



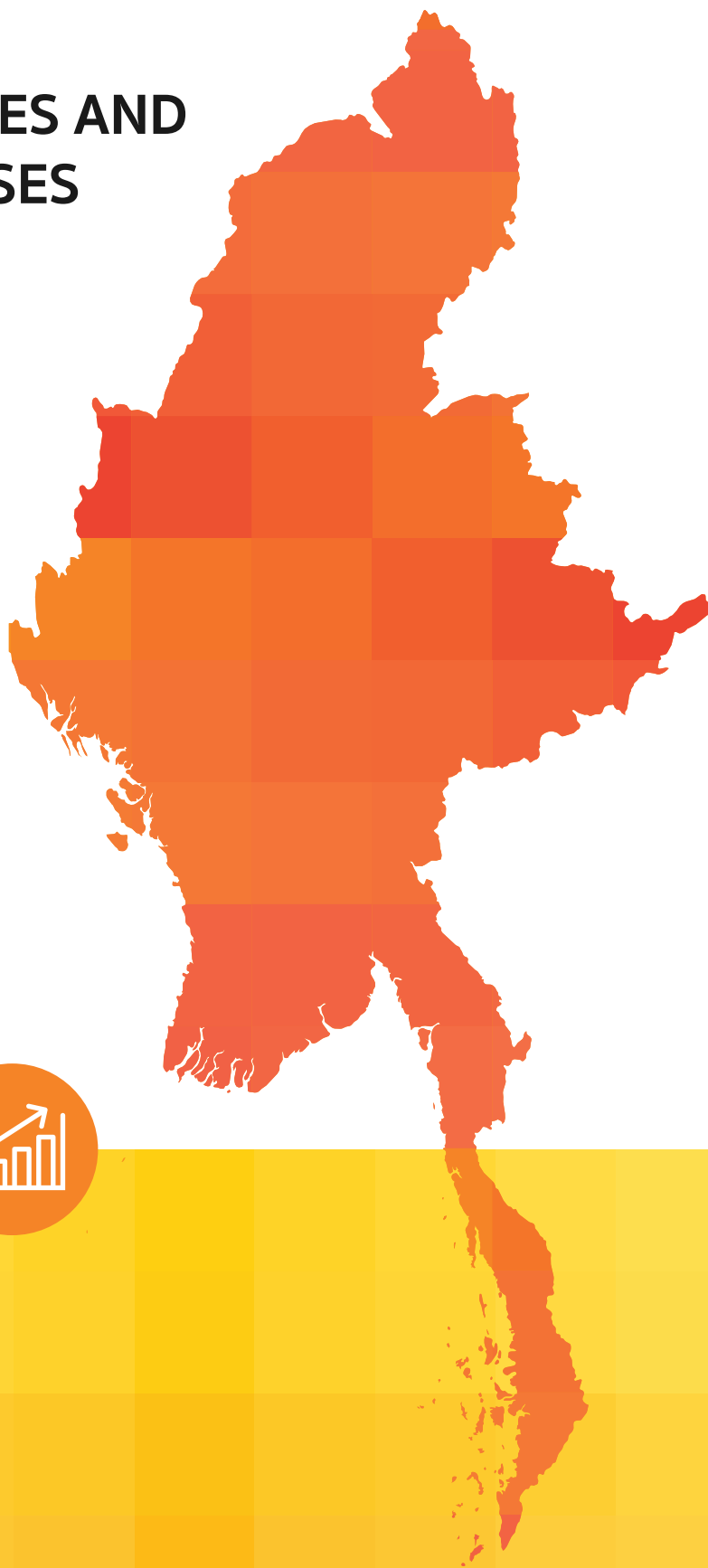
ACT/EMP

The Bureau for Employers' Activities











International
Labour
Organization

DEVELOPING THE CAPACITY OF EMPLOYERS' ORGANIZATIONS IN MYANMAR TO PROMOTE DECENT WORK PRINCIPLES AND SUSTAINABLE ENTERPRISES



