

# **MODULE 1**

**Business  
environment  
Advocacy**

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## **ADVOCACY FOR BMOS: A SELF-HELP GUIDE**

### ***Module 1: Advocating For A More Enabling Business Environment***

Welcome to the first part of this six-module self-help guide on Advocacy for Business Membership Organisations (BMOs). In this first module, we are going to look at some of the things affecting the way businesses function in Nigeria, what we call the business environment. We will also be looking at how businesses and business membership organizations (BMOs) can try to change this environment through advocacy, to remove burdens that prevent businesses from working effectively, and the need to do this with the policy process in mind. Our aim is to support BMOs in trying to create a more favourable environment for carrying out business in Nigeria, in other words, a more 'enabling business environment'.

#### **ACTIVITY 1: INTRODUCTIONS, BMOS AND BUSINESS ENVIRONMENT ISSUES.**

We begin by introducing ourselves and participants. We want to start with the following question: How has your business or BMO been affected by the business environment in Nigeria?

Think about all the ways in which you, your organization and your members' businesses have been affected by the business environment in Nigeria.

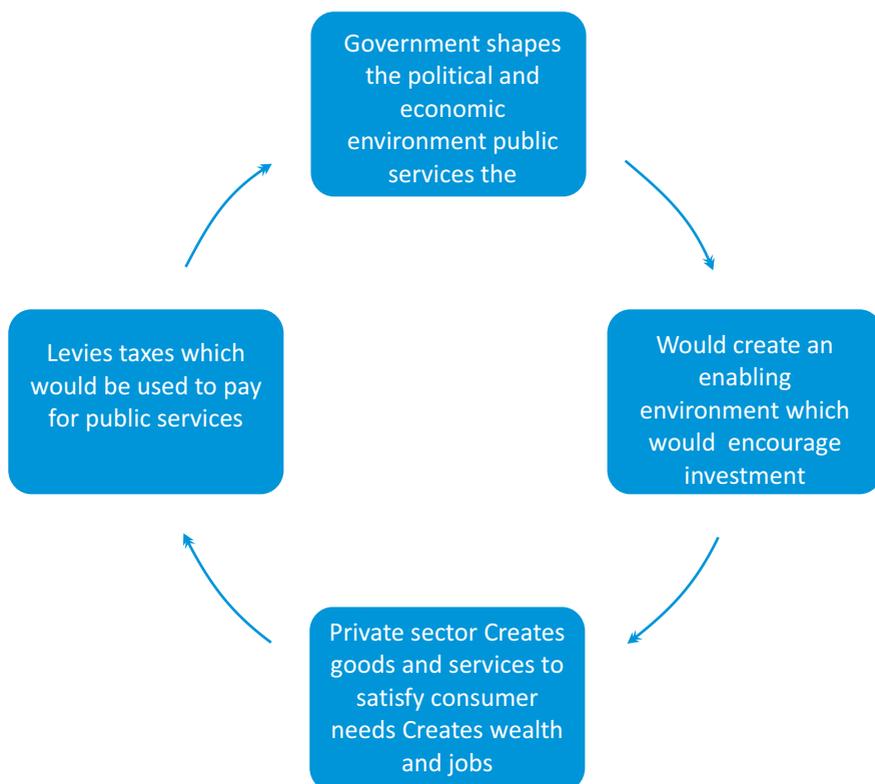
Here are some examples of issues that BMOs face:

- The livestock sector is largely ignored in federal, state and local government public policy and budgeting (Kaduna).
- Farmers are not accessing sufficient quantities of affordable fertiliser in a timely manner (Kaduna).
- Domestic small scale manufacturers face such high production costs that it destroys their competitiveness against imported products (Kaduna).
- Artists' copyright is being abused and they are being denied their royalty payments (Lagos).
- High taxes, poor readership and high cost of materials are seriously hindering the newspaper industry (Lagos).

What is it about the business environment in Nigeria that produces such problems for BMOs? Some of the features have to do with:

- The character of government policies
- Laws and other regulations
- Poor infrastructure
- Limited access to finance
- Difficulties in enforcing contracts
- Lack of skilled labour
- Low internet bandwidth
- Lack of intellectual property rights
- Insecurity of life and property

### Relations between government and the private sector



- Government basically sets rules for everyone to follow, for example, by making policies and laws, and generally regulating the business environment.
- Government regulations are often associated with costs, including costs to business. But government often doesn't realise that HOW they do their work can have a huge impact on the ability of businesses to function.
- At the same time, regulations also have benefits, generally to the society as a whole. For example, setting safety standards for oil refineries may result in costs to operators but the aim of such standards would be to minimize the risk of harm to people, animal and plant life, as well as the land.
- Government sometimes tries to show that it is providing an environment that is friendly to business.

