



Evaluation Summary



International
Labour
Office

Evaluation
Office

Strengthened institutional capacity of employers' organisations – Independent evaluation

Quick Facts

Countries: *Myanmar*

Final Evaluation: *11 October 2017-5 January 2018*

Mode of Evaluation: *Independent*

Administrative Office: *ILO Myanmar*

Technical Office: *Bureau of Employers' Activities*

Evaluation Manager: *Ms. Pamornrat Pringsulaka*

Evaluation Consultant: *David Irwin & Min Min Han*

Project End: *31 August 2017*

Project Code: *MMR/14/01/RBS & MMR/16/02/RBS*

Donor & Project Budget: *RBSA (US\$ 863,960 + US\$ 324,243)*

Keywords: *employers' organisations, capacity building, sustainable enterprise, gender, employment creation, business environment, public private dialogue, public sector advocacy*

Background & Context

Summary of the project purpose, logic and structure

Successful enterprises are at the heart of any strategy to create employment and improve living standards. Employers' organisations (EO) help to create the conditions for success by influencing

public policy relating to the environment in which they do business, in particular in relation to labour law, and by providing services to business that improve their individual performance.

Employers' organisations generally include amongst their objectives (i) an intent to represent their members and seek to influence public policy; and (ii) a desire to offer appropriate services to their members. It is anticipated that if they do this well it will lead to a more stable and predictable business enabling environment and thus to more investment, more jobs, decent work, greater profitability and higher tax revenue. However, they are not always able to do this effectively without support and so the ILO aims to provide that support, as set out in the Strategic Policy Framework and amplified in the DG's Programme & Budget which explains that the ILO aims to ensure "increased representativeness and organisational and analytical capacity of employers' and business organisations to influence national, regional and international policy-making."

This project aims to support the Union of Myanmar Federation of Chambers of Commerce & Industry (UMFCCI) to fulfil the role of a peak employers' organisation requiring considerable institution building as well as engagement in the tripartite dialogue. In addition, some support has been provided to the Myanmar Tourism Federation (MTF), the Myanmar Garment Manufacturers' Association (MGMA) and the Mandalay Regional Chamber of Commerce & Industry (MRCCI).

The project was managed by the CTA in ILO Myanmar with support from ILO in Bangkok and ACT/EMP in Geneva.

Present Situation of the Project

The programme of support has been completed though ILO continues to give advice and guidance. The focus of the support was to build capacity in the expectation that this will lead to greater involvement in dialogue and more support for employers. UMFCCI has set up an Employer's Organisation Department and employed three professional and two support staff. They are working on policy positions and have been participating in social dialogue. They have developed and have been offering a range of training programmes aimed at employers. They are now offering an advisory service and are about to launch a website. MGMA is also offering training programmes and advisory services to its members. Both are exploring how to sustain these activities.

Purpose, scope and clients of the evaluation

The objective of this final evaluation was to assess the relevance, effectiveness, efficiency, impact and sustainability of the interventions and actions undertaken under the RBSA MMR/14/01/RBS and MMR/16/02/RBS projects 1 January 2014 to 31 August 2017. The ILO work to be evaluated was all the interventions that contributed to the Country Programme Outcome (CPO) MMR 801 on *Strengthened institutional capacity of employers' organisations*. The main focus was to assess the institutional change and the capacity of the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI).

The primary audience will be the employers' organisations in Myanmar, ILO Liaison Office in Myanmar, and ACT/EMP. Secondary parties making use of the results of the evaluation will include ILO technical departments, DWT-Bangkok and ROAP.

Methodology of evaluation

The evaluation took a scientific realist approach and used a mix of complementary methods:

- Conceptualisation of the programme theory of change, mechanisms and contexts;
- Interviews with ILO staff;
- Semi-structured interviews with stakeholders to discuss objectives, challenges and achievements;
- Analysis of reports and documentation;
- Analysis of the assumptions underlying the programme and examination of evidence, from other programmes, supporting or contradicting them.

In line with the ToR, the evaluation has largely focused on whether UMFCCI has enhanced its capacity and whether that has led to it being able to fulfil its role as a representative body more effectively.

Main Findings & Conclusions

The work has been successful. ACT/EMP has supported UMFCCI to strengthen employer related services and to enhance its capacity. UMFCCI is participating more in bilateral and tripartite discussions. It is developing policy positions and is using more evidence to support those positions. However, its omnibus policy proposal on labour law reform, which is commendably precise in its proposals, would benefit from more evidence and more cogent argument. There are some issues (such as minimum wage) which the employers could potentially reframe in such a way that it would lead to collaboration rather than competition.

EOs may exist primarily to represent their members' views but they also have a responsibility to promote good practice back to their members, for example in relation to gender equality and greening economies. Indeed, this will contribute to the EOs' credibility when they are advocating reform to government. There is some evidence that UMFCCI is beginning to do this, for example through its

training programmes. UMFCCI plans to build on this looking at women in business as a policy area.

The work at MGMA – training, advice on labour law, information dissemination – is beginning to deliver positive results and they are looking closely at how to ensure that the work can now be sustained.

Relevance: The work is very relevant. Supporting UMFCCI and others to become more effective representatives of their members, and to engage in dialogue and advocacy, will make a difference at bilateral and tripartite dialogues. Supporting UMFCCI in turn to build the capacity of individual employers will lead to improved labour relations at the enterprise level.