AT A GLANCE

	Project name¹	Strengthened institutional capacity of employers' organizations
	Project focus	Strengthening the capacity of employers and their organizations for improved engagement on labour issues and participation in national and regional reforms
	Target country	Myanmar
	Duration	Initial period of 24 months, with an extension of an additional 12 months.
	Phases	First phase: 2014 – 2016 Second phase: 2016 – 2017
	Partners	Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI)
	Approach	Institutional development through technical guidance, training and development of knowledge products and tools
	Thematic focus	Institutional capacity building of employers' organizations at national, regional and sectoral levels Strong and representative employers' and workers' organizations influencing economic, social and governance policies
	Contributes to SDGs	Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

¹ This project overview was produced in December 2016.

OVERVIEW



Background

Since 2014, the International Labour Organization (ILO) Bureau for Employers' Activities (ACT/EMP)² has been working to build the capacity of business and employers' organizations in Myanmar.

The primary partner for this work is the country's leading business organization, the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI). Although it was founded almost a century ago, the UMFCCI has not traditionally been active in labour and employment issues, which under previous governments were heavily controlled by the state. Recent changes in Myanmar's labour legislation have opened new space for business organizations to become active in labour and employment issues that previously did not exist.

The emerging political, economic and social environment in Myanmar has also placed greater demand on the UMFCCI and other business organizations to expand their policy portfolio to cover labour and employment issues and provide new labour-related services to employers in all sectors. Since 2011, both labour disputes and cost pressures

brought about by minimum wage rises and law enforcement have increased. This new system is significantly more open to the private sector as well as worker and employer organizations.

With the continuous support of ACT/EMP, the UMFCCI and other business associations have started to become active in labour and employment issues in Myanmar, taking on the role of employers' organizations alongside other traditional chamber functions. This shift is a response to the complex and evolving situation in Myanmar as it moves towards greater democracy.

This report aims to highlight the key successes achieved by the ILO-UMFCCI project in Myanmar between 2014 and 2016, made possible thanks to ACT/EMP's technical assistance and guidance. It also explains the objectives of the project's second phase that was requested and approved by the UMFCCI, and which shows the continued need for and potential benefits from engagement beyond 2017.

² See <http://www.ilo.org/public/english/dialogue/actemp/>



Areas of work

In October 2013, ACT/EMP saw an opportunity to launch the joint ILO-UMFCCI project for an initial period of two years with the possibility of an extension, depending on the business sector's response. A Memorandum of Understanding (MoU) was signed in 2014 with the UMFCCI, outlining a firm commitment to implementing this project. Since then, ACT/EMP has provided analytical and technical support and guidance to the UMFCCI, employers' organizations and member enterprises focusing on three areas of work:

1. Strengthening the capacity of employers to provide leadership to the Myanmar business community through the provision of technical training and advisory services
2. Improving businesses' participation in national policy dialogue through advocacy and research
3. Providing technical guidance to strengthen the capacity of business membership organizations to respond effectively to the needs of their constituents.

Between 2014 and 2016, ACT/EMP conducted 23 trainings with over 1,074 participants from business organizations and enterprises, and developed 11 knowledge products, including handbooks, manuals and policy briefs. At the sectoral level, two business membership organizations, the Myanmar Garment Manufacturers Association (MGMA) and the Myanmar Tourism Federation (MTF), were selected for targeted and tailored capacity-building support in the initial phase of the project. In 2016, an additional partnership was developed with the Mandalay Regional Chamber of Commerce and Industry (MRCCI).



Objectives

The project objectives are:

- to strengthen the capacity of the UMFCCI and other sectoral associations to provide greater leadership for the Myanmar business community to promote sustainable enterprises and decent work principles;
- to provide the UMFCCI and sectoral associations with tools to assist and guide enterprises in order to improve working conditions and productivity.