By thinking about what kind of relationship *could potentially* exist between government and the private sector, we can highlight the following:

Policies can come from various authorities but they mainly come from the Government. For BMOs, policies might come from:

- Ministry of Finance - taxation
- Ministry of Commerce or Industry or Trade - business registration, business licensing, industrial policy
- Ministry of Labour - labour law
- Ministry of Justice - commercial law, commercial court
- Central Bank - legal and administrative framework affecting access to finance
- a standards body - counterfeit goods
- Custom Service - import/export procedures
- a foreign investment agency - investment incentives
- Local governments and BMOs might have their own regulations. E.g. a BMO might have rules guiding licensing and the establishment of the organization.

## REGULATIONS CAN EXIST AT DIFFERENT LEVELS

- Policies: Rules, regulations, or sets of guidelines, procedures, or norms from a higher-level authority that guide a course of action.
- Operational policies: The guidelines, regulations, codes, plans, and/or resource allocations that govern all aspects of how a particular service is provided.
- Laws: A legal document with a collection of rules that govern a particular activity.
- Plans or strategies: A plan of action designed to achieve a particular goal.
- Program guidelines: A document that aims to streamline procedures for how a program is implemented.

## HOW DO GOVERNMENT REGULATIONS AFFECT YOUR BUSINESS?

Such regulations can affect your organization and your members' businesses in a number of ways:

### REGULATIONS CAN AFFECT...

- Sales
- Production
- Employment
- Investment
- Cost of doing business
- Competitive position, ability to grow

## WHAT TYPES OF COSTS DO GOVERNMENT REGULATIONS IMPOSE ON BUSINESS?

There are two main types:

- Financial costs, such as tax payments, licensing fees.
- Compliance (administrative or “red tape”) costs associated with dealing with government - “time is money”.

### COMPLIANCE COSTS INCLUDE....

- Time spent standing in queues at Government offices
- Money spent buying Government forms

- Travel costs when moving between several Government offices
- Time spent filling out complicated forms
- Time spent waiting for inspections, or accommodating inspections officers from several different Government agencies
- Costs of hiring a lawyer or accountant or other expert to interpret complicated rules or laws
- Time spent searching for information
- Time spent training staff to understand the rules
- Money spent to facilitate the visit of a Government official to the place of business
- Money spent on bribes to speed up the process
- The financial and compliance costs of Government regulations for businesses can sometimes be very high. For smaller businesses, with fewer staff and fewer resources for responding, the burdens may be even heavier. These are also often businesses headed by women.

All this time and money could be better spent on productive business activity. This time could be better reinvested into your business and your members' businesses, so that growth and more jobs could be created. An improved and enabling business environment can lead to a more vibrant private sector.

### **Can Compliance Costs Be Quantified?**

Identifying and quantifying compliance costs can be a key contribution to policy and law making. This takes us to the question of what we mean by advocacy.

Regulation - either the results of regulation or the lack of enforcement of regulation - can be used by BMOs as an ideal place to advocate for change. For this to happen, the advocacy would have to be carried out effectively and with compelling arguments for change.

## ACTIVITY 2: WHAT IS ADVOCACY?

- Let's begin by looking at what different people have said about the meaning of advocacy.
- “Advocacy is a set of targeted actions directed at decision makers in support of a specific policy issue.”
- “Advocacy is the act of influencing, or attempting to influence, the way that someone else thinks about an issue.”
- “Advocacy is an action directed at changing the policies, positions, and programs of any type of institution.”
- There is no single internationally agreed upon definition of the term “advocacy.” There are as many definitions of advocacy as there are groups, networks, and coalitions advocating. However, each definition shares a common language and concepts.

The common feature in all the statements above is that advocacy involves an attempt to influence decision makers about a problem that requires their action to resolve.

It is important to recognise that advocacy is NOT marketing – it is not used when one organisation seeks to gain a competitive advantage over another.

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POLICY Project 1999 Networking for Change: An Advocacy Training Manual Washington, DC: Futures Group/POLICY Project.

The Business Advocacy Fund Private Sector Advocacy.

