publications in Spanish. Learn more at www.cipe.org/regional/lac

The Return of the Left and the Future of Reform in Latin America

Based on CIPE partner presentations of successful reform strategies at CIPE's regional conference in Lima, Peru in 2007, this book includes articles by Hernando de Soto, President of the Institute for Liberty and Democracy in Peru; Daniel Kaufmann, Director, Global Programs and Governance at the World Bank Institute; and Paul J. Bonicelli, former Assistant Administrator for Latin America and the Caribbean at USAID. The book has become instrumental in promoting cross-border cooperation and knowledge-sharing between the region's reform organizations. Some of the key



projects highlighted in the book include a legislative advisory program in Colombia, a National Business Agenda program in Nicaragua, and CIPE's corporate governance projects across the region. An English version of the book is set to be released later in 2008.

National Business Agenda Guidebook

CIPE has also completed a new Spanish language edition of its National Business Agenda guidebook. The guidebook gives business organizations practical advice for designing and implementing National Business Agenda advocacy efforts. A National Business Agenda gives the business community a unified voice in the policymaking process, helping incorporate the business community in the democratic process. The new guidebook is currently being distributed to chambers of commerce and other business organizations across Latin America and the Caribbean. ♦

CIPE Welcomes New Board Members

CIPE is pleased to announce the addition of two new members to our board of directors. Their experiences and perspectives will be a great asset to CIPE, and we look forward to the opportunity to work with them.

Joseph M. Ha, Ph.D.

Dr. Ha is Senior Advisor for Global Business at Nike and Professor Emeritus of International Affairs at Lewis and Clark College, where he chaired the department from 1971-1994. Dr. Ha is a professor at the Institute of U.S. and Canada Studies, Russian Academy of Sciences, and an adjunct professor of International Management in the Oregon Joint Professional Schools of Business of Oregon Higher Education System. Dr. Ha is an expert in global business and economy, with a focus on business

negotiations. He speaks several languages, is an avid traveler, and is widely published. Dr. Ha holds a Ph.D. in International Relations from Columbia University.

Hildy Teegen, Ph.D.

Dr. Teegen is Dean of the Moore School of Business at the University of South Carolina. Prior to joining the University of South Carolina in September 2007, she was director of The George Washington University's Center for International Business Education and Research (CIBER) in Washington, D.C. Dr. Teegen has written extensively about global business, including the interactions between firms, governments, and non-governmental organizations. Fluent in Spanish, she has lived and worked in countries across Latin America and Europe. Dr. Teegen holds a Ph.D. in International Business from the University of Texas at Austin. ♦

Writers Propose Solutions to Parallel Institutions in Egypt

Cairo, Egypt – Forty Egyptian writers, leaders of political parties, business leaders, and academics gathered on April 17, 2008 to analyze the phenomenon of parallel institutions in Egypt. The group identified possible causes for the rise of parallel institutions, which are unregistered and operate outside of the law, and made a number of recommendations for reforms to stop this trend.



Dr. Mohamed El Said Saeed, chief editor of the newly independent newspaper Al Badeel, and Amina Shafik, a prominent writer, discuss informal institutions at CIPE Egypt's fourth writers' forum.

This was CIPE Egypt's fourth writers' forum, held with the Ahram Regional Press Institute, and was conducted in cooperation with an advisory council of prominent Egyptians in politics and business – including representatives of both the ruling party and the opposition. Parallel institutions in Egypt have been emerging in business, education, civil society, and politics as a broader reaction to weak formal institutions. Specifically, informal institutions are a reaction to restrictive government, restrictive application of laws and regulations, an overgrown government bureaucracy, and inactive formal institutions.

To stop the spread of this phenomenon, and avoid what could be eventual domination by informal institutions over formal ones, participants at the writers' forum recommended:

1. Proceed with a comprehensive legislative reform agenda ensuring the liberal formation and autonomy of independent political parties and civil society institutions;
2. Establish legal frameworks that ensure a free, independent media representing a diversity of perspectives;
3. Simplify the business registration process and reduce its cost to provide the opportunity for business growth to a wider segment of society; and
4. Improve Egypt's education system to reflect the principles of citizenship and equal rights.