Next steps

In the context of the growing labour market policy and service needs of its members and building on tangible results, the UMFC CI has requested the ILO to continue to strengthen institutional capacity beyond the project's current duration through the end of 2017. Given that project activities are under development, it is essential that the ILO continues to assist business organizations to sustainably lead the Myanmar business community on labour and employment issues.

Overall, this project has been successful in solidifying the UMFC CI's commitment to represent and provide services to employers in Myanmar in a more efficient and informed way. With additional funding, the following three important milestones will be achieved by the end of 2018:

- provision of training and labour advisory services to businesses on a regular basis and assisting the UMFC CI to establish sustainable off-site revenue generating services such as dispute resolution assistance and representation at arbitration;
- improving the UMFC CI's participation in the national dialogue process, as evidenced by the regular participation of representatives, preparation of technical positions in advance of dialogue, and the use of evidence and research to formulate positions;
- enhancement of capacity at regional chambers and affiliated associations to provide or facilitate basic trainings and advisory materials to member businesses.



01

STRENGTHENING CAPACITY OF EMPLOYERS TO PROVIDE LEADERSHIP FOR THE MYANMAR BUSINESS COMMUNITY THROUGH THE PROVISION OF TECHNICAL TRAINING AND ADVISORY SERVICES



“Thanks to our department, employers can get advice to solve labour disputes, be trained on labour law and learn about social dialogue, as well as conciliation, negotiation and arbitration processes. Employers across Myanmar are getting more interested in labour issues and are very thankful to the ILO for this project.”

Mr. Thet Naing Oo
Deputy CEO
EOD



Initial trainings conducted with the UM FCCI

The ILO has supported the UMFCCI with a number of capacity-building activities in line with the MoU signed in 2014. These include trainings and advisory services on labour issues and Myanmar labour legislation.

In 2014 and 2015, training sessions on specific topics such as the minimum wage, research, the performance of the manufacturing index (PMI) and industrial relations, workplace relations and human resource management were conducted with UMFCCI staff. Moreover, UMFCCI executives attended short training courses conducted by the ILO at both the International Training Centre (Turin, Italy) and the Regional Office for Asia and the Pacific (Bangkok, Thailand).



▲ Group photo during training break with employers from the Yenanchaung Industrial Zone, in Magwe Region, Myanmar.



▲ EOD staff at their office in the UMFCCI.



▲ Ms. Saw Hnin Sue starting her presentation on the calculation of minimum wages with employers from Dawei, Tanintharyi Region, Myanmar.



Establishment of the Employer Organization Department

In October 2015, an ILO expert advisor drafted a strategic plan for the UMFCCI to address labour and employment issues. Following the ILO's recommendations, UMFCCI executives made a strategic and financial commitment to start the Employer Organization Department (EOD).

The EOD became operational in June 2016 with the objective of assisting businesses and affiliated associations on labour and employment issues through labour law advisory services, trainings, research-based policy development and policy advocacy.

This ILO project has been instrumental in establishing the institutional structure of the EOD and the terms of reference of its staff. As of December 2016, the EOD is fully functional and staffed with three technical professionals and two administrative staff.

With the EOD, ACT/EMP has assisted the UMFCCI to successfully create an institution that systematically and strategically meets growing private sector demand for assistance on labour market issues. ACT/EMP has guided the establishment of EOD's long-term development plans in order to secure sustained capacity to deal with labour issues. The EOD's services can be accessed via email, phone or in person for free.



Trainings with employers throughout Myanmar in 2016

As a first large-scale capacity-building initiative, the EOD, with the support of the ILO, conducted training sessions for over 1,000 employers with 23 regional chambers of commerce and industrial zones throughout Myanmar. These trainings were provided by the EOD in cooperation with employers' associations and federations at regional and local levels over a period of nine weeks. The sessions were useful to enhance employers' technical knowledge of Myanmar labour legislation and impart information about payment to workers according to current labour law.

