

**Dutch Multinational Businesses, Dutch Government and the Promotion of Productive Employment  
in Sub-Saharan Africa:  
A Comparative Study of Kenya and Nigeria**

Using Kenya as its main case study and Nigeria as a comparative, this study examines mechanisms through which Dutch multinational companies have been promoting sustainable productive employment and inclusive growth in the two countries. Factors serving as hindrance or catalysts are being systematically examined in the companies' sectors of operation (Wind energy and Flower breeding in Kenya; Cocoa production, Dairy production and Beer brewing in Nigeria).

At inception, project members successfully reviewed the development aid policies of the Netherlands and the industrial policies of Kenya and Nigeria, spanning decades. These studies laid a very good foundation for our current exploration of the other objectives of the study. A mid-term review workshop and stakeholder workshops have been organized in Nigeria (January and June 2016) and Kenya (August 2016), which created conducive environment among stakeholders for exchange of ideas. Comprehensive fieldwork is ongoing in the two countries in the sectors mentioned above. Some of the research work have already been published (see INCLUDE website).

The latest output is in a manuscript entitled "*The Use of Local Raw Materials in Beer Brewing: Heineken in Nigeria*"; this has been accepted for publication in Journal of the Institute of Brewing (forthcoming Vol 122 Issue 4 of 2016). This paper critiques the attempt by Nigerian Breweries Plc (NB, a subsidiary of Heineken), which is the second largest company quoted on the Nigerian Stock Exchange, to increase its use of local raw materials for beer brewing. Experiments started in the 1960s when the company commenced its barley (major raw material for beer production) planting trials in Nigeria. In the late 1980s, Nigeria's military government banned the importation of barley in the backdrop of dwindling oil revenues and falling foreign exchange reserves. This policy decision forced NB to break with its tradition of using only imported barley for beer production in Nigeria. Attention was turned to Sorghum, a crop that is grown and consumed in several parts of Nigeria, which is also suitable for beer production, leading to adaptation of Nigeria's production plants for the use of sorghum for brewing beer and promoted the establishment of sorghum malting. However, findings also show instances of policy reversals that encouraged the importation of agricultural products from Western countries into the Nigerian market to the detriment of the country's economic development. Such inconsistencies in host government policies especially with respect to protecting and encouraging local agricultural production represents the greatest threat to the use of local raw materials in beer brewing in Nigeria. This paper argues that without explicit and consistent government support, the idea of backward integration in the Nigerian beer industry is unsustainable. While NB can help to fund research into the development of high yield sorghum hybrids, the task of ensuring the widespread and proper use of such seeds by local farmers will depend on the existence of a supportive and effective national agricultural policy. The development and operationalization of such policies cannot be outsourced to multinational companies by host governments. Although Heineken remains very visible in promoting research into the production of high yield sorghum, the impact of such efforts will be limited in the absence of consistent government policies and support for the development of the sector. Early online views of this study would be made available by the publisher once the page proofs have been finalized

On a more general note, as soon as analyses of ongoing fieldwork reaches advanced stage, team members are optimistic to commence publication of policy briefs which, given our successful inclusion of most stakeholders in our meetings, will make modest contributions towards improving policies that would aid the local business interests in the value chain of Dutch multinational companies in Kenya and Nigeria, which will also be beneficial to the wider multinational business environment in Africa.

Participation in a broad range of stakeholders (government, NGOs, academia, private sector) has helped in improving the quality of our research through multi-disciplinary debates, hence contributed to a better understanding of the issues researched in this project.

In addition, a Seven-Point Protocol to help create an enabling environment for the uptake of project findings, agreed by project team members include requirements to:

- as much as possible liaise with all stakeholders during their field trips.
- invite officials of relevant government departments/ parastatals to make presentations during workshops/ stakeholder meetings
- schedule official visits to stakeholder companies and relevant government offices before stakeholder events as a strategy for raising awareness about the project and encouraging the participation of such stakeholders in workshops/ meetings.
- Forward minutes of all stakeholder/ focus group meetings to all relevant parties irrespective of whether they honored the invitation to attend such meetings.
- share their draft reports and policy briefs with all relevant stakeholders before the eventual publication of such reports.
- share their final reports and policy briefs with all relevant stakeholders after such reports are published.
- always keep the Dutch embassies in Kenya and Nigeria informed of their activities and seek their assistance where necessary to get the cooperation of the various parties relevant to the project.