



## CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE

Weekly Update for August 29, 2008

### HIGHLIGHTS

The Novorossiysk Chamber of Commerce and Industry (CCI) has developed a novel way for entrepreneurs to protect their rights against arbitrary inspections and administrative pressure. In July, Russian President Dmitry Medvedev, speaking on the economy and business issues at a meeting in the Smolensk Region, said, “Law enforcement authorities and government agencies must stop creating nightmares for businesses. I’ve given the signal.” The Novorossiysk CCI has printed a poster quoting the president, along with the words “Signal received!” for distribution to local entrepreneurs, who have begun to hang the poster on the doors of their businesses. The poster was accompanied by a letter calling on businesses to join together, in partnership with local government, to address common concerns. The Novorossiysk CCI is a member of the Krasnodar Regional Coalition of Business Associations, formed in 2003 under CIPE's USAID-funded “SME Policy Advocacy” project.

### GLOBAL/KNOWLEDGE MANAGEMENT

A new issue paper was published this week, “Building Democracies and Markets in the Post-Conflict Context,” by CIPE’s Aleksandr Shkolnikov and Anna Nadgrodkiewicz. The authors explain why, in post-conflict societies, reconstruction efforts must focus on rebuilding and strengthening institutions in addition to providing humanitarian aid and basic infrastructure. The private sector plays a crucial role in advancing reconstruction and establishing credible institutions that give post-conflict societies a sense of ownership and faith in the political and economic system and discourage the return of armed conflict. Institutional and economic reforms must be carried out at the grassroots level in order to cultivate a sense of responsibility within local communities and to engage the local private sector and civil society in meeting specific development needs of post-conflict countries. Read more at [www.cipe.org/publications/papers/pdf/IP0806.pdf](http://www.cipe.org/publications/papers/pdf/IP0806.pdf)

A new *Economic Reform Feature Service* article was published this week, “China’s Grassroots Movement Toward Greater Freedom,” by Dr. Kate Zhou of the University of Hawaii. Over the last few decades, unorganized and leaderless grassroots movements in China have led to the bottom-up expansion of civil rights. A grassroots social revolution is taking place in China through the rise of entrepreneurship, migration of millions from the countryside to cities, and an explosion of information available to ordinary people. This grassroots social revolution is moving China towards a more liberal society, regardless of whether the government remains in its current illiberal mode. Find the rest here [www.cipe.org/publications/fs/pdf/082808.pdf](http://www.cipe.org/publications/fs/pdf/082808.pdf)

## **AFRICA**

**Zambia** – CIPE partner the Institute of Directors of Zambia (IODZ) held a corporate governance seminar for the Chinsali District Agricultural Cooperative Union in Chinsali, Zambia. CIPE is supporting IODZ to strengthen corporate governance in Zambia's Cooperative Federation through a grant from USAID.

**Regional** – Makha Dado Sarr is featured in the *African Executive* with an article that examines the historical underpinnings of regional integration in Africa. Sarr, formerly with the United Nations Economic Commission for Africa, reviews the dynamics of regional integration movements through such vehicles as the Organization of African Unity and post-colonial Pan-African movements. The *African Executive* is a weekly opinion and business magazine published by CIPE partner the Inter Region Economic Network. For the full article, visit [www.africanexecutive.com](http://www.africanexecutive.com).

## **ASIA**

**Indonesia** – The Indonesian Institute of Corporate Directors hosted a Professional Director Workshop August 26-29 to help educate business leaders on international standards of corporate governance.

**Indonesia** – Indonesia Business Links hosted its International Conference on Corporate Social Responsibility on August 26-27. More than 200 people participated.

**Philippines** – The Institute of Corporate Directors continue to refine its corporate governance scorecard. The chairman of ICD conducted a lecture on the roles of directors in achieving good CG and the importance of the CG scorecard. ICD also hosted a breakfast roundtable at which a representative of the EximBank of Korea spoke on e-governance.

## **CENTRAL AND EASTERN EUROPE**

**Balkan Regional** – The Regional Center for Organization Management (RCOM) in cooperation with World Bank Institute (WBI) finalized the project “Enhancing ICT Competitiveness in Bosnia Herzegovina,” funded by the Austrian Development Agency. The results of the project will be featured in a paper titled “The Power of Advocacy,” jointly prepared by Kathrin Frauscher of the WBI and Camelia Bulat of RCOM.

## **EURASIA**

**Armenia** – On August 19, the Parliament of Armenia adopted a package of legislative changes to 18 tax-related laws, including the law on profit tax for economic entities, the law on VAT, the law on tax audits, and the law on income tax for individuals. Some of the changes will be applied immediately, others starting on January 1, 2009. CIPE's partner, the Association for Foreign Investment and Cooperation, participated in consultation process organized by the State Tax Service that put forward the package to the parliament.