The trainings were well received, with 88 per cent of participants rating them as either excellent or very good in terms of information provided and 98 per cent stating they were appropriate for their level of experience. Building on this positive feedback, the EOD will continue to offer these trainings on a monthly basis from the UMFCCI offices in Yangon.



“Our training sessions provided employers with knowledge on labour law. They are now able to calculate minimum wages, and overtime, leave and holiday pay according to the existing law.”

Ms. Saw Hnin Sue
Training and Research
Specialist
EOD



Next steps

To enable the EOD to provide training and labour advisory services to businesses, ACT/EMP assisted with the development of a training plan for 2017. Sessions during the year will cover gender issues in the workplace, dispute resolution, workplace relations and social dialogue, and human resource management, among others. Moreover, labour dispute resolution, as well as limited conciliation and arbitration advisory services, have been developed and are currently being offered.

02

IMPROVING BUSINESS PARTICIPATION IN NATIONAL POLICY DIALOGUE THROUGH ADVOCACY AND RESEARCH



Initial developments and focus of work

ACT/EMP has focused on developing the leadership and analytical capacity of the UMFCFI to effectively engage in policy dialogue. An initial assessment of the policy, legal and regulatory framework in Myanmar was undertaken. Through enterprise surveys, secondary data collection and analysis and focus group discussions with the UMFCFI and other key stakeholders, the assessment identified key obstacles to enterprise and employment growth and provided recommendations for policy action.

A major UMFCFI report that formed the basis for capacity-building efforts in terms of policy dialogue was developed in early 2014. This report built on key issues for the business community and set forth policy recommendations. ACT/EMP shared these policy recommendations with UMFCFI executives in workshops in late 2014.

A critical element to this component of the project has been the development of two sets of guidance materials including codes of conduct and informational guides. In 2014, ACT/EMP worked with the Union of Myanmar Travel Association (UMTA) to develop codes of conduct for the tourism sector and in 2016, it helped the Myanmar Tourism Federation (MTF) to develop a manual for the hospitality sector. ACT/EMP is currently assisting the UMFCFI in the development of an informational guide about workplace relations. Training sessions and some media exposure to publicize the tool are planned, as is a training road trip with enterprises and business organizations based on the guide.

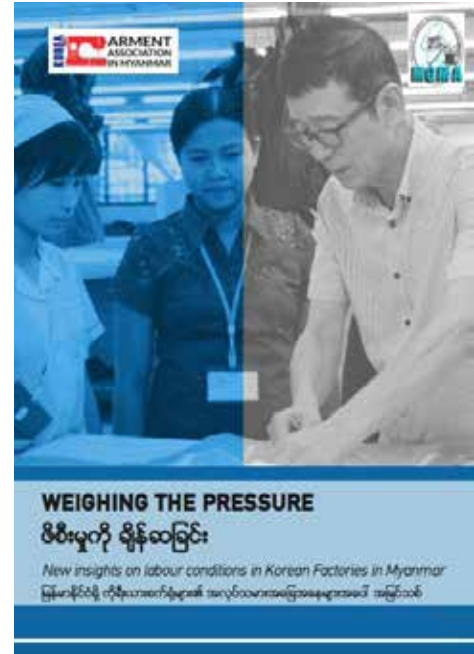


Developing technical tools for employers

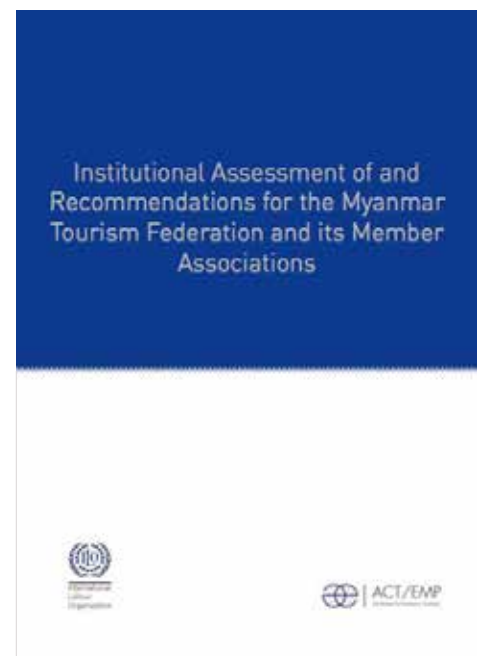
ACT/EMP has also focused on building the analytical capacity of the UMFCFI and its affiliates to enable them to engage in policy dialogue through the following knowledge development and research initiatives:

