



Business versus Development Approaches on Employment Creation in Fragile Contexts

A Scoping Study by Dr. Peter
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Executive Summary

This scoping study focuses on how employment for stability can be created in fragile and conflict affected settings (FCAS). The study identifies the different incentive structures of the private sector and potential synergies with what development agencies do to create employment in FCAS. This is supported by case studies on a wide range of countries: South Sudan, Kenya, Bangladesh, Mozambique and Colombia.

The study identified a number of research gaps, mainly around the private sector's engagement in FCAS. This paper includes a model which sets out the private sector's decision making process for investing and operating in fragile states. This model demonstrates important access points for development actors for collaboration with the private sector in creating employment, and 'good' jobs¹. However, the most significant research gap is how to integrate the incentive structures of the private sector in post-conflict reconstruction and peace-building strategies. This integration is important to be able to plot more synergies between the private sector and development actor's roles in creating employment for stability:

- 1 Understanding the context in which to operate and how this knowledge could best be shared is a common interest. Crucial within this is creating an enabling environment or enablers supporting the private sector in creating employment for stability.
- 2 Developing value chains in which development actors can provide a basis for private sector who are in need of skilled locals and capable small and medium sized enterprise to do business with.
- 3 Promoting a conflict sensitive approach among private sector actors as well as standards regarding employment, in order to create 'good' jobs.
- 4 Exploring those synergies in which the competences of development actors appear to be particularly interesting to the private sector working in FCAS; for example knowledge sharing, capacity building, service delivery and advocacy.
- 5 Establishing common ground between development actors and companies as to what 'a job' is in FCAS.

Introduction

Central to this assignment is how employment for stability (or: 'good' jobs²) can be created in fragile settings. The terms 'inclusive growth', 'employment for stability' and 'pro-poor job creation' occur frequently in any discussion about fragile and conflict affected states (FCAS). However, how jobs are created, and what the optimal roles are of public sector, NGOs and companies, is not well understood, even in stable, developed economies.³ The study identifies the different incentive structures of private sector and potential synergies between development actors and private sector to create employment in FCAS.

There exists a relatively small, but expanding literature looking at when and how companies engage in FCAS and which difficulties they encounter. A further body of work examines what development sector actors do to create jobs and what problems (mostly related to sustainability) they encounter. However, what is missing is a body of solidly-researched evidence which looks at the potential synergies between companies and development actors in creating employment for stability. A good deal of that which does exist is not constructive, focusing on what companies do wrong and how they can be prevented from doing so. Encouraging though is the recent work of the Donor Committee on Enterprise Development (DCEd) and the Global Center on Conflict, Security and Development (World Bank) in Nairobi, drawing together relevant knowledge and good practice.

The reality is that these actors meet in the field during the post-conflict reconstruction process, and this will increasingly be the case as foreign direct investment to FCAS is multiplying⁴. Typically, in the immediate aftermath of conflict, it is development actors which play the key role in creating jobs, providing a key plank in the creation of peace and stability. However, this process tends to be disconnected private sector activity, whose engagement has a dynamic of their own and different goals than development actors. This 'silo' approach needs to change in order that all resources present in fragile states can be properly harnessed in pursuit of stability and job creation, including those of private sector - which due to the volume of their resources represent the greatest potential.

This study argues that donor/ governmental post-conflict reconstruction strategies need to be adapted to respond to the incentives relevant to the private sector at different stages. The case studies present the reality on the ground: innovative approaches of private sector to coping with typical FCAS problems and overcoming the gaps identified in the literature review (table 1). The analysis identifies potential synergies between private sector and development actors in this process and research gaps around the issue of employment for stability. Overcoming the gaps in our knowledge identified in this paper would create a more informed strategy on how private

sector and development actors can strengthen each other's efforts and create better jobs in fragile and conflict affected settings.

Method

Whilst there is growing literature looking at the role of companies in job- and wealth-creation in fragile states, much of it is of uncertain quality. The literature review will principally draw out the different views on the role of business in creating employment for stability. The review will be supplemented with selected interviews with key individuals drawn from the business, NGO and donor sectors. It will establish potential tensions and synergies between their views.

The case studies seek to illustrate the main points and gaps arising from the literature. The case studies draw on existing literature, as well as interviews with representatives of NGOs and companies in each case. The case studies investigate their cooperation, but also survey external factors such as government cooperation or obstruction, which facilitated or complicated the partnership as well as its contribution to job creation and stability.

The study includes the southern perspective on the role of the private sector in increasing stability through employment. It will draw on (previous) empirical research in the case study countries (eg. South Sudan and Kenya in February 2013 and Bangladesh in October 2013), as well as on our relevant networks, interviews with companies, researchers, as well as NGO and donor agency representatives in South Sudan, Kenya, Mozambique, Colombia and Bangladesh.

Chapter 1

Literature Review

The growing literature on the importance of job creation in fragile and conflict affected states (FCAS) focuses mainly on the role of the public sector. Historically, where the role of the private sector⁵ has been considered, the literature seemed often to proceed from the assumption that companies operate to the detriment of post-conflict reconstruction. However, more recently, the role of the private sector has been revisited, with the consequence that its role in fragile states is now taken more seriously. Attention has also been paid to why the private sector invests in, and creates jobs in FCAS.

The importance of job creation in FCAS

Job creation is central to the promotion of peace and stability in fragile and conflict-affected states. Jobs, according to the World Development Report 2013, can help transform conflict-prone societies.⁶ As a World Bank study of the wars in the Great Lakes region of Africa found, former soldiers who lacked either a farm or a job – that is those excluded from the benefits of peace and stability – were much more likely to commit violent crime. Simply put, those with a job in a fragile country have a stake in the status quo and are therefore less likely to resort to violence and criminality. As is clear from the Collier-Hoeffler model on civil war onset, jobs are vital in fragile contexts because low foregone earnings increase the risk of armed conflict since they reduce its cost to potential protagonists⁷.

In addition to providing an economic incentive for peace, the workplace can act as a ‘connector’ in post-conflict societies. Junne and Verkoren argue that “economic development gives different groups something to work on together. Orientation may change from looking at the past to focusing on the future.”⁸ As Pickering observes in relation to her work in post-conflict Yugoslavia, “workplaces... [are] better suited than neighborhoods or voluntary organizations for building bridges in post-war Bosnia.”⁹ She asserts that “workplaces generally create opportunities for repeated, horizontal interaction between employees,”¹⁰

Job creation in FCAS by public sector

Existing research on job creation in FCAS makes clear that the public sector has an important role to play in job creation in the initial period of post-conflict reconstruction processes. The public sector is often the employer of first resort in such contexts, for example through labor-intensive public works. Such schemes can be beneficial in the long term as they provide many youth with their first experience with formal employment and can help increase their employability.¹¹

To create jobs, donors are encouraged to rely on local labor whenever possible, regardless of whether projects are implemented directly or through subcontractors. In volatile post-conflict

environments parallel programmes focusing on workforce development (e.g. career preparation, career development, career transition) and initiatives aimed at short-term employment have been fairly successful towards creating sustainable skilled jobs.¹²

Such literature as does exist on employment creation in FCAS focuses predominantly on short-term job creation and income-generation in conflict-affected contexts. There also is some discussion on how short-term job creation efforts can be linked to longer-term action, laying the foundation for sustainable jobs and development.¹³ This is because the main problem in FCAS seems to be that job creation projects have often adopted a short-term outlook without linkages to the promotion of long-term employment¹⁴ or with private sector demand for their skills.¹⁵ In Haiti for example, USAID and CHF International managed to create jobs for 100,000 youths at risk, but were not able to link their programmes to long-term market demand and job opportunities.¹⁶ When projects are not properly linked to private sector market demand, the jobs they have created will disappear when donor funding declines and NGOs move out.

As the ILO's work on job-creation in post-conflict environments makes clear, job creation by state actors in the short- to medium-term needs to be underpinned by private sector job creation in the longer term. As ILO argues, job creation is extremely important but hard to achieve given "the fragility of the state and the government in power; the limits on its reach and autonomy of action, and its lack of access to the minimum resources and consensus needed to function." The ILO therefore advocates a 3-track process to job creation in conflict affected states:

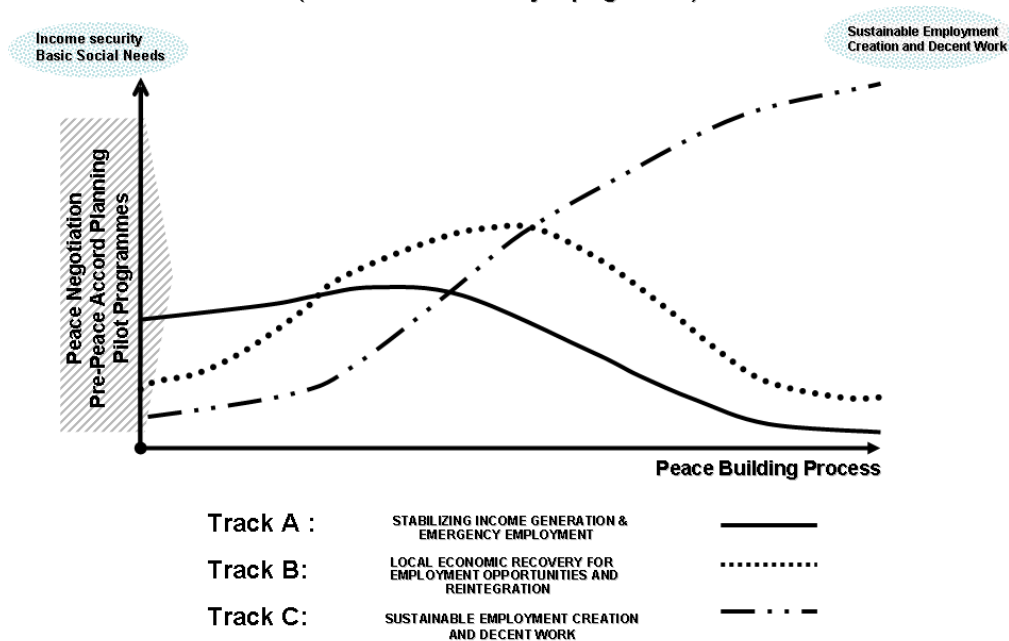
- 1 Stabilization: Stabilizing Income Generation and Promoting Emergency Employment as a way of consolidating peace, security and stability by meeting immediate needs and providing basic services.
- 2 Local Re-integration: Begin the process of local economic recovery and of the growth in incomes by small-scale livelihood activities.
- 3 Transition: Begin to develop an enabling environment for employment. As part of this private sector Development (PSD) activities will be essential, in particular policy advice and training, fiscal policy and financial incentives to market development.