Sharma, R. 1997. An Introduction to Advocacy: Training Guide. Washington, DC: Academy for Educational Development/Support for Analysis and Research in Africa (SARA) Project.

### ACTIVITY 3: BMO EXPERIENCES IN DEALING WITH GOVERNMENT

What has your BMO's experience been in dealing with government officials in the past? Some BMOs say that government does not listen to them, does not engage them, or makes decisions without their input. The goal of this exercise is not to “blame” the government but instead to help BMOs focus on what they need to do to reach and convince government officials – hard as this may be.

Successful discussion about policy reform requires two parties at the “table”: government and the private sector. So it is critical for the private sector to be as prepared and professional as possible in conveying their views to government – despite the difficulties in working with them.

Below are key questions to consider in assessing your BMO's experiences in engaging with Government.

- What was the problem? What negative impacts did it have on your members?
- Who within the BMO was involved in prioritizing the advocacy issue? What feedback did they get from members?
- What process within the BMO was used to determine solutions? Did this include an assessment of the potential benefits of the proposal, if implemented?
- Which policymakers did you target? What did you say to them exactly?
- What levels of support did you encounter? What levels of opposition? For those who were opposed, how did you get them on your side?
- Who represented the BMO in communicating with decision makers? How many people were involved? How clear and consistent were you in presenting your argument?
- What role did members have in the campaign? What role did staff have? What about officers and Board members?
- How was the campaign planned? Did you assign specific roles for specific people? How was this monitored?
- Was a written position of the BMO developed and presented to decision makers? Did you use any other written tools?
- Did you use the media to help present the BMO's argument? If so, how?
- Did you partner with other organizations in a coalition to address the issue?
- How many other advocacy campaigns were you running at the same time?

This activity helps us to highlight common advocacy weaknesses in BMOs and potential solutions, as shown in the table below.

<b>Eight Common Advocacy Weaknesses in BMOs</b>	
<b>Weakness</b>	<b>Solution</b>
Taking on too many issues at once; underestimating the time required to move each issue forward.	An Advocacy Strategy in place, centred on selection and prioritization of issues based on input from members. Proper internal structures in place to move issues forward effectively. Good communication between the Secretariat and members. Regular review of advocacy successes and failures.
Limited role for members in selecting issues and participating in campaigns.	Tools in place to request input from members regularly and ensure members participate in actual advocacy campaigns.
Lack of actionable advocacy strategies and work plans.	Work plans developed for each issue selected, addressing: (i) task; (ii) responsibility; and (iii) timing. Work plans regularly reviewed and updated over time.
Inadequate technical understanding of the issues.	Technical capacity built to understand issues and their impact on members' businesses and the economy in general.
Policy papers not sufficiently grounded in evidence.	Analytical capacity built through training in data gathering and Regulatory Impact Assessment.
Lack of Secretariat capacity – high staff turnover; resource limitations.	Human Resources Development policy in place, including performance review process as well as job enrichment plan.
Activity of a BMO diverted away from advocacy and toward activities supported by external funding.	Annual review of successes and failures of advocacy activities. Internal structures in place to ensure regular involvement of members in advocacy activities.
Inconsistent presentation of the campaign message.	Development and internal distribution of BMO's Position Paper to ensure consistent understanding of message. Board meeting to familiarise members with the advocacy strategy and message. Work Plan which clearly highlights division of roles and tasks for the campaign.

## ACTIVITY 4: POLICY MAKING IN NIGERIA

### THE POLICY PROCESS

A critical element in any successful advocacy effort is a thorough understanding of the opportunities for influencing the policy process—nationally, regionally, or locally. Advocacy groups need to determine how the policy process works and what they can realistically expect to achieve at the policy level—given the realities of their particular political environment. This assessment is important because it focuses a group's efforts on what is potentially achievable.

Policy-making occurs within a web of interacting forces:

- complex power relations
- multiple sources of information
- changing institutional arrangements.

Some policy-making issues probably can be settled by facts, analysis, and persuasion. Others are determined by voting, bargaining, or delegating a decision to someone in a position of authority. In all cases, decision makers generally are forced to make policy choices in ambiguous and uncertain conditions.

For BMOs, effective policy action begins with assessment. It is important to identify—as accurately as possible—the various factors that affect policy development decisions. This is so that appropriate strategies can be adopted to influence the policy-making process.

