



CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE

Addressing Barriers to Reform in Fragile and Conflicted Environments

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The Arab Spring – Sparked by Barriers

- Mohamed Bouazizi, a small business owner in Sidi Bouzid, Tunisia helped spark a revolution due to barriers to doing business.
- He was unable to pay bribes when the authorities accused him of violating laws by not having a vendor's permit, continually harassing him by taking away his produce – due to lack of revenue he went into bankruptcy
- Land deeds and establishment of proprietorship were both extremely expensive, lengthy steps which were essentially impossible for Bouazizi (499 days of red tape with a cost of \$2,976 and 142 days with \$3,223 in costs minimum)
- This kind of harassment was commonplace in Tunisia, leading Bouazizi to self-immolate in the town square
- He later died of his wounds, leading to mass protests which were fueled by similar public suicides due to an oppressive environment where business owners and employees could not escape the cycle of harassment and systemic corruption in the government.



- Barriers to reform can come in many ways – physical, monetary, and societal forms
- Unnecessary taxation and corruption are two very large barriers to reform that need to be addressed
- Unclear and contradictory laws stifle business and reform
- Failure to address the issues when confronted about them – fearing change of the status quo (corruption, etc)
- Lack of women in the workforce provide another barrier to reform – a large percentage of the workforce unable to work is a detriment to reform

- Depending on political dynamics in the country, it might be more effective to being work at the national level, or the regional one
- When facing highly bureaucratic systems, it is generally better to focus on the local level and work up from there, identifying the problems on the ground and addressing them, eventually taking it to a national level.



Challenges for Advocacy programs

- In areas which are conflicted or fragile, advocacy is still being attempted, but it is an misunderstood approach and a relatively new concept to many
- Corruption and bureaucracy stagnate advocacy efforts, especially in countries with a larger government system
- Creating coalitions to undertake collective action and achieve broad-based consensus can be very difficult
- Even once a business agenda is created, there is



Case Studies in Sensitive Environments Afghanistan

- National Business Agenda – Addressing impediments in the business climate across all regions, not any region in particular
- If business agenda becomes too big and varied, it becomes unwieldy and inefficient
- Decentralize power in regional economic hubs – moving away from Kabul
- Provincial Agendas – Putting the power into the hands of the Afghan people



Case Studies in Sensitive Environments Ethiopia

- Private sector is relatively new, but the environment is still heavily bureaucratic – impedes dialogue
- Government owns all land/telecoms, making it hard to purchase land due to a sea of bureaucracy
- Many complaints of unclear and unreasonably high taxation
- CIPE works in Ethiopia by giving business owners a voice to address certain issues and

- The Kurdistan Business Agenda made in conjunction with a diverse group of professionals in Kurdistan, addressing a diverse amount of sectors which was eventually provided to the Prime Minister of the Kurdistan region, and provided the framework for building partnerships with the private sector.
- Since its creation, more and more partnerships between the private sector and the public sector have arisen and cooperation between sectors has ballooned
- Small and Medium Sized Enterprises Law-to employ youth

- To what extent is the business community following the reform ideas after completion of a project?
- How much attention is the project getting from the media and the government?
- How much regulatory or legislative change has occurred related to the project after its completion?



Brief History of CIPE

- The Center for International Private Enterprise (CIPE) was founded in 1983 as a core institute of the National Endowment for Democracy (NED), who funds a majority of our projects
- Our goal is to promote inclusive market-oriented reform in various sectors which will promote democratic ideals
- Since our inception we have conducted operations in 51 countries, with 122 partners and 165 projects.



What We Do and Where We Work

- CIPE believes that with economic freedom comes political freedom, and to achieve that end, CIPE works with a broad spectrum of business leaders and policy-makers to help in the creation of a strong market economy to promote democratic growth.
- CIPE offers technical expertise and support to local partners who we identify as working to further open markets and systematic reform in the sector.



Thank you!



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