As the following chart demonstrates, Private Sector Development activity focused on job creation needs to be a priority activity if stability is to be maintained:



Figure # 1

**One Programme on three concurrent Tracks
(curves measure intensity of programmes)**



The ILO provides a number of examples of programming under track C in conflict-affected states in Africa, such as in Liberia, the ILO’s focus was on agriculture, where most people work, and simultaneously promote new dynamic high value sectors and activities. Economic growth had to be made job rich. This required support to private small enterprises and increasing of productivity through investment in human capital. The work of the Peace Dividend Trust’s demonstrates how effective such an approach can be. ILO’s Peace Dividend Marketplace project seeks to encourage international actors in Afghanistan to procure from local firms rather than import what they need. They calculate that from its establishment in 2006 until March 2011, the project has generated US\$ 1.2bn in contracts to Afghan firms, and generated 118,000 jobs¹⁷.

But what is a good job? The development community has generally accepted the ILO definition of decent work:

It involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men.

The challenge however that is the work of the ILO has limited traction within private sector. The ILO admits in the 2013 document ‘A Strategy for ILO Wider Engagement with the Private Sector’¹⁸ that its experience with the private sector has been too limited, and mostly in respect of the

development and implementation of the policies that multinational enterprises apply to their own operations.

The perceptions of the private sector

Nevertheless, the emphasis put on the importance of job creation for stability in the international development community has triggered renewed interest¹⁹ in the role that the private sector plays in aiding development and reconstruction. Until recently, some in the development community have been skeptical about the role of the corporate sector in conflict-affected environments. However, increasing evidence that companies can provide benefits in such environments have informed new development policies that seek to engage the private sector in development processes more extensively.

The role of the private sector in development generally, and in conflict zones in particular, still is a sensitive issue. Critics argue that the profit seeking rationale of companies leads to the circumvention of social responsible practices and to ignoring human rights.²⁰ In Haufler's view, animosity towards the corporate sector was sparked by the issue of so-called 'blood diamonds', the sale of which provided the revenues for the prosecution of the civil wars in Africa in the 1990s.²¹ She argues that this episode is a modern example of the corporate sector's long-run negative impact on conflict zones: "foreign investors have been linked to the emergence or exacerbation of conflict around the world for centuries."²² Fairly or unfairly, she argues, 'commerce' was associated with some of the excesses of colonialism and imperialism in the eighteenth and nineteenth centuries, and more recently companies were accused of having propped up the apartheid regime in South Africa.

For some, ambivalence about the corporate sector as an actor in FCAS stems from the belief that companies have limited legitimacy and do not have the right skills – "commercial actors are generally ill-suited for such tasks..."²³ This is compounded by the belief that companies respond primarily to short-term shareholder needs, rather than to longer-term broader considerations: according to Gerson and Colletta "in part the...reluctance to fully engage with the private sector is due to a lingering lack of confidence in the private sector's willingness to sustain commitments in any one area..."²⁴ An example is the practice among foreign companies of trade mispricing - which is still widespread - resulting in substantial loss in revenues for FCAS.²⁵

Others argue that companies operating in post-conflict environments may also inadvertently get embroiled in existing inter-group struggles and can exacerbate them through their operations.²⁶ In this line of argument, public-private development partnerships are fundamentally flawed,²⁷ and are simply 'blue washing' tools.²⁸ Until recently, this viewpoint led to the development community holding the corporate world at arm's length, either ignoring it or treating it with suspicion.²⁹

Knorringa believes that the reservations of the development community are understandable. They originate in negative experiences with some private sector companies in the past. As Knorringa remarks, the role of the private sector is traditionally a sensitive and controversial issue in the development community. Most companies active in developing countries were "large, white-owned private businesses, which had for decades or centuries enjoyed unfettered support from colonial administrators, exploited the people and resources of the newly liberated nations."³⁰

Some multinational companies continued to engage in illicit activities in the Global South after independence. This has, he argues negatively influenced development practitioners' "gut reactions" to 'the' private sector. Wenger and Moeckli also assert that "corporations have long been accused of causing or exacerbating conflict through their business operations"³¹. Haufler expresses similar reservations specifically in relation to companies' impacts in post-conflict settings, advising that "any plan for state-building needs to address the potentially negative impact of foreign investment, particularly in the resource sector."³² So adverse can this impact be, she argues, that "some observers have argued that all major extractive industry development in fragile states, including those just emerging from war, run the risk of abetting corruption, conflict and criminality; they should not be undertaken at all"³³

Revisiting the role of the private sector

In recent years however there has been a shift in attitude among donor governments and development actors. In part this has come about because of an increased synergy of interest between private sector and development actors in fragile and conflict affected countries, around issues such as promoting stability, which provide momentum for revisiting the role of private sector.

As Knorringa argues, the private sector is not a monolithic entity³⁴. Whilst there are certainly some companies which exploit workers and pollute the environment, as a whole, the corporate sector is necessary to create jobs, generate tax revenues needed to improve stability and support a redistributive and social security system.³⁵

The emerging view therefore is that the corporate sector can be highly beneficial in conflict and post-conflict environments. Oetzel et al for example argue that, although companies in some sectors may gain from conflict, those in other sectors have much to gain from peace: "...a powerful sector of business does profit from war, but other sectors profit from peace and stability, not war and disruption. Tourism, telecommunications, finance, retail sales, and transportation are all often harmed by war, not benefited from it. Therefore, there is a practical incentive for businesses to see more peace and less war."³⁶

Research on the cost of conflict has demonstrated that conflict is costly for companies. Recent evidence suggests that conflicts with local communities can cost projects in the mining sector between \$3bn and \$5bn roughly \$20m per week in delayed production in net present value terms.³⁷ Other research points out that attacks in one region can cost global consumers of oil billions in increased prices.³⁸ Measures to contain violence are costly. Naval operations to counter piracy in the Horn of Africa and the Indian Ocean are estimated to cost US\$1.3–\$2 billion annually, plus increased insurance premium costs and the costs incurred by rerouting ships.³⁹ Implementing security measures also require high budgets.⁴⁰ Business plans emphasizing sound environmental practice, social development and economic progress can on the other hand improve a company's performance. ⁴¹

Engaging the private sector

The important role of the private sector in FCAS is highlighted in the New Deal for Engagement in Fragile States (2011). This recognized the positive role that international companies can play in

post-conflict reconstruction through their contributions to economic growth and job creation⁴². Governments increasingly recognize the development potential of the private sector. The Dutch Foreign Ministry recently stated that “the private sector, from individual farmers and micro-entrepreneurs to local manufacturing companies and multinational enterprises, is at the heart of the development process. Driven by the quest for profit, they invest in new markets and new facilities that strengthen the foundation of the economy.”⁴³ The World Bank and other institutions have influenced this trend by singling out the private sector as the most important driver of economic development and publishing findings that also in developing countries; the private sector provides more than 90% of jobs.⁴⁴ On average, the private sector in developing countries, both formal and informal, accounts for 65 to 75% of Gross National Product (GNP).

The rationale of donors for engaging the private sector is also in its potential to help reduce development assistance costs, and to offer exit-strategies and more sustainable development providing new investment opportunities for businesses. International corporations are now portrayed as an essential link in the reconstruction architecture.⁴⁵ The World Bank Group is spearheading work supported by most major donors to develop a post-Busan development process. A key element of this is to include Western and non-western companies in the development process.⁴⁶ This change of heart amongst donors about the relevance and value of the private sector has led to gradual changes in approach, as the Donor Committee for Enterprise Development (DCED) and the Global Center on Conflict, Security and Development bear witness to⁴⁷.

Multinational corporations (MNC) or small and medium sized enterprises (SME)?

Engaging the private sector confronts governments and development actors with the huge challenge on what ‘private sector’ encompasses and who is representative of the sector. On the topic of employment creation, in many respects, it is large companies, through their investment, technology transfer and sourcing decisions that influence the operating environment and growth prospects of other companies. But it remains true that most jobs globally are created in small and medium-sized enterprises⁴⁸.

Developing countries tend to have a large number of microenterprises and some large firms, but far fewer local small and medium enterprises (SMEs). SMEs in developing countries only contribute 30% of employment and 17% of GDP by comparison with 50% of GDP and over 60% of employment in developed countries.⁴⁹ SMEs are important for stability through their contributions to the broadening and diversification of domestic economies, decreasing susceptibility to “sector-specific shocks and fluctuations in international private capital flows.”⁵⁰ Obstructions to growth for SMEs include lacking access to finance, markets, skills and networks⁵¹, as well as the pressure of local redistribution⁵².

Foreign direct investment can have a catalyzing role in this, but whether or not foreign companies encourage or discourage domestic investment in the economy appears to depend on a number of variables. These include, for example, the strategies of the investing companies and the extent to which they are prepared to share knowledge and expertise with domestic firms.⁵³ However, the ability of local firms to absorb the technological and practices presented by foreign companies is also seen as important. Foreign investment therefore has greater developmental impacts when

domestic firms are larger and the technological gap between them and incoming companies is smaller⁵⁴

Value chain approach

Donors are becoming more adept at engaging SMEs in FCAS. Donors increasingly rely, as suggested by De Vries et al., on local labor, local suppliers and local entrepreneurs whenever possible.⁵⁵ Using a value chain approach links small producers to other private sector actors with access to growing markets and clear business interests in engaging local producers in their supply chain. Parket has found that a value chain approach can produce significant economic benefits in conflict-affect environments, in terms of employment, sales and private sector investment⁵⁶ Blum furthermore observes that small-scale employment-creation programmes were sustainable when market linkages among local and international enterprises had been established and access to capital had been facilitated.⁵⁷

A significant challenge for the private sector in FCAS is an absence of properly-qualified local staff. There is therefore consensus among researchers that skills training and workforce development is essential for sustainable job creation. This can involve sectorial and vocational training and education, entrepreneurial skills development, career planning, apprenticeships and enterprise-based training.⁵⁸ Development actors and NGOs have a key role in this regard, and many focused their strategies on supporting value chain development in this regard. Such programmes, however, must be developed alongside labor market assessments in order to ensure that there is a demand for the skills being developed. It is also important to promote the productivity of enterprises and to help build the capacity of employers to expand and to absorb more workers.