### HOW IS POLICY MADE IN NIGERIA?

These are some of the questions to consider:

- How are ideas or issues generated for new or revised policies?
- How is a proposed issue introduced into the formal decision making process?
- What is the process for discussing, debating, and perhaps altering the proposal? Who are the players involved? At what stages can the private sector participate?
- How is the proposal approved or rejected?
- If approved, what are the steps to move the proposal to the next level of decision making?

Transparent consultation is important for making good decisions to do with business regulation and this means Government has to do a number of things well. The private sector also needs to be ready to participate as effective partners in dialogue. Their most important contribution will be their skill at scoping, analyzing, prioritizing and presenting issues. This will require:

- clear presentation of the problem and implications
- presentation of various options to address the problem
- understanding of the likely impacts of their recommendations
- an implementation plan including the order and timeline of activities and responsibilities allocated.

## FACILITATOR'S GUIDELINES

### ACTIVITY 1: INTRODUCTIONS, BMOS AND BUSINESS ENVIRONMENT ISSUES

*Time: 1 hr*

*Materials: Flipchart, marker pens.*

- Objectives:**
- i. To introduce participants to the training and to each other
  - ii. To give participants the opportunity to discuss business environment issues

#### Facilitator Notes:

Prepare a flipchart with the following interview topics:

1. Name
2. Something about yourself
3. Organization/professional background/
4. current job

1. **Greet** participants and welcome them to the workshop.
2. **Introduce** yourself:
  - Name
  - Affiliation
  - Background
3. **Introduce** any other facilitators, if any. Ask co-facilitators to introduce themselves, share similar information, and clarify their roles during the training.
4. **Explain** that now we want to find out more about our fellow participants.
5. **Ask participants to introduce** themselves to the group by sharing the following information:
  - a. Name
  - b. Something about yourself
  - c. Organization/professional background/current job
  - d. Expectations for the training
6. **List** each person's expectations on a flipchart. Summarize/review the expressed expectations.  
**Clarify** any that might not be clear.

7. **Thank** the participants for sharing their information.
8. **Reinforce** the wealth of experience in the room, noting the types of work in which participants are involved and what they bring to the group. Confirm that the training will be held using a participatory style, and that participants should feel free to ask any questions.
9. **Ask** participants to think about all the things about the business environment in Nigeria that affect them, their organizations, and their members' businesses. Ask them to share some ideas aloud and identify any regulations that could be simplified or abolished.

10. **Give some examples of business environment issues in Nigeria**

11. **Explain that**

- We will be talking about advocating for an “enabling environment,” which refers to an environment in which businesses operate. This concept covers a wide range of factors that affect the “cost of doing business” and make it more or less likely that businesses want to invest.
- An improved enabling environment can lead to a more vibrant private sector.
- Regulation (either the results of regulation or the lack of enforcement of regulation) can be used by BMOs as an ideal place to advocate for change – provided that advocacy is done effectively and with compelling arguments for change.
- To be most effective, advocates must have a clear vision of the desired outcomes, a thorough understanding of the issue being addressed, and the ability to prepare evidence-based policy proposals. They also must have (or create) the opportunity to meet with and persuade policymakers and implementers to do something differently; occasionally, they must persuade people not to do something.

## ACTIVITY 2: WHAT IS ADVOCACY?

Time: 40 min

Materials: Flipchart, marker pens.

- Objectives:**
- i. To define the term advocacy
  - ii. To understand the role of advocacy as an activity of BMOs.

Facilitator Notes:

Prepare a (hidden) flipchart with definitions of advocacy:

- “a set of targeted actions directed at decision makers in support of a specific policy issue.”
- “the act of influencing, or attempting to influence, the way that someone else thinks about an issue.”
- “an action directed at changing the policies, positions, and programs of any type of institution”.

1. **Ask** participants what they think the term “advocacy” means and write their definitions on a flipchart.
2. **Lead** a brief discussion on advocacy, making the following points:
  - There is not just one definition of the term “advocacy,” but many.
  - Effective advocacy requires systematic planning, evidence-based research, facts and figures, and a consistent message.
  - Advocacy is also an art. Successful advocates are able to articulate issues in ways that inspire and motivate others to take action.
  - Advocacy training provides the tools for advocacy, but it is up to participants to articulate issues.
3. Share the prepared flipchart definitions of advocacy. Our focus is on advocacy for BMOs. Share the prepared definition of advocacy for BMOs: advocacy is a set of targeted actions by BMOs to influence public policy in order to improve the business environment. Write this underneath the other definitions on the flipchart. Point out similarities and differences to the participants' definitions.