1. **Labour law reform in Myanmar. A strategic overview for employers:** This strategy for labour law reform was developed to help guide UMFCFI and Myanmar employers through the labour law reform process.
2. **Labour law reform in Myanmar. A resource handbook for employers:** This handbook aims to guide employers in how to effectively contribute to and impact the national process of labour law reform that is being undertaken by the national government. In late 2016, working groups composed of business associations and enterprises were using the handbook as a key information resource to review, revise and finalize the strategy for labour law reform.
3. **Institutional Assessment of and Recommendations for the Myanmar Tourism Federation and its Member Associations:** This handbook assesses the institutional structure of the MTF and its 11 member associations. It provides practical recommendations to improve the MTF's structure and long-term development and has been distributed to the Federation and its member associations.

4. **Enterprise Survey on Minimum Wages:** a pilot survey involving over 250 formal enterprises is currently under way. This survey collects quantitative and qualitative data to help businesses engage in the upcoming review schedule to conclude no later than 31 May 2017. This survey explores the ability of enterprises to afford various wage rates, and the potential implications of significant wage increases depending on the characteristics of private businesses. A report will be produced and disseminated among employers to assist their engagement in evidence-based advocacy in support of their positions on the minimum wage.
5. **Weighing the Pressure: New insights on labour conditions in Korean factories in Myanmar.** This report was developed in cooperation with the Korean Garment Association in Myanmar and the Myanmar Garment Manufacturers Association. A survey was conducted with South Korean garment factories in Myanmar to examine the extent to which they complied with laws on working hours and overtime. This report is a policy advocacy tool that raises awareness of the legal framework for overtime hours and minimum wages in Myanmar.



▲ Weighing the pressure: New insights on labour conditions in Korean factories in Myanmar



▲ Institutional Assessment of and Recommendations for the Myanmar Tourism Federation and its Member Associations

Next steps

In addition to the activities and knowledge products mentioned, ACT/EMP formulated a plan for 2017 to achieve the milestone of enhancing the UMFCCI's participation in national policy dialogue. The UMFCCI will be assisted in the development of quarterly newsletters and summaries on policy proposals that will be disseminated among its member associations and enterprises. Institutional channels will be established within the UMFCCI to hold regular member consultation meetings and receive private sector inputs to inform policy work. Finally, ACT/EMP will support the UMFCCI in the development of evidence-based policy papers on labour issues in Myanmar.



“UMFCCI greatly acknowledges the support provided by ILO (ACTEMP) in assisting the Chamber to strengthen its capacity and upgrade the knowledge of employers and businesses about labor issues. We have successfully established the Employer Organization Department in the UMFCCI, and have introduced a resource handbook for employers on labor law reform for the first time in the Chamber’s history. We are very hopeful that the strong support by ILO (ACTEMP) will continue and continue to assist UMFCCI develop our organization and serve our member businesses.”

Ms. Khine Khine Nwe
Joint Secretary General
UMFCCI

03

PROVIDING TECHNICAL GUIDANCE TO STRENGTHEN THE CAPACITY OF BUSINESS MEMBERSHIP ORGANIZATIONS TO RESPOND EFFECTIVELY TO BUSINESSES' NEEDS



Tailoring technical guidance to business membership organizations

Technical guidance was tailored to the UMFCFI and two sectoral associations: the Myanmar Garment Manufacturers Association and Myanmar Tourism Federation. These two organizations are considered to be strong in their representativeness, policy influence, and interaction with their members. Capacity-building efforts were focused on these three organizations to enable them to contribute to national policy reforms and better address the needs of employers.