The adoption of a market-development and value-chain approaches are considered essential to moving beyond short-term job creation and supply-side problems to targeting longer-term increase in the demand for skilled employees.⁵⁹ Value chain analysis contributes to private sector recovery by identifying market opportunities and missing inputs. Such market analyses and assessments allow for the identification of opportunities with a high probability of growth and employment generation and the creation of market linkages that can increase production.

Other synergies

It is also evident that donors and host government recognize the need to create the pre-conditions to encourage investment by foreign, and larger local companies: the enabling environment. Host governments, and international donors focus on developing a stable business environment centered on the rule of law. Strengthening government institutions such as the judicial system and commercial regulation are crucial both to attracting foreign investment and to encouraging local businesses. A well-developed judicial system is central to a better business environment.⁶⁰ Companies cannot get involved in the judicial and regulatory system. Therefore the role of development actors is of utmost importance in FCAS to help reform the system. This is also the case for acting in a conflict sensitive manner and applying proper standards: development actors need to be engaged in order to ensure that communities and workers are being properly treated by MNCs, when legal frameworks, democratic representation and access to information on private sector are lacking.

A number of initiatives are also underway which seek to harness the role and impact of the corporate sector. The Extractive Industries Transparency Initiative (EITI) for example, is a global

coalition of governments, companies and civil society working together to improve openness and accountable management of revenues from natural resources.⁶¹ Other such initiatives include the OECD Guidelines for Multinational Corporations and the recently-developed UN Guiding Principles for Business and Human Rights (under the leadership of Professor John Ruggie). The last of these were adopted by the UN Human Rights Council in 2011. They are widely accepted both by UN member states and by the private sector as the most authoritative and internationally recognized framework for business and human rights.

However, the existence of such international processes does not negate the vital importance of watchdog NGOs. As the Dutch Minister for Development Co-operation Ploumen recently argued, in order to promote sustainable development, human rights and standards need to be respected by different actors operating in fragile environments among which private sector. Advocacy and lobby activism in this regard is central in the Netherlands policy towards fragile states. Evidence shows that advocacy has an impact on the ethical behavior of MNCs, as the Bangladesh case study further in this study demonstrates.

Why might the corporate sector engage in job-creation in FCAS

The potential for engaging the corporate sector in FCAS is significant. As the-then CEO of Anglo American noted in 2011, “the amount that we spend each year in procurement from emerging market economies is comparable to the aid budgets of the U.K., France or Germany. It’s a huge sum of money and a massive development opportunity.” That companies can create jobs in emerging economies is also clear. Unilever for example created 5.000 jobs in Indonesia in 2005 in its main business and an estimated 300.000 jobs in the wider economy. In some cases, like BP’s involvement in Azerbaijan, company-involvement creates up to 75% of the economic activity in the country⁶². The question however is how these numbers of jobs are counted, in terms of quantity and quality, an issue which is still controversial among different actors (see analyses).

But what is it that makes companies invest in fragile states? Recent empirical research on what motivates - in this case Dutch - companies to engage in post-conflict environment ⁶³ found that among intrinsic motivations are not only growth and profit but also personal interest of the management. Efficiency (eg. low wages) and resource seeking motivations are not as strong. Seeking new markets is becoming more important than seeking resources: service sectors are booming. Extrinsic motivations (from outside on the company) are improving reputation, philanthropy, government subsidies (more important for SMEs) and to a lesser extent political agreement (with embassies and governments). Moreover, perceptions of FCAS, in particular in Africa, are quickly changing, having an impact on private sector’s incentives. Whereas first there was an oversimplified (negative) picture the media sketched, lately there has been an oversimplification towards a positive image of Africa. However useful to motivate investors to come, leaving this complex reality out misrepresents the situation on the ground and raises false expectations. In any case, fragile states tend to attract more private sector investment than before, either for push factors in their own economies or pull factors in FCAS.

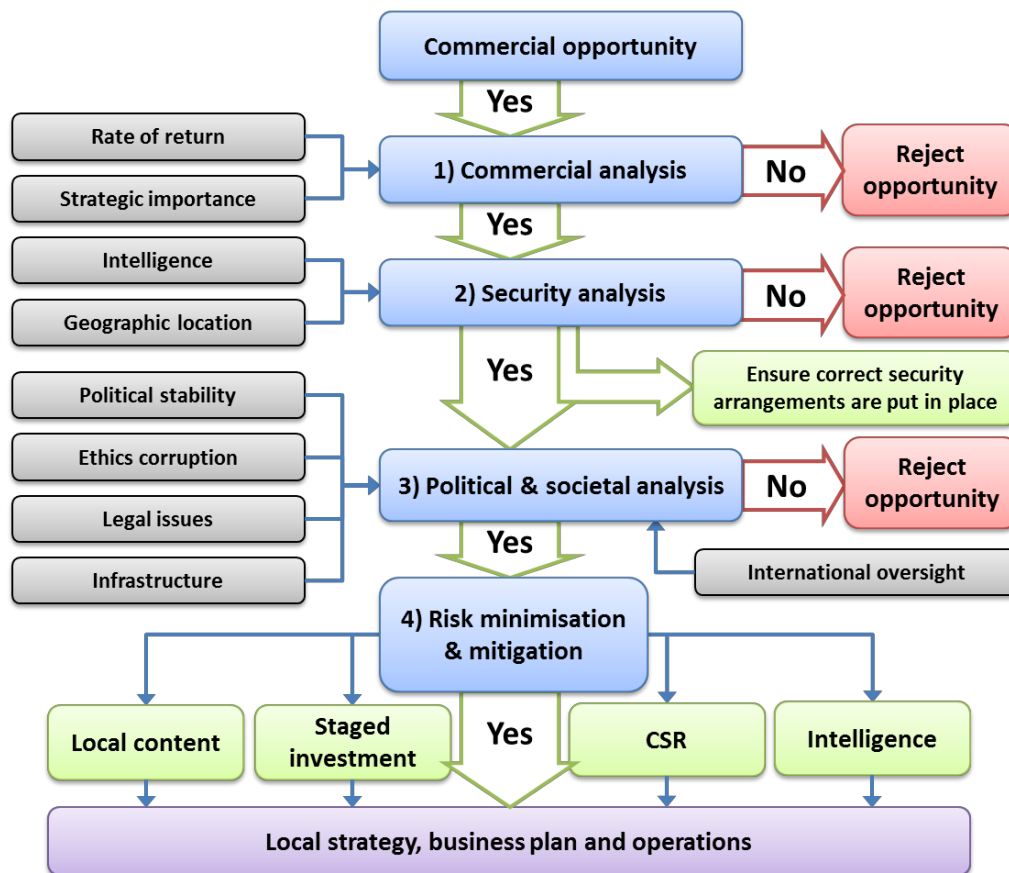
Knorrnga argues that the current re-assessing that some private sector actors are doing is not simply a marketing exercise, but goes deeper.⁶⁴ He notes that although there are some exceptions, entrepreneurs — active and retired — are moving away from passive charity and become active participants in civil society and in international development co-operation. ‘Enemy’ perceptions of the development community nevertheless keep blocking the cooperation between both groups of actors. As he notes with regard to Corporate Social Responsibility, established

enemy perceptions block learning about and from the private sector. Some of these enemy perceptions are based on inaccurate perceptions about the behavior of private sector actors and should be re-examined if development and private sector actors are to cooperate.⁶⁵ According to him, a step forward would be to both welcome and critically engage the private sector.⁶⁶

However, if donors and NGOs are to be able to calibrate their response to the corporate sector then they need to take into account the concerns and motivations of those companies. As is apparent from the above analysis, companies' interest is commercial and operational. Work undertaken in 2011 by one of the authors of this paper provides much greater granularity. Based on interviews with 27 corporate managers⁶⁷, *Boardrooms and Bombs 2* identifies clear commonalities in the approach that companies use, no matter whether they are MNC or SME or in which sector they operate. There appear to be four phases in companies' decision-making processes in relation to opportunities in fragile contexts:

- 1 Commercial analysis: Is the potential opportunity sufficiently interesting from a financial perspective and does it fit with a company's strategy and business plan?
- 2 Physical security risks: Can staff and physical assets be protected in a cost-effective way?
- 3 Risks associated with political, ethical and societal issues: Is it possible to operate to international standards, and what might be the consequences of political instability?
- 4 Mitigation, management and minimisation of risk: What can be done to manage the risks identified?

Within this process, there is also a great deal of commonality in the risks which companies take into account in reaching a decision. Companies do not necessarily vary in the approach they take, but in how they respond to risks and the timing for investing in a conflict-affected country. Some companies will decide to operate in such settings earlier than others. For companies in some sectors – extractive companies and those engaged in infrastructure construction for example – operating in fragile contexts is strategically more important than for others, as these provide the opportunity of 'greenfield investments'.



Corporate decision tree for investing and operating in fragile states

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This figure is useful in understanding the incentive structures of companies in FCAS, but does not specify how employment is created per se. However, what it does do is demonstrate the key decisions which companies take - the steps leading up to employment creation; decisions that could be influenced by development actors. The language used by corporations and development actors is different: we therefore attempt to suggest development terms equivalent to the corporate process:

- Commercial analysis = Enablers/ enabling environment
 The private sector needs to ensure that any opportunity with which it is presented will be both profitable and fit with the company's wider expansion plans. Creating enablers for different actors, specifically an enabling environment for the private sector is a task of the government and may be supported by NGO's and donors to do so. Corporate and development actors may use different language, but they refer to similar sets of issues.