4. Lead a brief discussion about the term advocacy, making the following points:

- Advocacy generally seeks to change a policy, whether a high-level policy, operational policy, guidelines, or resource allocation.

Advocacy does not end with raising awareness – it is complete only when a policymaker implements the prescribed policy action. Part of an effective advocacy campaign is therefore to provide recommendations on how to best implement a proposal.

- For BMOs, advocacy means attempts to influence public policy in an effort to improve the business environment. By “business environment,” we mean a range of factors that affect the cost of doing business, including legislative and regulatory frameworks and their enforcement, government policy, access to finance, protection of intellectual property rights, availability of skilled labour, taxation, customs procedures, contract enforcement, infrastructure, and land ownership.
- Advocacy requires a clear vision of the desired outcomes, a thorough understanding of the particular issue, the ability to prepare evidence-based policy proposals, and the opportunity to meet with and persuade policymakers and implementors to do something differently or not to do something.
- Advocacy is not marketing and is not used when an organization seeks to gain a competitive advantage over another organization.
- Advocacy is often one of many services a BMO provides to its members; successful advocacy efforts can be a prime method for recruiting new members. However, because advocacy often requires intensive effort, newly established BMOs may want to provide other services to their members first.

### ACTIVITY 3: BMO EXPERIENCES IN DEALING WITH GOVERNMENT

Time: 1 hr

Materials: Flipchart, marker pens.

Objective: To give participants the opportunity to share experiences with advocacy and to draw lessons from those experiences.

1. Ask participants to identify several problems and difficult experiences they have had in dealing with government. Allow 20 min.
2. Ask participants some of the questions below to identify their experience with advocacy and help determine specific problems or challenges they may have had.
  - a. What was the problem? How big a problem was it? What harm was being done to your members?
  - b. Who within the BMO was involved in prioritizing the advocacy issue? What feedback did they get from members?
  - c. What process within the BMO was used to determine solutions and did this include an assessment of the potential benefits of the proposal if implemented?
  - d. Which policymakers did you target? What did you say to them exactly?
  - e. What levels of support did you get, and what levels of opposition? For those opposed, how did you get them on your side?
  - f. Who represented the BMO in communicating with decision makers? How many people were involved? How did you present your argument?
  - g. What role did members have in the campaign? What role did staff have? What about officers and Board members?
  - h. How was the campaign planned? Did you assign specific roles for specific people and how was this monitored?
  - i. Was a written position of the BMO developed and presented to decision makers? Did you use any other written tools?
  - j. Did you use the media to help present the BMO's argument? If so, how?
  - k. Did you work with other organizations in a coalition to address the issue?
  - l. How many other advocacy campaigns were you running at the same time?

We want participants to talk about actual advocacy campaigns they have introduced and the results of those campaigns, and any lessons they may have learned along the way. As examples are raised, keep the discussion focused by asking the questions above.

2. **Explain** that the purpose of this activity was to highlight the things that too often can damage or even ruin advocacy campaigns. Summarize the discussion by using examples from the Table '**Eight Common Advocacy Weaknesses in Organizations**'. For each advocacy weakness discussed, **ask** participants to identify possible solutions and use the examples to lead the discussion.

## ACTIVITY 4: POLICY-MAKING IN NIGERIA

*Time: 45 min*

*Materials: Flipchart, marker pens.*

Objective: To gain some insight into policy processes in Nigeria

Facilitator Notes:

Prepare a flipchart with the following:

Discussion Questions: How Policy Is Made in Nigeria

- How are ideas or issues generated for new or revised policies?
  - How is a proposed issue introduced into the formal decision making process?
  - What is the process for discussing, debating, and perhaps altering the proposal? Who are the players involved? At what stages can the private sector participate?
  - How is the proposal approved or rejected?
  - If approved, what are the steps to move the proposal to the next level of decision making?
1. **Ask** participants to brainstorm examples of policies currently in place and write the responses on a blank flip chart.  
**Refer** to the questions above, “Discussion Questions: How Policy is Made”:

Choose ONE of the policies listed during the brainstorming session. Ask participants to take 10 min individually and answer each question as it relates to the chosen policy, where this is applicable.

4. **Facilitate** a discussion based on the participants' responses to each question.
5. When the group has discussed all of the questions, **facilitate** another discussion on
  - a. What additional information is needed to clarify the process?
  - b. What does this imply about understanding the policy making process?