These recommendations will provide direction for the advocacy efforts of CIPE partners in Egypt. The three previous writers' forums resulted in revisions to the Egyptian Constitution to reflect market economic principles. ♦

Medvedev Decree Supports Business

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Once enacted, these reforms promise to reduce corruption, encourage the growth of entrepreneurial spirit, and allow a new middle class to emerge. Despite serious threats to democracy in Russia, grassroots advocacy has taken root across Russia and is showing consistent results in improving the small business environment.

CIPE began work with regional and national business coalitions in 2002 under the USAID-funded Small and Medium-Sized Enterprise Policy Advocacy Program. CIPE has helped build coalitions of business associations in 17 regions across Russia in order to advocate for effective, free market democratic reform at the regional level. To bring the work of the regional coalitions to the national stage, CIPE works with OPORA (Union of Business

Associations) and the Russian Chamber of Commerce and Industry to collect policy recommendations and advocate for their implementation. ♦



CIPE partners with regional coalitions in 17 jurisdictions across Russia.

Spotlight on: Brooke Millis, Program Officer for South Asia

1. What are your responsibilities at CIPE?

I work with CIPE's partners and offices in South Asia. I visit the region a few times a year to meet with current and potential partners, identify and develop new projects, and evaluate programs. In Pakistan, for example, I work closely with our local office staff in Karachi to design reform strategies and implement efforts that encourage democratic and economic reform.



Recent Reads from Brooke Millis

Bill Bryson, *In a Sunburned Country*
J.M. Coetzee, *Waiting for the Barbarians*
Jamie Zeppa, *Beyond the Sky and the Earth: A Journey into Bhutan*

2. What do you consider to be the most pressing issues and hot spots in your region?

Pakistan is of course CIPE's focus in South Asia. Strategically, the country is important because it is balancing on the edge of democratic reforms. Institutions are weak, chambers are in need of reform, and women are often excluded from the economy. At the same time, there is an amazing drive from the Pakistani people to reform their country and develop a true democracy and market economy. It's a very exciting place to work right now.

3. What do you consider to be your best/most effective/most interesting program and why?

One of the most interesting programs in South Asia is with our partner the Bangladesh Women

Chamber of Commerce and Industry (BWCCI). BWCCI works with women entrepreneurs across the country to jumpstart grassroots advocacy and reform efforts. BWCCI brings these women together with local government officials, bankers, and anyone who can help remove the legislative and cultural roadblocks these women encounter when trying to start or operate a business. One major success BWCCI has had is convincing the central Bangladesh Bank to change its policies towards women entrepreneurs and increase their access to finance. BWCCI is currently working on creating a women's National Business Agenda to use as a national-level advocacy tool.

4. What drew you to the development field?

I ended up in international development by accident, really. I was looking to combine my interests in international studies and economics, and could not pass up the opportunity to work with CIPE. I really believe in CIPE's mantra of building institutions – it's the only way to leave behind sustainable, indigenous groups that can work with their compatriots to foster new democracies and market economies that can thrive in the 21st century. ♦

Afghan MPs Gain New Economic Perspective

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MPs who already recognize the need to build a stronger economy based on free market concepts.

For each weekly session, about 10 MPs gather with economists from ACRPS for the lectures and discussions on topics such as supply and demand and opportunity costs. One MP from Herat, Abdul Salam Qazizda said, "We really appreciate the efforts of CIPE [in] building MPs' capacity and understanding of economic matters... CIPE teaches us about free market economic matters, which will help MPs to learn more [about] economic issues." Another MP, Dawood Hashimi from Nangahar Province, says other MPs are

asking about CIPE's program, and recommends increasing the frequency of the training. He says, "We are interested to know more about customs, taxes, etc. And we need to know how factories and businesses [can be] started."

CIPE's hope is that the program will reinforce the linkages between healthy economics and democratic principles and create a more interactive discussion between policymakers and the business community. Making the connection between a strong democracy and the ability of a country to sustain economic growth is key to ensuring both understanding and support from members of the National Assembly. ♦

Featured Speakers at CIPE Events

CIPE partners **Marcela Prieto**, executive director of the Political Science Institute in Colombia, and **Ignacio de León**, director of the Center for the Dissemination of Economic Knowledge in Venezuela, addressed relations between their two countries at a CIPE roundtable on April 28, 2008. Further discussion encompassed broader perspectives on regional trends in political reform, economic relations, and security. ♦



Marcela Prieto speaks on Colombian-Venezuelan relations at a CIPE roundtable in April 2008.