- Security analysis = Conflict sensitivity and context
Companies are concerned to safeguard the physical security of their sites and personnel. To this end they want and need to understand the dynamics of the conflict in the context in which they are operating. Thus there is a significant overlap with development actors' concerns around conflict sensitivity.

- 5 Political and societal analysis = Standards and context
The politics and societal dynamics in which they operate are becoming of great concern for companies, though less readily understood than technical issues. Development actors stress the need for emerging economies to adopt key standards of behaviour in politics, human rights and other spaces, including corporate governance. Again, there is a synergy of interest between companies and development actors, even if the language used is different.

- 6 Risk minimisation and mitigation = value chain
Companies seek to minimise and mitigate the risks they perceive in their fragile-state operations through inter alia creating local content⁶⁹. They do so in those aspects of their business which development actors know as their value chains. In identifying good local staff, and suppliers, and in their wider outreach, there is a consonance between companies' desire to minimise their risk profile, and development actors' to see companies manage their value chains.

This synergy of interest will be discussed further in part III of this paper.

Conclusion

It is apparent that the literature is increasingly recognizing that private sector has an important role to play in creating employment as a key plank within stability, within peace-building processes. However perceptions of the corporate sector as the 'enemy' remain. A step forward in both research and practice would be to welcome and critically engage the private sector and recognize that working towards different goals does not mean synergies cannot be created. The corporate decision tree for investing and operating in fragile states offers an insight into the incentives structures of the private sector and when overlapped with what development actors do provide an innovative research agenda on joint interests and synergies. On the basis of this new research, the development vision of the post-conflict reconstruction cycle should be adapted to include the incentives, conditions and opportunities of the private sector to create sustainable jobs.

Chapter 2

Analysis – Case Studies

Since there still is relatively little literature on how sustainable jobs are created in FCAS and on what synergies are between development actors and enterprises in this regard, this section will present a ‘reality check’ by looking at eight cases of private sector engagement in FCAS. The cases present SMEs, MNCs, cases of cooperation between northern and southern companies and of cooperation between governments and development actors (i.e. international organizations and NGO’s). The countries under study are South Sudan, Kenya, Bangladesh, Colombia and Mozambique. They are in different phases (emergency-stabilization-initial response, transition-transformation, development-consolidation-fostering sustainability) of the post-conflict reconstruction process. Some of the enterprises found innovative ways to coping with the problems associated with sustainable job creation in FCAS in synergy with development actors. For an overview of the findings from the case studies see table 1 at the end of the section.

2.1 South Sudan

South Sudan offers a very challenging environment for business as a job creator. The country is still very unstable and in the first, emergency phase of the reconstruction process. Decades of civil war have not only destroyed the country’s economy, but also its social fabric. The road from the 2005 peace agreement with Khartoum to the referendum on the creation of the independent state of South Sudan has been tumultuous and ridden with local conflicts⁷⁰. The case studies in the country show that companies do engage but have a hard time creating local jobs due to the challenging environment. Development actors and NGO’s fulfil an important role in stimulating these companies in this process.

South Sudan is mainly known for its popularity with large MNCs in the oil sector. It however also attracted MNCs such as brewer SABMiller and some SMEs. Despite the fact that South Sudan has been a so-called donor darling, development only progressed slowly. South Sudan’s absorption rate of donor funds is among the lowest in the world. Due to spending pressure, many NGO’s resort to gap filling measures and importing capacity⁷¹. This has created a supercoating of temporary development on the South Sudanese reality of unsustainable jobs and aid dependency.

The biggest formal employer in South Sudan is the government. Government jobs are highly regarded and primarily available to the ‘winner’ coalition in power. Another big employer is the development community. The private sector provides employment in South-Sudan, but an estimated 80% is in the informal sector⁷². South Sudan provides a challenging environment for companies, both international and domestic. The government does have a policy to promote

foreign direct investment but this seems not to have been consistently implemented. As the three cases studied below show, MNCs and SMEs encounter different problems and have different coping strategies. For some, high fees are levied to enter the market. Other companies are exempted from paying taxes, as the third case will demonstrate. On top of that, red tape and steps towards establishing a business are cumbersome. One needs to establish good relations with a number of informal decision makers in order to get anything done.

There are three major incentives for companies to invest in South Sudan. First of all, there is a wealth of unexplored economic ‘niches’. Secondly, there are major natural resources available, such as the oil reserves, as well as vast fertile land for agriculture. Third, there is a high return on investments if they succeed. Lacking availability of qualified staff complicates operations for some companies in South-Sudan.⁷³

South Sudanese Small and Medium Sized Enterprise - B & S Group

B & S group of Companies is a SME operating in manufacturing (steel & metal fabrication), civil construction, logistics & transportation (land, Water and air transportation), equipment and vehicle supply, modern automotive repair and maintenance, tour and travel services among others. B & S group was established in 2008 by two South Sudanese nationals with bases in Juba, Republic of South Sudan and branch offices in Mombasa, Kenya and Kampala, Uganda.⁷⁴ Its main clients are the government of the Republic of South Sudan, NGOs, UN Agencies, and companies in South Sudan. It does employ South Sudanese nationals, but needs foreign nationals for skilled, technical positions. B & S group started small but quickly grew when more supply orders came in from the South Sudanese government. This was related to the inflow of funds from oil revenues as a result of the oil agreement signed between the government of South Sudan and the Sudanese Government. The company opened offices in Mombasa and Kampala, the nearest regional capital to Juba, to reap the business opportunities within the region. It built a warehouse to produce and store goods and purchased trucks from a Dutch company, Van Vliet. However when the government in Juba decided to stop the oil production, the government started delaying the payment of contracts. Consequently South Sudanese companies compete over government access (and access to the army, the most powerful institution within government) in order to get their contracts paid. B & S group’s profits decreased with 20%, which could have been more if not mitigated by the income generated by the regional offices⁷⁵.

The main incentive to start operating in South Sudan was the economic niche that opened up after the signing of the peace agreement in 2005. One of the directors is a former refugee from the Netherlands, a so called ‘reasporea’⁷⁶ who studied engineering at the university in Delft (TU Delft). After finishing his studies, he decided to go back to his country and worked for an NGO. After building up a local network he started a company together with his partner.

B&S group recently engaged in co-operation with development actors, through the Programma Uitzending Managers (PUM), a private sector instrument. It consists of a pool of managers who are being matched to start-ups and companies in developing countries. Since 2012, a former, now retired Dutch manager with vast experience in Africa has coached B & S group’s staff in management practices. Based in the Netherlands, he comes on regular work visits to Juba. The owners appreciate this type of support which is tailored to their needs by a professional who understands how business works and what it needs. Importantly, the PUM professional understands the contextual dynamics and shows much interest in South Sudan and its people. As such, this PUM support is much different from what NGO’s in South Sudan have to

offer, with the exception of private sector NGO's like Spark which work on promoting local entrepreneurship. Moreover, NGO's employ the best-qualified South Sudanese at high salaries, making them too expensive for companies such as B&S group. The owner has an excellent working relationship with the Netherlands embassy in Juba and met with the Minister for Development Co-operation Ploumen in February 2013.

Conclusion: 'Reaspora' who has a background in the development sector, excellent knowledge of the context and a good local network, runs a successful company but hardly manages to hire local staff due to many reasons, including competition from the development sector in South Sudan. Private Sector Development Instruments helped the company professionalize in this difficult environment: the PUM initiative is small-scale but effective. Through a regional strategy this local SME has survived difficult times, but would benefit from an improved enabling environment, allowing it to expand and provide more local employment.

Dutch Small and Medium Sized Enterprise - Greenspark

Greenspark B.V. is a small Dutch enterprise, which has been investing in South Sudan since 2012. It is working through a joint venture with Orchid Business Group, an Ethiopian company and its South Sudanese branch. Greenspark LTD has been established in South Sudan in 2012 and offers clean and affordable energy solutions for homes, businesses, organizations and for irrigation. Six permanent staff provides design and engineering services for on- and off grid solar solutions, hybrid energy solutions, solar water pumping and other sustainable energy solutions.⁷⁷ Recently, a large project was commissioned to power a laboratory for a University in one of the larger towns (Bor).

Greenspark's board director used to work for the humanitarian organisation Doctors without Borders in the 1990s in South Sudan⁷⁸. **Greenspark's incentive to invest in South Sudan** is first and foremost the economic niche in South Sudan. As solar energy provider, a new market is opening up since African governments and consumers (corporate sector/NGO) are increasingly interested in alternative solutions to constructing large physical infrastructure for energy. But Greenspark's engagement in South Sudan just as much originates from the director's personal interest in the country coming from his experience with Doctors Without Borders. He felt that more business activity would be needed, and Dutch technology could benefit the South Sudanese market. In terms of **cooperation with development actors**, Greenspark did not directly work with NGO's but did benefit from several Private Sector Development Instruments as provided by the Netherlands Government. Greenspark has cooperated with the Netherlands Africa Business Council (NABC) participating in a trade mission, organized by the Netherlands Africa Business Council in 2011. The mission led to a match with Orchid Business Group, the Ethiopian company with a branch in South Sudan. Greenspark wrote the application and Orchid Business Group applied for funding through the PSI + instrument for developing countries of the Netherlands Ministry of Foreign Affairs. One of the conditions for funding is to establish a joint venture with a local company. Greenspark's Ethiopian partner company's affiliate in Juba matched the profile and got through the selection of the Dutch Ministry of Foreign Affairs. According to Greenspark's director, the procedures of the PSI + programme were not too bureaucratic – a critique voiced by many other companies – since he had obtained experience with meeting donor requirements in his former job.

Greenspark experienced difficulties in creating local employment. It was difficult to find **qualified, affordable South Sudanese staff.** First of all, most South Sudanese do not have the most basic skills to work in a company, starting with life skills and literacy. Education levels are low and there is also a mentality issue. This might also have to do with the fact that jobs in the private sector are not highly regarded in terms of status. Most South Sudanese men who have lived through the civil war have a sense of entitlement, demanding a steady government job in return for their contribution to the fight for independence. Another major obstacle to creating local employment was that the South Sudanese that are qualified in terms of education and skills have mostly been 'absorbed' by either government or the development community. This has moreover pushed up the salary level, especially for qualified staff in Juba. Consequently, it is commercially not feasible for companies like Greenspark to hire local staff. **Greenspark has sought to overcome the lack of skilled local staff** by employing migrant workers from the region who are well skilled. Greenspark currently employs Kenyans, Ugandan and one South Sudanese⁷⁹.