Effectiveness: To date the programme has been effective. Progress was slow in the first two years though it was important to develop a relationship built on trust with the ILO; however, since then, a great deal seems to have been achieved, with the gathering of research evidence and the preparation of policy positions on all aspects of labour law. UMFCCI has been participating in bilateral and tripartite dialogue and appears to have had some, if limited, success in influencing public policy. However, as it builds its skills and experience, it might be expected to achieve much more over the next three years.

Efficiency: Much of the support is the provision of one to one advice from ILO field specialists, supported by consultants brought in by ILO. The evaluators support this approach of bringing in people with expertise, who can support the team and instil new skills and knowledge, or undertake research on their behalf, in a limited time. There may be scope to improve efficiency by collaborating more closely with the providers of other support and advice, but that carries with it a danger than the ILO message is diluted. ILO is encouraged to keep on supporting UMFCCI and others in much the same way, building their skills through a combination of development and learning on the job. Rather than striving for efficiency, it

would make more sense to strive for value for money. The evaluators' assessment is that, so far, this programme of support has delivered good value for money.

Impact: Impact is usually an assessment of the difference made to members (and the wider business community) as a result of reforms brought about by the business association. In this case, there are two possible impacts. The first is the improvements in labour relations supported by EOD training. UMFCCI is confident that there has been improvement. The second is the economic impact arising from policy reforms. It is too early to make an assessment but it is likely that there will be an impact arising from the reforms that are being negotiated at the moment.

Sustainability: It is unlikely that any business association can wholly sustain itself from offering services. It may be able to sustain itself through a combination of services and membership fees. This means that the employers' organisations need to prepare a broader strategy for sustainability. MGMA is moving in this direction, though its strategy is not yet tested; UMFCCI is still working on it. But it should be possible for both to offer employer services on a sustainable basis.

Cross cutting issues: The key cross cutting issue is gender. Here it seems that there is still some work to do, both in terms of encouraging UMFCCI and MGMA, in particular, to gather and disaggregate gender participation data; to encourage them to consider gender differences in their research evidence; and to encourage them to raise gender issues in bilateral and tripartite dialogues, though that is expected now to change as UMFCCI starts to do more on women in business.

Recommendations & Lessons Learned

Lessons and good practice

Lesson 1: EOs need a competent and knowledgeable staff team from a variety of backgrounds supported by board members who share their desire to reform public policy, but it

takes time and effort to build these teams so that they work together effectively.

Lesson 2: EOs need support through advocacy projects whilst they develop their competence. ACT/EMP has identified that support for EOs is not necessarily immediately reflected in greater influence or even in more dialogue: it takes time for governments and BMOs to trust each other and often the complexities of an issue mean that it can take years for a policy reform to work through the policy system.

Good practice 1: Placing a person from ILO in the office with the EO team can speed up the process of learning amongst the team.

Good practice 2: EOs cannot simply rely on connections and networks to influence government: rather they need to undertake (or commission) objective research and to be able to prepare persuasive policy positions. They can then use both the research evidence and the argumentation when they advocate reform. The omnibus proposal for labour law reform is a good example of precise policy proposals allied to a strategic framework.

Good practice 3: it is easy to see dialogue with government and with other interests as a zero-sum game. It is generally more effective to reframe issues in such a way as to promote collaboration and also to look for areas of common ground, perhaps in bilateral meetings before participating in tripartite dialogue.

Good practice 4: Whilst there is a desire to work with organisations which are sustainable, there are also good arguments on occasion for supporting EOs more directly, especially with the costs of employing a policy officer or even a policy team.

Main recommendations and follow-up

Recommendation 1: ILO should continue to support employers' organisations in Myanmar, especially UMFCCI and MGMA and, to a limited extent, other employers' organisations as well, that may be expected to be able to make a difference.

Recommendation 2: ACT/EMP should articulate its overall theory of change for its programme of support for employers' organisations to become more effective advocates. This would then serve as a reminder both of the point at which ACT/EMP is intervening but importantly show the intended ultimate outcomes from the interventions. Outcomes and targets for individual projects should then clearly relate back to the theory of change.

Recommendation 3: ILO should encourage UMFCCI to retain the employers' organisation department rather than hiving it off, recognising that this could offer significant synergies with other departments within UMFCCI (and ensuring that the team can focus on the important activities of delivering services and engaging in dialogue and advocacy rather than being diverted into discussions on structure and funding).

Recommendation 4: ILO should encourage the staff teams at both UMFCCI and MGMA, when they are meeting with businesses, perhaps whilst training, to use the opportunity to gather intelligence about issues and priorities and indeed on their views on the association and what it could do better.

Recommendation 5: UMFCCI and MGMA should follow up all training participants around three months after a course has been run to assess whether the training has made any difference to the way in which they work and whether, on reflection, there need to be changes to the training programme.

Recommendation 6: UMFCCI should be encouraged to do more research – to identify issues, to frame issues, to prioritise issues, to gather evidence to understand the issues and to prepare policy positions on the issues. The sense at the moment is that they are falling back on the omnibus policy proposal for labour law reform, rather than continuing to progress.

Recommendation 7: UMFCCI should expand its staff team. It is already challenging to provide all the services expected of an employers' organisation

with just three people, but the lack of a member of staff with private sector background is a weakness.

Recommendation 8: UMFCCI (ideally in partnership with other employers; organisations) should set up a web based issue tracker, so that members (and others) can follow and contribute to issues. This could be integrated into the new UMFCCI website already intended to provide advice and guidance on labour law.

Recommendation 9: ILO, perhaps in partnership with the Solidarity Centre, should explore the scope to take a group of employers and trade unionists together on a study visit to a country where employers and trade unionists are collaborating on a topic like improving productivity.