In cooperation with the Global Housing Foundation, the International Real Property Foundation, and World Citizen Consulting, CIPE held a roundtable on April 29, 2008, "Real Estate Markets and Sustainable Development: Property Rights and Access to Credit Around the World." The roundtable addressed how sound real estate markets benefit citizens in developing countries, and discussed strategies for civil society organizations to improve the way real estate markets function. CIPE Deputy Director for Programs **Jean Rogers** presented at the event, as did **Ambassador Eduardo Sevilla-Somoza** (former Ambassador of Nicaragua to the UN and Board Member, Global Housing Foundation), **Norm Flynn** (President and CEO, International Real Property Foundation), and **William Endsley** (Principal, World Citizen Consulting). ♦

Pakistani Youth Voice Recommendations to Policymakers

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mainstream economic activities will strengthen the entrepreneurial culture in [Pakistan].”

Participants and policymakers agreed that creating a good policy is just the first step in developing the entrepreneurial capacity of youth in Pakistan. Implementation of the current policy and young people’s continued participation in the policymaking process will ensure the policy’s success. Continued dialogue between the

government and young people will establish a precedent for public consultation with stakeholders on policy reform – essential for the development of a healthy democracy. ICCI’s Young Businessmen Forum, which was established in 2008 with the assistance of CIPE, is well-positioned to continue the dialogue between the government and youth to ensure that the conference recommendations are incorporated into the draft policy. ♦

Learn more at www.cipe.org

To learn more about CIPE’s worldwide youth programs, visit www.cipe.org/youth

See the full set of recommendations on the National Youth Policy of Pakistan at www.cipe.org/regional/southasia

Learn more about ICCI and its Young Businessmen Forum at www.icci.com.pk



www.icci.com.pk



Sadia Basir, a young entrepreneur who participated in CIPE’s youth conference, speaks on CNBC Pakistan about the challenges young people face in starting their own business.



CIPE Development Blog

To comment or to read more, log on to www.cipe.org/blog

A new generation of Tunisian journalists **Danya Greenfield, April 21, 2008**

In Tunisia recently for a workshop with business journalists on corporate governance issues, I witnessed a generational divide that gives me hope. The key moment in the workshop came in a debate between an older journalist writing for a state-owned newspaper and younger journalists writing for web-based economic journals about the role of the media in investigative reporting on corporate behavior. The state-owned newspaper journalist challenged why reporters should “dig their noses” in private businesses if there is “nothing wrong.” The younger journalists protested, saying they must be active in their reporting in order to uncover failures before they become scandals. The split in their views was clear, and I was encouraged by the younger clan who want to shape a new culture that values good governance and the rights of all stakeholders. Now, if only the government would stop blocking YouTube and checking e-mail messages...

Later, I asked several participants about the most pressing economic issue facing Tunisia today. One answered, “The rising costs of oil,” then explained that the government stabilizes the price of oil so international increases don’t affect them directly. But, he added, there is still a cost since the government has less money for

other development projects that would benefit the country. I thought the Tunisians must be very lucky not to feel the food squeeze as much as its neighbors in Egypt or Ethiopia, where bread riots have been on the rise. Tunisia seems to be weathering this storm, but can subsidies for oil continue? I asked if rising unemployment and the lack of good jobs was an issue, and they just replied with a shrug. It’s hard to believe that these economic realities aren’t felt, but perhaps it reflects their desire not to air dirty laundry.

Sitting with our two trainers for this workshop – a Pakistani journalist and a Tunisian professor – one posed the question: “What are you most proud of in your country?” The Tunisian answered, “Women’s rights and a high level of education.” The Pakistani answered, “The impact of protests and complaints by the public to effect change in a tangible way.” I said, “The drive for achievement and a spirit of ingenuity

and entrepreneurship.” I thought the answer from the Tunisian was interesting indeed; the tradeoff between political freedoms and social development seems to satisfy many people here. There are others, however, who long for the air of freedom and say as much in not-so-subtle comments whispered under their breath. ♦

A strong media is essential to raising awareness of the importance of corporate governance and transparency, and to investigating instances of corporate failure. To strengthen the role that media plays in fostering good governance, CIPE is implementing a program in the Middle East and North Africa to train journalists on corporate governance reporting. CIPE organized the first training with its partner l’Institute Arabe des Chefs d’Entreprises in Tunis on April 14-15, 2008, with a subsequent training in Bahrain on May 7-8, 2008 in partnership with the Bahrain Journalists Association and the Bahrain Accountants Association. A third workshop is anticipated for late July 2008 in Yemen. The program is part of a regional corporate governance initiative funded by the Middle East Partnership Initiative of the U.S. Department of State.