Conclusion: This Dutch SME investor just started in South Sudan and has not yet employed many staff. He comes from a humanitarian/development background and has an interest and is familiar with the context in South Sudan, so he knows how to do business. He has an open attitude towards Private Sector Development Instruments and received funding from the PSI+ instrument together with his Ethiopian partner. Greenspark would create more jobs for locals if this was a commercially feasible option. There is potential for solar energy in South Sudan. To grow the company would need an improved enabling environment.

South African Multinational Corporation – South African Breweries (SAB) Miller

SAB Miller is a South African brewer, which started operating in South Sudan in 2009. With breweries in most African countries, it is one of the biggest players in the African beer-market, besides Heineken. **SABMiller's incentive was being the first one to engage in South Sudan and expand its market.** It was the winner of the so-called 'beer wars' between itself and competitor Heineken for an effective monopoly on beer production in the country⁸⁰.

SABMiller worked closely with development actors to start its operations. When SAB Miller arrived it had the benefits of a greenfield investment, but at the same time took huge risks in this very fragile environment. It was encouraged by the African Enterprise Challenge Fund (AECF), which was looking for a large company to invest in South Sudan. Such a company was to attract other big and small companies. AECF agreed to put in US\$ 840.000, particularly for the costs related to the smallholder cassava production, while SAB Miller invested over 2 million US\$ in the entire project, including the adaptation of their production facilities and training of personnel⁸¹. It received funding for its cooperation with FarmAfrica, a local NGO (with international staff) to develop its supply chain and more specifically, to source cassava – used in beer production – locally from local smallholders⁸². This NGO also maintained good relations with the Ministry of Agriculture, which facilitated operations. The project has been running since 2011 and was supposed to run until end 2013. Cooperation in this case has thus consisted of start-up funds provided by the service (training) provision by SABMiller's NGO partner.

In terms of employment creation, the situation is not entirely clear at the moment because the project was halted and an evaluation commissioned by DFID⁸³, with a team of consultants in Juba

in February 2013, has not been published yet. But the numbers that were mentioned in an article by Mr Dellevoet in 2011 have been dropping recently, according to Mr Dellevoet. It concerns the fact that 90% of SAB Miller's staff is South Sudanese, and in their value chain, some 2.000 smallholder farmers to be involved in the cassava production and benefit from market access, transfer of knowhow and increased cash incomes, and a further 3.000 people to benefit from SABMiller's project through distribution, retail, transportation and services.

Conclusion: The SAB Miller programme has been published as the flagship programme of public-private partnership in South Sudan. Creating expectations of job creation in this fragile environment can be risky. The government granted tax exemptions and concessions to SAB Miller in exchange for commitments to create a certain number of jobs. It would have been beneficial to the project to manage expectations at the level of the local communities. To launch relatively large projects such as these supported by development funds, in such an ambitious way as 'flagship project', under such difficult circumstances as in South Sudan, risks losing credit from local government and local communities. This also brings out the dilemma whether to start 'top down' on local employment with this type of big projects, or 'bottom up' with local entrepreneurship trainings by NGO's such as the Dutch organization Spark encouraging local entrepreneurship through small steps.

2.2 Kenya

Kenya is one of Africa's economic "cheetahs", having one of the most booming economies of the continent with an economic growth of rate of 4, 5% in 2012.⁸⁴ It is strategically located on the major trade routes in the Indian Ocean, with its major port in Mombasa, functioning as a transit point for East Africa. The increased regional integration of the East Africa Community and the related liberalization of trade in the region have paid off for Kenya. At the same time, Kenya is not yet politically stable and has experienced recurring cycles of conflict and violence. Their occurrence – every 5 to 10 years – coincides with elections. The conflicts were linked to inter-ethnic tensions and related political and economic exclusion of marginalized groups by the elites in power.

This case describes Dutch horticultural companies in a particular timeframe: when tensions came to an explosion after the elections of 2007, after former president Kibaki was accused of fraud. In West-Kenya and the Rift Valley, politicians used ethnic tensions as an instrument to exert and stay in power, resulting in the conflict of 2007/2008.⁸⁵ There are still regional-political tensions that any actor operating in Kenya and employing Kenyans, is confronted with: wherever employment and business opportunities arise, ethnically based politics come into play. In spite of these tendencies, Kenya continues to attract a growing number of investors from all over the world and is being regarded as a prime headquarters location in Africa.

The **major incentives to invest in Kenya** are its strategic location, its 'proximity' (language, reputation) and fertile land & climate for agriculture. It has recently also been nicknamed "silicon Savannah" for its booming IT industry and the creation of a big IT hub.⁸⁶ This case focuses on the horticulture sector, as it is one of the major employment creators in Kenya.

Dutch Small and Medium Sized Enterprises: Maaskant Flowers and Africalla

Africalla is a cut flower company between Limuru and Nairobi. A Dutch SME engaged in Kenya for over a decade, Africalla has been operating since 1997 and expanded under the new owner to 400 employees. Maaskant Flowers located in Kinagop employs around 180 workers in Kinagop in the Rift Valley at a fairly remote location⁸⁷.

Dutch horticulture companies started engaging in the 1970's to explore opportunities for growing fresh produce such as flowers. During British rule, several tracks of land had been put into use for agriculture, especially the highlands and the shores around Lake Naivasha. This water-rich environment attracted Dutch horticultural companies looking for 'space' in areas with the right climate and resources. The first companies started operating in Kenya in the 80s. Horticulture is a labor-intensive industry for low skilled labor. Currently, about 50.000 Kenyans find employment in the horticulture sector and it provides work for half a million people in the value and supply chain. Horticulture is the first export product of Kenya.⁸⁸

Important incentives for these companies to engage in Kenya were the availability of arable land, but also the Dutch business-to-business network that was already present on the ground.

Problems encountered

The main problem the companies encountered during the crisis in 2007/2008 was political instability, and as a result of the interethnic tensions that emerged from that, pressure on their local employees and their own employment policies.

The capital of the Rift Valley - the investment region concerned - Naivasha was the epicenter of the 2007/2008 crisis. The bulk of employees at horticultural farms, (migrant) workers from West Kenya, were under threat were being ethnically cleansed in the neighborhood Karagita. Don Goossens, the director of Maaskant Flowers, stated: 'around New Year we received the first threats. One of my managers, a Luo, had already escaped Naivasha'.⁸⁹ During the post-election violence in 2007/8, violent youth from the 'host' community, the Kikuyu, came to take revenge on migrant workers from West Kenya for 'stealing' their jobs. They threatened to burn down the farm of Maaskant Flowers in Kinagop in the Rift Valley.

In the face of these problems, the Dutch manager of Maaskant Flowers was able to stop the people trying to burn down his farm. He asked to speak to their leaders, the elders.⁹⁰ With them he negotiated the right of free passage for his workers and had to make commitments to create local jobs, invest in local sourcing and start a dialogue with the community. This farmer learnt the hard way that investing in relations with local communities and authorities is necessary for the sustainability of his farm. This is with a view to securing the commercial interests of his company which inadvertently contributed to peacebuilding, albeit at micro-scale.

Cooperation with other actors

Companies in the horticultural sector have cooperated with other actors; especially in difficult times having to deal with the crises in Kenya with a view to preventing escalation. One such cooperation is within the Dutch Business Group, an important forum for the horticultural companies, which decided to collectively contract one of the most renowned security providers in Kenya to provide direct protection in case of turmoil during the 2013 elections. In addition, there has been good cooperation with the Netherlands embassy, helping companies to gain access to the authorities and maintain good relations. The embassy also provides funding.⁹¹ However, such cooperation has not been a real necessity for most as companies tend to earn high profits from

the start. Perceptions of such public funding within the sector were that ‘it would spoil the market’⁹².

Throughout the years, the sector has managed to mitigate the risks related to investing in Kenya, mainly through their own business-to-business networks. But they are still under regular scrutiny of media and watchdog NGO’s⁹³. This contributed to taking measures for their employees. Among employees, Dutch companies are generally perceived to be among the best employers of the horticulture sector and Africalla is an example in case. But the companies’ incentive to take these measures has not been primarily to respond to NGO’s and media’s advocacy. It is also in their direct commercial interest to have healthy, educated staff⁹⁴: “corporate social responsibility” works if it is not only for philanthropic reasons. Already during the 90s companies started investing in the well-being of their staff by providing for health care insurance, education for their children and other services.

Conclusion: These companies are working in a well-established sector creating many local jobs, facilitated by a strong enabler: the Dutch/international business-to-business network, which helps them deal with political instability and other problems of operating in Kenya. This business network is the connection to the Netherlands embassy, which maintains relevant contacts at the Kenyan government, providing them a license to operate. The case shows how companies can start acting in a conflict sensitive manner without engagement of development actors, but due to confrontation with the local context. The fact that through their employment policies they contribute to peacebuilding is no conscious decision as such: businesses do not regard themselves as political actors and prefer to lie low whenever trouble arises, unless they are in the middle of it as these companies were. NGO’s and media did play a role in instigating their corporate social responsibility, translated in fringe benefits and conditions for their employees, but the main driver behind their employment policies is their own commercial interest.

2.3 Colombia

Colombia has suffered from an on-going conflict since the 1960s, related to regional tensions and to the drug trade. Despite this the **incentives to invest in the country** remain high, given the country’s significant hydrocarbon reserves.

Most of the examples in this study have focused on how companies can work with national governments and donors agencies in creating jobs in fragile contexts. Two examples from Colombia demonstrate how companies can also **co-operate with local government** to create jobs that provide incomes and militate towards stability in specific locations within fragile states.