Conducting trainings and workshops at the UMFCFI

Starting with the UMFCFI, ACT/EMP followed the ILO's Effective Employer Organization training modules to train a pool of trainers from the UMFCFI and affiliate organizations. Sessions covered all module topics, including governance, strategy, advocacy, revenue building and communications. ACT/EMP adapted the training content to the Burmese context and translated it into Burmese before conducting the trainings and workshops.

Additionally, three exposure trips and study tours have been organized for the UMFCFI to learn from the institutional and planning settings of employers' organizations in New Zealand, Sweden, and Sri Lanka.



Assessing needs and implementing capacity-building plans at MGMA and MTF

ACT/EMP conducted a membership needs assessment for the MGMA in order to identify key areas that members indicated they needed support with. Several strategic planning meetings with MGMA executives took place and ACT/EMP drafted proposals for developing sustained capacity within the MGMA to deal with labour policy issues. ACT/EMP subsequently conducted two series of trainings and workshops. The first series, for MGMA executives, was aimed at enhancing leadership and increasing policy awareness and advocacy. The second series, conducted with MGMA staff, aimed to improve knowledge on labour issues, including labour legislation, industrial relations, occupational health and safety, and dispute settlement.

This work laid the foundation for the decision by the MGMA Executive Committee in late 2016 to expand the organization's agenda to officially include labour and employment. With the support of the ILO, the MGMA plans to hire new staff to assist member businesses with labour and employment matters through training, advocacy and assistance with social dialogue and dispute resolution.

ACT/EMP worked similarly with the MTF, conducting a needs assessment and surveys among the Federation's 11 association members to identify their overarching needs. The needs assessment report



▲ Group photo during training break with employers from Yangon.



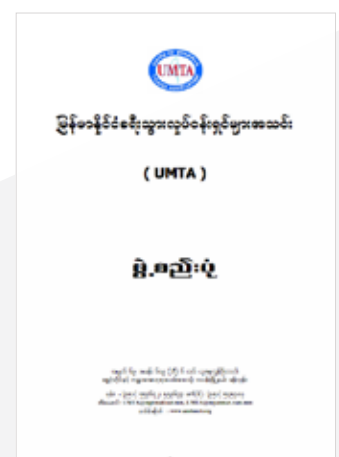
▲ Group photo of participants at the Industrial Relations Conference (April 2015) with UMTA staff.

was a critical contribution to the MTF “Master plan” – a strategic framework for the organization through to 2020. It also revealed that one of the MTF’s affiliates, the Union of Myanmar Travel Association (UMTA), urgently needed to refine and reform its constitution. ACT/EMP led the UMTA’s constitutional reform in close consultation with its executive committee and members, which ultimately improved UMTA’s effectiveness as an employers’ organization.

Moreover, a series of discussions, seminars and workshops were conducted with MTF staff, members and executives. Building on the outcomes of these meetings, ACT/EMP proposed recommendations to consolidate MTF’s mission, vision, strategy and governance structure. Another component of this work involved training on research methods and marketing to better enable the MTF to communicate its services to employers in the sector. As a result of these concentrated efforts, the MTF’s capacity to provide basic workplace-related services to its members has improved.

Next steps

ACT/EMP has planned a number of activities for 2017 centred on enhancing the capacity of associations to provide or facilitate basic trainings and advisory materials to member businesses. Activities aimed at MGMA include the development of a sustainable service delivery strategy, establishment of a training syllabus specific to the sector and improvement of in-house training and service delivery expertise. Moreover, ACT/EMP and the UMFCFI will jointly create and launch a public resource library with partner organizations that will be accessible to employers and business associations.



Cover of UMTA’s reformed constitution. ▶



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