**Azerbaijan** – On August 22, the Entrepreneurship Development Foundation (EDF) held a roundtable discussion with 15 representatives of the local business community and local administration in the Guba region (North). The roundtable focused on discussing barriers and opportunities for improving the business climate in Azerbaijan and in this region. The participants agreed on the following: a single-window office for property registration is needed to service the northern region, that property rights must be protected by an objective court system, start-up entrepreneurs in the region would benefit from a business incubator, and better information support is needed for entrepreneurs at the regional level.

**Kyrgyzstan** – On August 27, 2008, the Bishkek Business Club (BBC) hosted a meeting of the National Alliance of Business Associations (NABA). Eighteen participants represented NABA members, which are business associations, and one think tank, the Institute of Constitutional Policy. Discussion focused on advocacy to reform problematic laws, including the Tax Code, the Administrative Code and the Law on Inspections. NABA members formed three working groups to address each of the three pieces of legislation.

## **LATIN AMERICA AND THE CARIBBEAN**

**Argentina** – The Center for the Implementation of Public Policies Promoting Equality and Growth (CIPPEC) held a meeting with the Minister of Labor to discuss Argentina’s labor achievements and the challenges ahead. CIPPEC also published a policy brief on a recent bill proposing reforms to retirement payments. This led to two individual meetings with legislators Luis Galvalisi and Claudio Poggi, and correspondence with at least two other legislators. This brief also caused the Minister of Labor to send CIPPEC a modified version of the proposal that incorporated CIPPEC’s suggestion for a basic retirement payment.

**Colombia** – The Political Science Institute (ICP) held its first “Pizza & Politics” discussion forum with students and young people. The first session focused on the topic of infrastructure, *Perspectiva’s* central topic. Fifteen students and professionals in political science, industrial design, architecture, and international relations attended the event. Juan Martin Caicedo, president of the Colombian Chamber of Infrastructure, moderated the discussion session.

**Ecuador** – On the Ecuadorian Institute of Political Economy’s (IEEP) weekly television program, *Tribuna Liberal*, economist Joselo Andrade discussed freedom and economic issues in the new constitution that was drafted by the Constituent Assembly. IEEP’s weekly radio program analyzed how the new constitution addresses multinational and intercultural issues in Ecuador.

**Guatemala** – CIPE partner the National Economic Research Center (CIEN) participated in an entrepreneurship seminar at Rafael Landivar University, presenting the results of its project on reducing the informal sector. During the seminar, Hugo Maul from CIEN gave a presentation to the 60 people in attendance, including government officials and academics. In addition, CIEN gave a presentation about some of the project’s findings in Guatemala City to a group of 100 business leaders, civil servants from the ministries of economy, agriculture, and finance, the press, and academia. Maul presented project results at the Institute for Entrepreneurship Training to more than 50 government officials and graduates of the training program. CIEN also held a press conference to present project results to more than 25 radio, television, and print journalists.

**Nicaragua** – Superior Council for Private Enterprise (COSEP) President Jose Adan Aguierre met with Nicaraguan President Daniel Ortega’s economic advisor, Bayardo Arce, to discuss several key issues. As a result of this meeting, the government has agreed to follow up on the private sector’s recommendation to build low-income housing. COSEP’s president also met with Eliseo Nuñez, President of the Infrastructure Commission in the National Assembly, to discuss the private sector’s participation in the discussion of a proposal on “decent housing.” Nuñez agreed to keep the private sector involved in the discussions.

**Regional** – On August 26, the CIPE-sponsored *Perspectiva* magazine officially launched issue #17, which focuses on the topic of “Infrastructure: The Engine of Growth.” *Perspectiva* #17 was launched in Colombia with a discussion panel led by Rudolph Hommes, former Colombian Minister of the Treasury, and Daniel Torres-Gracia, an infrastructure specialist from the Inter-American Development Bank. More than 40 people attended the event, including former Colombian ministers, businesspeople, journalists, and students. Discussions focused on public/private initiatives for financing infrastructure in Colombia, the close relationship between infrastructure and development, and the reasons why Colombia is behind in transportation infrastructure. *Perspectiva*’s regional partners have also started to distribute the new issue of the magazine in Argentina, Uruguay, Ecuador, Chile, Guatemala, Bolivia, Nicaragua, and Panama.