Multinational Corporation Interconnexion Electrica (ISA)

Interconnexion Electrica (ISA) is Colombia’s largest electrical transmission company and was significantly impacted by conflict because electricity pylons can easily be bombed, with consequent challenges for the company to maintain supply to customers. The company has therefore developed the *Prodepaz* programme, which has operated since 1999. It invests in projects which encompass several municipalities at a time, and seeks both to encourage local participation in development planning, and to stimulate the development of local businesses.

These include garment manufacture, farming and a sugar and honey processing plant. The company works with local

By seeking to develop the local economy, ISA is hopefully reducing local tensions and so building greater peace and stability. The project also seeks to build links between different municipalities. It is not clear from the project information whether this brings together people from different sides of the conflict divide; however the development of linkages within society is likely to be beneficial in terms of promoting peace.

The Casanare incident in 1996 is a celebrated case of how the corporate sector can adversely impact on peace and stability. BP operates in Colombia **to develop the country's oil reserves**. However, it became apparent that BP's security forces were engaged as participants in the on-going conflict. Following this debacle, BP took the following actions:

- Developed much more community focus in its management practices both to repair the company's reputation, and also to ensure that the Colombia operations could proceed without major incident.
- Employed community affairs staff capable of understanding and relating to local people, and uses this knowledge in operational management issues like hiring policies and site security. The company is also started planning how to manage its eventual exit from its drilling locations, for example by training ex-employees so that they can set up their own businesses. The company is therefore operating in such a way as to ensure that **jobs are created** even after the oil drilling activities are concluded.
- This project also demonstrates clearly that companies who have experienced severe problems in relation to conflict issues are more likely to be pro-active in managing them in the future because they understand the adverse impacts that conflict can have in terms of business continuity. In this case, the peace-building impacts of the company's activities stem from:
 - The work to understand local tensions and ensure that the company's activities as far as possible minimize these rather than exacerbate them; and
 - The focus on job creation and using local content in the supply chain so that there is economic development to underpin that stability.

2.4 Bangladesh

Whilst Bangladesh is not a conflict state **it is categorized as a fragile state for two reasons**. The first is the country's extreme vulnerability to climate-related shocks. It is, for, example ranked third in the world for impact of sea-level rises, and also has a history of typhoons and earth-quakes. Secondly, the country's political structures tend towards violence. Elections next year are widely expected to be inconclusive, with the potential for a military-backed caretaker government. In the meantime, the country is regularly brought to a stand-still by strike actions known as 'hartals'.

Despite this fragility, Bangladesh has attracted a great deal of **foreign and domestic investment**. **The explanation for this is the country's huge population**, which provides both a source of cheap labor, but also the potential for a very large market. Creating jobs has been central to the reduction in poverty over the past two decades, and this has particularly been focused on the garment sector. Clothing makes nearly 80% of Bangladesh's total export earnings⁹⁵, and around 4 million people⁹⁶, most of them women, are employed in the sector. This sector has therefore been central not just to lifting these people out of poverty, but also providing resource to support wider development programmes in the country.

However, as has been apparent in the past year, the garment sector has serious problems in relation to building and fire safety. The collapse, in April, of the Rana Plaza factory on the outskirts of Dhaka in which more than 1,100 people died brought matters to a head. Such was the international outrage that there was a real possibility that international clothing brands might shift their manufacturing elsewhere, with hugely negative impacts on jobs in Bangladesh. Furthermore, since the government is seeking to attract other light manufacturing to the country as part of a wider job-creation process, the crisis in the garment sector had the potential to undermine this policy as well.

The result has been a major collaboration between the International Labor Organization, donors, the Government of Bangladesh and local firms and leading clothing brands to improve labor rights, working conditions and factory safety in the ready-made garment industry in Bangladesh. The compact – reached after high-level discussions initiated by the European Union – aims to avert another tragedy like the Rana Plaza factory collapse in April, in which 1,129 garment workers died⁹⁷.

It commits all the parties concerned to a number of time-bound actions, including reforming the Bangladesh Labor Law to strengthening workers' rights; improving building and fire safety by June 2014 and recruiting 200 additional inspectors by the end of 2013. The programme also stresses the need for reform and implementation of a new Bangladesh Labor Law in conformity with International Labor Standards⁹⁸.

Bangladesh Small and Medium Sized Enterprise – PRAN

The food-processing sector provides good **examples of how companies and NGOs can work effectively to create jobs**. One example is that of local firm PRAN, which has collaborated with Oxfam in the production and processing of chili to improve the quality of the product and to increase farmer-processor incomes. Each season PRAN needs to source 4,000m metric ton of semi-processed chili worth USD 30 million. Historically, the company has relied on middle-men (traders) to buy in bulk. However, this model has two problems: the price is high, and the quality is poor: poor harvesting and processing techniques were leading to a poor-quality product being sold to PRAN. The quality of the product is dependent on picking, drying and dust removal. Therefore, the sourcing process would need to assure that farmers are cultivating and producing good quality chili and they have access to the knowledge, techniques and technology to process the crop as raw materials for PRAN to further process into finish products. This means a very close collaboration with thousands of farmers, provision for quality inputs, information and technology as in irrigation, drying and dust removal from dried chili.

PRAN needed a new business model to move from middle-men driven supply chain to a farmer-driven supply chain. Supported by Oxfam, the company piloted a new model that would later evolve into 'PRAN Hub: PRAN Krishi Service Provider' approach⁹⁹. Oxfam invested in organizing chili farmers in two sub-districts of in Gaibandha, a northern district of Bangladesh. 500 chili growers were contracted through a lead farmer. Oxfam supported the lead farmer to provide agri-inputs, drying facilities and dust removal machines that the farmers would use in post-harvesting handling of the chili. PRAN gave buy-back guarantees and also supported lead farmers with access to loans from commercial banks. The lead farmer would then trade the semi-processed chili to PRAN. The lead farmer thus earns a margin on trading. This model proved to be effective in sourcing of right quality semi-processed chili. But, one such hub / lead farmer can max supply up to 5-7 metric ton of chili in a season. So, PRAN replicated the model and now has 58 such hubs, each one of them is organized around a lead farmer who acts as the interface between the company and the farmers. But the true value of the lead farmer is in the provision of inputs, information/training and technology that are made available to the chili growers. PRAN now has 58 such hubs for Chili processing (raw material processing) that feed into its final product processing plant in Natore, Rajshahi. The supply of these hubs meet up to 40% of their requirement in each season, the rest 60% is still sourced from the middle-men where quality is still a big issue.

PRAN provides investment in physical facilities, buy-back guarantees and provision of access to formal finance to the lead farmers. 50 new hubs would potentially reach tens of thousands of farmers. However, as well as chili, the company is also interested in applying similar business approaches to supply mustard seed and turmeric.

2.5 Mozambique

Mozambique's bloody civil war ended in 1992, and the country continues its recovery. It has the advantage of being **attractive to investors** for a number of reasons. First of all, the country's geographic location is propitious, and secondly, Mozambique is endowed with excellent mineral resources including coal and bauxite.

Multinational Corporation Mozal

The MozLink SME development programme demonstrates how **foreign investors, host government and donors can collaborate to create SMEs which create sustainable jobs** in post-conflict environments. Mozlink exists to up-skill SMEs in Mozambique to international standards so that they can become suppliers to some of the main global companies operating in the country. Established in 2002, Mozlink is just entering its third phase. Phase 1, which ran from 2002 until 2007 worked with 45 Mozambican SMEs¹⁰⁰. Phase 2 has just been completed, and worked with an additional 100 SMEs. The third phase is just starting and is focused on 50 SMEs.

The **key driver to the network** is the need to develop an indigenous base of SMEs capable of providing world-class goods and services to multinational companies based in Mozambique. "Suppliers need to be world class, no matter how small". As well as facilitating the success of these large companies, the network also ensures the development of a growing base of thriving SMEs in the country as a basis for provision of employment, and of tax revenues to the government¹⁰¹. The main partners to the network are as follows:

- A group of large companies are engaged, of which the most important is Mozal, a unit of BHP Billiton. Mozlink is based on a pilot project which Mozal had developed with the IFC. From phase 2 of Mozlink, Sasol, Cervejas de Mocambique, and Coca-Cola also became involved.
- The Mozambique government is engaged through its Investment Promotion Centre (CPI).
- The IFC committed \$75,000 of the \$200,000 project costs of Mozlink 1 through its Capacity Building Facility. IFC also encouraged other companies beyond Mozal to engage from Phase 2 of the project. It also provided US\$ 1.5m to fund Phase 2. The Dutch development agency and local financial institutions are also involved.
- The project has now worked with nearly 150 SMEs, which are networked through the Mozambique Business Network. SMEs do not pay a fee for their engagement in the network: they are selected for their involvement on the basis that they are seen by the corporate participants as potentially-valuable local suppliers. Companies selected to participate are asked to recommend key executives to attend the training courses, and to fund such investments as might be necessary to bring their performance up to acceptable levels – for example on issues such as HSE.

The core activity of the network is an SME development programme designed to bring local SMEs up to international levels of performance so that they can be suppliers to large companies operating in the country. The MozLink approach is based on working with a cohort of 15-20 SMEs over a 12 month period, in a programme which consists of five phases¹⁰²:

- Preparation: SMEs are identified and mentors for both the technical and business issues are identified.
- Assessment 1 and Workshop 1: Baseline data on technical and business skills are collected on each SME participant and a curriculum developed to respond to these needs. This curriculum is applied in one-day group training sessions, then during one-on-one mentoring sessions. A six-month improvement plan for each SME is developed, to be monitored by the SMEs and the mentors.
- Execution of the SME Improvement Plan: Implementation is delivered through a mixture of one-day workshops and mentoring. Progress is measured against the baseline data already collected.
- Assessment 2 and Workshop 2: At the expiry of the 6-month implementation plan SME performance is assessed and the results presented to a second workshop. A further development plan for each SME is developed to be reviewed again after 2 years.
- Evaluation: The impact of the overall programme is monitored in terms of changes in procurement patterns of the large companies in relation to local SMEs.

In addition to the core SME development process, the network also provides SME members with access to other services, including:

- The Mozambique Business Network to provide links between participating companies.
- Support in gaining access to finance. The large companies can sometimes act as referees for SMEs seeking bank finance, and in helping negotiate favorable terms on the lease of vehicles or equipment.