News in Brief

IREN Annual East Africa Media Training

Dar es Salaam, Tanzania – CIPE partner the Inter Region Economic Network (IREN) held its annual East Africa Media Training on March 25-29, 2008. Journalists from Kenya, Rwanda, South Africa, Tanzania, Uganda, Zambia, and Zimbabwe gathered to discuss the role of journalists in spurring development in Africa – relating to democratic reforms, addressing poverty, or dealing with policy issues. The nearly 30 participants expressed a shared commitment to highlighting Africa's problems, figuring out domestic solutions, making democracy work, and staying true to their profession despite the inherent risks involved. ♦

National Business Agenda Coming to Moldova

Vadul-lui-Voda, Moldova – CIPE partner the Institute for Development and Social Initiatives held a three-day workshop for Moldovan business organizations March 27-29, 2008 in Vadul-lui-Voda. The workshop brought together 12 major business associations and focused on developing a National Business Agenda (NBA) for a better business climate in the country, set to be completed in the fall of 2008. Participants learned about NBA experiences of neighboring countries from CIPE partners from Belarus and CIPE Romania Program Director Camelia Bulat. One significant outcome of the workshop was solidifying the commitment of these business associations to actively participate in improving Moldova's business climate. ♦



**National Endowment
for Democracy**
Supporting freedom around the world

CIPE is a core institute of the National Endowment for Democracy, which provides funding for many of CIPE's projects.

The Center for International Private Enterprise (CIPE) strengthens democracy around the globe through private enterprise and market-oriented reform. CIPE is a non-profit affiliate of the U.S. Chamber of Commerce. Since 1983, CIPE has worked with business leaders, policymakers, and journalists to build the civic institutions vital to a democratic society. CIPE's key program areas include anti-corruption, advocacy, business associations, corporate governance, democratic governance, access to information, the informal sector and property rights, and women and youth.

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CIPE Speaker Circuit Highlights

John D. Sullivan, Executive Director

April 28 – Sullivan delivered a presentation on the role of commerce in conflict stabilization at the Institute for Defense and Business second Advanced Leadership Seminar at the University of North Carolina.

May 20 – Sullivan spoke in a panel discussion at the 22nd International Consortium on Governmental Financial Management Conference in Miami, Florida.

June 12 – Sullivan spoke at USAID’s Democracy and Governance 2008 Partners Conference on the private sector role in building institutions of accountability.

June 25 – Sullivan gave a presentation on corporate governance at the International Law Institute’s seminar “Public Enterprise Reform and Privatization.”

Aleksandr Shkolnikov, Senior Program Officer for Global Programs

April 16-17 – Shkolnikov gave presentations on anti-corruption strategies at the Ethical Corporation’s Anti-corruption Summit in Chicago, Illinois.

May 15 – Shkolnikov spoke at the Atlas Foundation’s “International Thursday” meeting about the role of the private sector in building market economies and democracy.

Bronwyn Bruton, Program Officer, Africa

June 26 – Bruton moderated the event “Fighting Impunity: High Stakes in the East and Horn of Africa” at the National Endowment for Democracy.

Jean Rogers, Deputy Director for Programs

June 4 – Rogers moderated a discussion on democracy in post-revolution Georgia at the National Endowment for Democracy’s International Forum for Democratic Studies.

Andrew Wilson, Regional Director for Eurasia

May 22 – Wilson spoke at the Center for Strategic and International Studies conference “Western Investment in Central-Eastern Europe: Incentives, Constraints, Contexts.”

Suhaib Albarzinji, Program Officer, MENA

May 24 – Albarzinji gave a presentation on the use of polling data in the creation of advocacy tools at the Yemen Polling Center’s workshop for chambers of commerce and business associations.

Kim Bettcher, Knowledge Management Officer

June 9 – Bettcher gave a presentation on the importance of incorporating the business voice early on in post-conflict reconstruction efforts at the United States Institute of Peace “Promoting Business and Peace in Conflict-Affected Countries” conference.

Nigina Malikova, Evaluation Officer

June 13 – Malikova led an informal roundtable discussion on achieving impact in policy advocacy at the International Program for Development Evaluation Training in Ottawa, Canada.

For more information about CIPE’s activities and programs, please visit www.cipe.org.



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