## **MIDDLE EAST/NORTH AFRICA**

**Egypt** – Chairman of the Federation of Economic Development Associations (FEDA) Fouad Thabet announced that Minister of Industries and Trade Rachid Mohamed Rachid waived 84 ministerial decrees in response to FEDA’s July 13<sup>th</sup> 2008 request to revisit 76 legislations and 136 ministerial decrees that are inconsistent with the newly amended Egyptian constitution. FEDA, a CIPE partner, organized a two-day policy roundtable in the Delta City of Mansoura to discuss FEDA’s first draft for a revised unified industry law with 25 leaders of business associations representing grassroots associations in 18 governorates. Supported by CIPE, this dialogue comes as a continued effort to engage civil society organizations in the democratic reform process in Egypt by not only strengthening their capacity to advocate in the interests of the Egyptian industrial sector, but also to effect positive changes in the unified industry law that will reflect a turn from a centrally planned economy to a more democratic, market-oriented one. Participants agreed with FEDA chairman Fouad Thabet that the “recent constitutional amendments in Egypt that took place in 2007 have rendered the current laws regulating business and economy unconstitutional and thus the current industry law is in need of reform.”

**Iraq** – An informative and productive meeting was held on August 14 in the Sulymania Province of the Kurdish region to discuss the drafting of a law on entrepreneurship and small enterprises in the region. CIPE partner the Kurdistan Economic Development Organization (KEDO) and the Ministry of Labor and Social Affairs collaborated in sponsoring this meeting, which was the first of its kind. The meeting was attended by various representatives of business associations, Chambers of Commerce in the Kurdish region, the President's Office for Legal and Commercial Affairs, civil society organizations, the Commission of Investment, think tanks, and Ministries of Industry, Planning, Finance, Youth, Tourism, and Agriculture. The purpose of the gathering was to form an advisory board with the goal of engaging all of the stakeholders interested in drafting the law in question. During the meeting, participants agreed to cooperate in drafting the law in the spirit of advocacy and to encourage decision-makers to pass the law. They discussed small enterprise requirements that the law should address, which represent the very basic provisions of the law.

Representatives of the Ministry of Industry provided organizers with a copy of a similar law, and they also emphasized the impact of small enterprises and entrepreneurship over economic development and unemployment reduction. By the meeting's conclusion, the advisory council was formed with a unanimous consensus on the discussed goals. The event was covered by Kurdistan TV, Zagros TV satellite channels, *Hawlati* and *Roznama* newspapers, and *Iraq Voice*.

**Jordan** – CIPE partner Al-Quds Center for Political Studies, held a training workshop for Jordanian political parties from August 15-16 at the Dead Sea. The workshop was a culmination of a year-long program to train a core group of activists within each of Jordan's 14 political parties on the mechanics and methodology of articulating an economic vision and platform for their respective parties. Prior to this final workshop, each party was tasked with preparing an economic vision and a specific reform agenda. Ten parties came prepared with their agendas, many having done so for the first time, and presented them during the workshop and debated them with their colleagues from across the political spectrum. In attendance were also three sitting members of the Jordanian Parliament (representing the Parliament's Economic Committee) and two ex-parliamentarians (representing their party: The Islamic Action Front). At the conclusion of the workshop, party members agreed to revise their platforms according to recommendations made during the discussions. The platforms will be published together and be made available to the Jordanian public.

**Lebanon/Regional** – Building on their newly drafted Corporate Governance Guidelines for Arab banks, the Union of Arab Banks (UAB) is in the process of developing an accompanying Corporate Governance Toolkit. This toolkit will be introduced at UAB's Financial Week in November, 2008, and will include an introduction of the toolkit to the UAB board, endorsement by the board and a discussion on board corporate governance training.

**Palestinian Territories** – The Israel/Palestine Center for Research and Information (IPCRI) completed a draft of its Israel-Palestine Business Guide, including a major section on Movement and Access, which is considered to be the main value-added of the guide. The writing team is now in the process of finalizing the guide, which will be sent to print by September 7, 2008. In parallel, IPCRI is continuing preparation for the first Israeli-Palestinian Business Forum Seminar, slated for September 16, 2008.

## **SOUTH ASIA**

**Afghanistan** – CIPE conducted a seminar on strategic planning for the Gemstone Association of Afghanistan. The thirty-nine members who attended the event said the seminar expanded their concept of what services the association could provide.

**Pakistan** – CIPE Vice President (Lt. Gen. USA, ret.) Daniel Christman attended meetings in Karachi and Islamabad this week on behalf of CIPE and the U.S.-Pakistan Business Council.

**Sri Lanka** – CIPE partner the Pathfinder Foundation released policy briefs on the Audit Act and on Education Reforms. The briefs were distributed to policy makers as well as to the public.

*The CIPE calendar is online at [www.cipe.org/calendar](http://www.cipe.org/calendar).*

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