To the end of Mozlink 2, the programme had worked with around 150 SMEs. Between 2001 and 2005, annual local purchasing from MozLink-affiliated companies increased from \$5 million to \$13 million. The figure by the end of Mozlink 2 appears to be around \$30 million. IFC cites the example of Escopil, a company with services ranging from steel structure fabrication to electrical work and mechanical handling equipment. Escopil took part in Mozlink 2, and won a contract with Mozal, enabling it to grow from five employees to 300 with an annual turnover in 2009 of \$12 million¹⁰³.

IFC report that SME performance in key areas of quality, management, maintenance, and safety have improved by 20% on average. The Mozambique Organization for Quality (AMISQ) was established to promote and train Mozambican companies in international health, safety, quality, and environmental standards.

Overview of the case study findings

The below table summarises our case study findings. It specifies the country and the type of company and sector. It highlights the main problems the company encountered on the ground and how it coped with the situation, be it in cooperation with development actors or not. Lastly, the table describes the synergies found and anticipates on the research gaps coming out of the analysis of these case studies in the next chapter.

Overview of case study findings				
Case	Type/sector	Problems encountered	Innovative coping strategies	Synergies and research gaps
South Sudan				
B & S Group	SME / transport and logistics	Continued instability and government not paying services; Local staff under-skilled, if skilled too expensive;	-professionals who have worked in both sectors facilitate cooperation (hybrid); - PSD instruments work: PUM business support of coach/manager - shows what it takes to make a local SME survive in very difficult circumstances - to grow the company needs a more enabling environment	Context Enablers Enabling environment
Greenspark	SME – solar energy	Local staff under-skilled, if skilled too expensive; Continued	-professionals who have worked in both sectors facilitate cooperation	Context Enablers Enabling environment

		instability	(hybrid); - PSD instruments can help move to the next phase of establishing an office and hiring staff; -network organizations such as NABC can help forge matches between foreign and local companies and facilitate starting up. - to grow the company needs a more enabling environment	
SAB Miller	MNC - Brewery	Flagship project: big ambitions, high expectations; Continued instability and lacking infrastructure; Local staff and supply chain providers under-skilled providing low quality products; Lacking business knowledge;	Shows how financing instruments have provided incentives to engage and work with NGO to create employment and value chain development, but difficulties with the local context, political and macro-economic instability brought the project to a halt.	Context Enablers Enabling environment Value chain
Kenya				
Maaskant Flowers	SME - horticulture	Political instability; Inter-ethnic dimension	shows how a company started acting in a conflict sensitive manner meeting relevant standards in employment policies, not because of engagement with development actors, but due to	Context Conflict sensitivity Standards

			confrontation with the local context	
Africalla	SME – horticulture	Political instability; Inter-ethnic dimension	Employment policies scrutinised by NGO's and media but ultimately driven by own commercial interest. Business-to- business networks are the main enabler to create sustainable jobs.	Enablers Standards
Colombia				
Interconnexion Electrica	MNC - electricity	Local instability	How companies can also work with local government to create jobs that provide incomes and mitigate towards stability in specific locations within fragile states.	Context Conflict sensitivity
Mozambique				
Mozal	MNC - mining	Quality of products of local SME's in value chain not meeting international standards, so SME's have insufficient market access to grow and employ	Shows how sustainable jobs are created and how this can be measured, as well as what it takes to make an SME grow. It also demonstrates how private sector and development actors can work in a value chain and how local government can be effectively engaged. It describes how financing mechanisms have played a forging role in this.	Enablers Value chain
Bangladesh				

Pran	SME – food	Workers safety and rights; Quality of products in value chain not meeting standards, so limited growth	Demonstrates how cooperation with NGO's can help promote job creation in the value chain and work better with local government. Watchdog NGO's played guiding roles in how to comply with standards.	Value chain Conflict sensitivity Standards
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Chapter 3

Analysis and Research Gaps

This section draws together the insights taken from the literature review and our case studies. It seeks to identify ways in which companies, donors and NGOs might collaborate in creating jobs in fragile and conflict states (FCAS). Its first perspective is the conceptual level including respective theories of change and assumptions. The second perspective is on approaches how to measure jobs in terms of quality and quantity. The last perspective is the partner level identifying synergies between private sector and development actors, in particular: context, enabling environment/enablers, value chain, conflict sensitivity and standards. Each perspective summarizes its research gaps.

1) Conceptual level including respective theories of change and assumptions

During the peace-building process in a post-conflict reconstruction phase, different actors work towards creating sustainable employment creation and decent work (see figure 1- track C in literature review) and to ensure the linkage between employment and stability. Central to this study are the synergies between those actors. Whereas sufficient research is available on incentive structures of development actors, the role of private sector actors working in FCAS remains under-explored.

As is apparent from the literature review, there is a good deal of commonality in the issues that companies take into account in deciding whether or not to operate in a fragile state, and how they manage their operations when they are there. What figure 2 gives us is the incentive structure for companies working in such environments. These incentives provide clear access points for NGOs and governments to work with companies to ensure that private sector activities in fragile states lead to the creation of good jobs for local people.

More work needs to be done to understand the rationale and incentives for companies operating in fragile states and how this fits within the wider post-conflict reconstruction and peace-building framework. Nonetheless, by overlapping the decision-making process detailed in fig 2 with the case studies in this paper, we can see clear examples of how NGOs and donors have all found synergies with companies at different points in this corporate decision-making process. However, a number of key research gaps remain, of which the most significant are the following:

- What are key drivers and challenges determining company investment decisions or approaches with regard to employment in FCAS? The framework we have been using for our analysis provides a useful starting point, but more work is needed to deepen further our understanding of companies' key incentives for action in fragile states.

- A new conceptual framework is needed to promote mutual understanding of incentive structures of both private sector and development actors, visualizing where to plot the synergies in order to expand them further.

2) Measuring jobs: from jobs to good jobs

The first point to recognize is that companies do not come to fragile and conflict-affected states with the specific intention of creating jobs. Their ambition is to create a stable, profitable business; one element of this is to employ appropriately-qualified local people. This contrasts with donors and NGOs, but also host governments, all of whom are committed to local employment creation because this supports sustainable development of the local economy, which is a key element of durable conflict resolution. For example, the missions of NGO's such as Spark and FarmAfrica fit within the global trend within the development community to focus on private sector development, which has also trickled down to South Sudan. NGOs are quickly adapting their programmes to these fairly recent donor flows.

However, whilst it is true that companies can create jobs in fragile states, they do not always create 'good' jobs. There are two significant challenges associated with the private sector and job creation in fragile contexts. The first is that corporate investment tends to be job-poor – levels of financial inputs are high, but relatively few jobs are created. Companies are likely want to run lean in terms of personnel and may not want the perceived risk of more employees in fragile states. The second challenge is of 'bad jobs'. Of the cases identified in this study, the most obvious example of this is the garment sector in Bangladesh. Over the past decade or so, the development of this sector has created around 4 million jobs, mostly for women. The impact on the country is significant, with around 80% of exports consisting of ready-made garments. Yet, as the recent events at Rana Plaza and Gazipur illustrate, these jobs open employees up to very poor levels of health and safety. *Key research gaps are the following:*

- What are the approaches for measuring jobs (the amount and their quality) which both the private sector and development actors accept?
 - How does this work in relation to DAC coding?
- What are the job creation effects of large businesses in FCAS and how are they being measured?
- How to encourage job-rich investments with private sector?

3) What are the synergies between private sector and development actors?

A central question for this paper is to identify how donors, host governments and NGOs can work with companies to create good, durable, sustainable jobs in fragile states. By collapsing the decision-making process detailed in figure 2 with the case studies in this paper, we can see clear examples of how development actors have all found synergies with companies at different points in this corporate decision-making process.

a) Context

Understanding the context in FCAS is of major importance for any actor operating in the field, and there is a clear role for NGOs and other development actors in helping companies understand that context. In their operations in fragile states, companies do not need generalised exhortations to 'be good'. But it is apparent from the case studies that they do need a great deal of support from NGOs, donors and host governments. What companies need is granular and detailed insights into

the realities of the specific context where they are operating in order to develop a durable profitable business, and in so doing create good jobs. This will in turn provide an incentive to take context as a starting point and act in a more conflict sensitive manner, as the Kenya, Colombia and Bangladesh cases demonstrate.

In the field, NGOs appear to be a natural conduit for local knowledge and insight. As both South Sudan cases demonstrate, those who have worked in the development or humanitarian sectors before seem to be able to operate effectively in these environments and provide a bridge between the development and private sectors; what one might term 'hybrid managers'. Key research gaps include developing understanding of:

- *What would it take to do joint conflict analyses and merge the political economy analyses of development actors and 'political risk' analyses of private sector for particular FCAS settings in order to promote realistic perceptions and better cooperation?*
- *Is a good understanding of one's effects on the context from the start a catalyser for a more conflict sensitive approach?*
- *Which actors are the natural carriers of this contextual knowledge?*
- *Are those who have worked in the development or humanitarian sectors before the best fit to provide a bridge between the development and private sectors, and if so, how?*

b) Enabling environment and enablers

The commercial decision

Companies invest in fragile states only if there is a commercial opportunity the pursuit of which fits their business plan. Whilst the research detailed in the literature review focuses mainly on FDI, the same motivations are likely to inform local SME's and investors too.

Donors, NGO's and host governments can therefore most obviously promote investment through improvements in the business environment, through capacity building and service delivery functions. While paving the path for big investments, the challenge however is avoiding 'job-poor' investment. Oil and gas sectors for example are high impact in terms of levels of finance, but often employ few people. It is estimated, for example that the oil and gas sector in Azerbaijan, which has transformed the country's finances, only employs around 2% of the population.

However, it is not just on improving the regulatory environment that host governments supported by development actors need to focus. In all three cases in South Sudan, companies found it difficult to create local jobs because of a very challenging environment, in spite of very generous conditions (government tax waiver and donor funds) in the case of SABMiller. This last case demonstrates that creating local jobs requires taking small steps and strategic patience instead of aiming for quick and big results. Spending pressure of donors is not helpful to create sustainable jobs; it can even pose unacceptable risks to this delicate process.

Research gaps:

- *What are the job creation effects of development programmes in FCAS and how are they being measured?*
- *What financing instruments are most effective to make companies move to the stage of creating sustainable jobs? What are the consequences of the 'quick win' approaches? Do incremental approaches yield more sustainable results?*

c) Conflict sensitivity

Security

Physical security of personnel and materiel is a primary concern of companies in fragile contexts. The challenges which BP faced in Colombia were one of the examples which led to the creation and development of the Voluntary Principles on Security and Human Rights. This initiative was launched in 2000 “to guide companies in maintaining the safety and security of their operations within an operating framework that ensures respect for human rights and fundamental freedoms.”¹⁰⁴ This guidance falls into three categories, risk assessment, relations with public security, and relations with private security.¹⁰⁵ The VPs are arguably one of the best illustrations of how NGOs, governments and companies can collaborate to improve corporate impacts in fragile contexts.

In Colombia, the example of Interconnexion is also important in this regard. The company realized that the fragility of the local situation posed a significant risk to its infrastructure. Working to develop local jobs was part of a more concerted strategy to manage the risks associated with their operations.

Research gaps:

- *What is it that prompts companies to respond in a conflict-sensitive fashion and meet relevant international standards within their operations in fragile states?*
- *Joint research on the cost of conflict, ranging from the level of company-community conflict to macro-level conflict, with a view to integrating the potential cost of conflict into the cost-benefit analysis of private sector as a way to promote a conflict sensitive approach.*

d) Standards

Politics and society

The politics and societal dynamics are of considerable concern for companies, as most of our case studies demonstrate. At the very least, investors need to be confident in the durability and good intentions of the host government. In FCAS wealth and power are usually not evenly distributed among regions and groups, in spite of their formally democratically elected governments; tensions between private sector and development actors have been around the question whether to follow the government agenda or not. The issue of government capacity is a highly important one. Companies have a very strong preference for operating in countries which have strong institutions, and where rule of law operates: “for profit-maximising enterprises... [Countries with] democratic institutions would be the preferred institutional structure for their investments.”¹⁰⁶ One of the synergies between private sector and development actors lies in working with government to improve its capacities in order to attract foreign investment.

The example of the current work to improve safety in the Bangladeshi garment sector illustrates a similar point. A key aspect of this compact is to improve the capacity of the Government of Bangladesh to provide proper monitoring and oversight of factory standards. The current initiative underway led by the ILO brings together companies, donors and the Government of Bangladesh in a concerted attempt to develop a regulatory and inspection framework capable of safeguarding ‘good’ jobs for 4 million Bangladeshis. It is also important to note, in relation to this example, the

importance of ‘watchdog NGOs’ which have kept the issue of Bangladeshi factory conditions in the front of public attention¹.

Frequently the response to examples such as Rana Plaza, from NGOs in particular, has been to name and shame, and to develop media campaigns which seek to bring offending companies to account. More broadly, NGOs and International Organizations assume that they can influence company’s operations through CSR standards and shaming them into compliance. The evidence from case studies for this paper demonstrates that CSR can be a step towards but is not the main reason why companies commit to local sourcing and employment creation.

Contrary to some of the literature on the role of the private sector in employment creation, these case studies suggest that CSR standards such as the UN Global Compact that do not have enforcement mechanisms, have limited effects in the field. Examples such as Mozlink, food processing in Bangladesh all demonstrate, collaboration with companies works most effectively when the corporate’s commercial aims are recognized and made the driver for the activity.

Research gap:

- *What is it that prompts companies to respond in a conflict-sensitive fashion and meet relevant international standards within their operations in fragile states?*

e) Value chain

Risk minimization and mitigation

Amongst the key risks which companies often face in fragile states is a lack of skills amongst local staff and workers, and a shortage of reliable, international-standard local suppliers. As the Mozlink case demonstrates, collaboration between foreign investors, host governments and donors can create an institution capable of developing people and SMEs able to provide such skills. However, the example also makes clear that this process takes time. SABMiller have also used donor funding for NGO training programmes and private sector development programmes, supporting smallholders in their supply chain or area of operations, albeit with mixed results due to the difficult environment in South Sudan.

Research gaps:

- *What makes local SME’s in FCAS grow and what is the impact of their specific (cultural) context?*
- *Whilst SMEs will have less capacity to act, there may be more importance for their survival to collaborate in creating jobs in FCAS. What differences are there between SMEs and multinationals in how they can be guided to focus on promoting local employment?*
- *How can Private Sector Development (PSD) programmes in FCAS best be connected to market and investment opportunities, in order to promote their sustainability?*

Concluding Remarks

Fragile and conflict affected states (FCAS) offer a serious challenge to the international community as they are home to the world's poorest, and therefore a potential base for crime and terrorism. The resources and efforts of all relevant actors are needed to address this challenge. Yet as this paper demonstrates, although our knowledge is growing of the role of the private sector in job creation in FCAS, much remains to be done. More research is needed into the potential corporate role which can help change entrenched attitudes to companies as 'the enemy'.

Moreover, how jobs are created, and what are the optimal roles of states, NGOs and companies is not well understood. What is apparent however is that creating jobs in the immediate aftermath of conflict is of vital importance as a key plank of creating stability. These jobs are usually created by NGOs, governments and donors as part of reconstruction programmes. The challenge for such initiatives however is they are time-limited due to funding constraints. This is where the synergy with the private sector comes in.

This scoping study has been able to identify synergies between private sector and development actor's roles in creating sustainable employment in FCAS. Development actors can provide companies with local context, support the development of the enabling environment, assist in the creation of value chains, and guide on conflict sensitivity and standards. This paper has also demonstrated that the reality on-the-ground is well-ahead of what has been captured in the literature. For example, our case studies have identified the emergence of a new generation of 'hybrid managers' who have experience in both sectors and who do not think only in silos.

Certainly, development actors and the private sector have different agendas and goals in FCAS, and on what kind of stability they seek. Nevertheless, the scope for mutually-valuable collaboration is significant. This paper has identified a number of key areas for further effort and research. Pursuing these will provide the basis for private sector to play a more valuable role in job-creation in post-conflict reconstruction and peace-building.

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Kamrun Zaman Kamal, Director, PRAN

Md Eleash Mridha, Director, PRAN

Baki Srinivasa REDDY, Director, ILO Bangladesh

Catarina Salite, Mozal

Issufo Caba, Program Manager, MozLink, Mozambique

Notes

1 The definition of ILO of decent work: sums up the aspirations of people in their working lives. It involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men.

2 or decent work according to ILO definition, also called 'sustainable jobs' in this study

3 Flanders, S. Unemployment in the UK: What's in a number?

<http://www.bbc.co.uk/news/business-23545881>

4 Fig 5 Resource flows to fragile states (2005-9) in: OECD 2011 Factsheet

55 The term "private sector" has various definitions but there is broad agreement that it includes all non-public entities including enterprises, foundations, non-governmental organizations and households. This paper focuses on enterprises (within a broad definition that includes multinational enterprises (MNEs)) and on other private sector actors most relevant to the strategy proposed.

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11 Beasley, 2006.

12 In the KATA programme in Haiti which they studied, e.g. Training and public employment programmes teach workers skills they w Blum, 2009

13 Governance and Development Resource Center, 2012.

14 Beasley, 2006.

15 McLeod et al., 2008.

16 Blum, 2009 and R. Blum 2008.

17 <http://www.buildingmarkets.org/results.html#afghan>

18 ILO 2013

19 The focus on the private sector in development policies is not entirely new. In the 80s authors stressed the importance of the private sector for development. Excessive government involvement was not seen as a catalyst of development, but rather as an obstacle to economic growth. The 1980s relatedly saw the rise of the neo-liberal thinking, which promoted extensive liberalization and the laissez-faire paradigm, which encompassed the private market. See Moyo, 2010 and Ajayi, 2006 and Anyanwu, 2003.

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26 Zandvliet 2001

27 Brück et al. 2012.

28 Globalpolicy.org 2007 and Martens 2004.

29 IRIN 2011.

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43 Netherlands Ministry of Foreign Affairs 2007.

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47 See DCED knowledge portal on employment: <http://www.enterprise-development.org/page/employment> and the World Bank's knowledge network the Hive via <http://www.thehivefcv.org/Pages/what.aspx>

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49 Meghana Ayyagari, 2003.

50 Dalberg, 2011: 13.

51 Beck, 2007.

52 From Twijnstra 2012: (...) the ratio of [entrepreneurship] graduates that successfully alter their life to become a successful entrepreneur is remarkably low. Rather than to attribute this to the content of the trainings, it appears the difficulties are rooted more in a fundamental mismatch between programmatic assumptions of promoting individual success, 'accumulation' and growing a business through re-investing one's profits wisely on the one hand, and the rigid expectations and norms embedded in local networks of redistribution on the other.

53 Spencer, 2008.

54 Zhang Y, 2010.

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56 Parker 2008.

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59 Gerstel 2006

60 IRIN 2011.

62 Peter Davis in IRIN, 2011.

63 Lem 2013: the Doing Business in Africa report presents the viewpoint of the Dutch business community, and not on or in any countries in particular, such as South Sudan, but does include conflict countries such as DRC.

64 Knorringa P. , 2010: 5.

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66 Knorringa, 2008

67 Companies interviewed included MNCs, and large international companies, but also included SMEs, for example a tourism company in South Sudan

68 Davis P. Boardrooms and Bombs 2 Peace Nexus, Geneva. 2011

69 World Bank 2012

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72 Twijnstra 2011

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74 See <http://bsgcompanies.com/index.php/about-us>.

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- 75 Interview with Sabit Asholi, co-owner of B&S group, February 2013, Juba, South Sudan
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- 100 IFC. Mozal Linkages Program (IFC PEP Africa)
- 101 IFC. Developing SMEs through Business Linkages 2008 p20
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- 104 Voluntary Principles on Security and Human Rights. The Principles: Interactions Between Companies and Private Security. Retrieved 13th Oct 2009
- 105 Ibid
- 106 Jensen, 2006.



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