# Improving the Business Environment: Identifying Issues

David Irwin

## CONTENTS



## THE AUTHOR

David Irwin is a social entrepreneur – and a consultant in enterprise and economic development working with clients such as DANIDA, Department for International Development, Gates Foundation, OECD, Sainsbury Family Charitable Trusts, World Bank and Esmée Fairbairn Foundation. His work has included supporting the Business Advocacy Fund in Kenya and Business Environment Strengthening Tanzania (Advocacy Component) as well as advising the National Development & Reform Commission on regulatory reform in China and reviewing public private dialogue in Nigeria.

From early 2000 till 2002, he was Chief Executive of the Small Business Service, an executive agency of the Department of Trade and Industry, with responsibility for managing all of the Government's small business support programmes and a role as the "strong voice for small business at the heart of Government". Before joining SBS, he co-founded Project North East (PNE), one of the UK's leading enterprise and economic development agencies, and was its chief executive for 20 years.

# Identifying Issues to Improve the Business Environment

## Introduction

There is much encouragement these days for governments to improve the enabling environment and, particularly, the regulatory framework on the basis that this will lead to increased economic growth – and thus to more wealth generation, more job creation and more poverty alleviation. There is a growing body of evidence which demonstrates that investment climate improvements do make a difference to economic growth and that it can achieve far more than any number of poverty alleviation projects, typically promoted by NGOs.[1] There is encouragement, too, by institutions such as the World Bank to increase private public dialogue and private sector advocacy in the belief that this will assist in improving the enabling environment – though this is predicated on the belief that governments act rationally in their policy making and that they can be swayed by compelling evidence.

Business and trade associations, sometimes called business membership organisations (BMO) or private sector organisations (PSO) engage in dialogue and advocacy to influence those making public policy.

Public private dialogue is a pre-requisite for effective advocacy. It implies regular contact between the public and private sectors, to ensure that each party understands the other and that neither is taken by surprise when issues arise. Dialogue implies a desire to have a conversation, to understand each other's position and to reach a consensus about what is good for business.

Advocacy is the act of influencing, or attempting to influence, the way that someone else thinks about, and acts on, an issue. So private sector advocacy describes attempts by the private sector to influence the development and implementation of public policies in an effort to improve the business environment. Depending on the objective and the target audience, the advocacy may be intended to raise awareness of an issue, to seek support for a point of view or to impel someone to act. Advocacy implies a more adversarial relationship though it does not necessarily have to be confrontational. Indeed, it is usually better to avoid all out confrontation, so as not to destroy your relationship with the government and to maintain good relationships at the personal level.

The ideal position is public and private sectors working together in a spirit of partnership.

In a review[2] of public private dialogue undertaken in four states in Nigeria for the World Bank, many BMOs expressed the concern that a programme to support public private dialogue and private sector advocacy would achieve little. If business associations take that view then it little will happen, but the evidence is that some BMOs are already achieving a great deal. Look, for example, at the achievements of the National Economic Summit Group in influencing government policy. But it is not just large associations that can influence government, so can smaller associations. It requires, however, a commitment from both public and private sectors if it is going to make a difference. It would appear, evidenced by Federal Government collaboration in the World Bank's investment climate programme, by the stated intentions of the current Government, and by the actions of the State Governors, that there is a genuine desire from the public sector to improve the enabling environment. It appears, however, Government at all levels is unclear about how to drive this agenda forwards, and needs help from the private sector.

**Nigerian Economic Summit Group**

… some example of success by NESG would be appreciated please…

[1] Chapman, J & Warneyo, A (2001), "Monitoring & Evaluating Advocacy: A Scoping Study", Action Aid; Coates, B. & David, R. (2002), "Learning for Change: the Art of Assessing the Impact of Advocacy Work", *Development in Practice,* Vol 12, 530-541.

[2] Irwin, D & Shaad, B (2007), "Public private dialogue in Nigeria: a review" unpublished report for the World Bank

## ADVOCACY SUCCESS RATES

Defining success is difficult since advocacy is not a zero sum game though failure is usually more obvious. A proposal for a new regulation may be modified or watered down but is still passed into law – so both public and private sectors can claim a degree of success.

Remember, though, that success does not prove influence. A trade association may see a change in public policy that accords with their wishes but which they did not bring about. Similarly, a trade association may lobby against a proposal and still see it pass into law though they may have achieved some success at least in influencing the final policy. So do not allow apparent success to breed complacency but rather consider every issue thoroughly and professionally.

A survey of private sector organisations undertaken by Chris Okpudo for the National Economic Summit Group[3] achieved some 2,000 responses. Some 84 per cent of business and trade associations consulted with their members before adopting a policy position, but it seems that just 32 per cent met with other organisations to explore the scope for adopting joint positions, just 36 per cent met with government (though this could reflect a high level of activity in local government areas), just 44 per cent engaged in some form of networking and a disappointingly low 19 per cent supported their policy positions with appropriate research. Overall, success or partial success was achieved in some 58 per cent of the advocacy initiatives undertaken. Most attempts were made to influence local government areas and these met with a high success rate, as did attempts to influence the Ministry of Industry. The most common subject for advocacy was industrial policy. This is an important component of the enabling environment – but so are issues like tax, corruption and access to finance.

There is no doubt that thorough research and careful preparation increases the likelihood of success. Some would argue that influencing government is difficult when so many issues are not even on their agenda – but you might simply see this as an opportunity to put it on the agenda.

**Nigerian British Chamber of Commerce**

Business and trade associations, if suitably prepared, can take the initiative in creating the public agenda. That is certainly the objective of the Nigerian British Chamber of Commerce. They argue that it is impossible to influence public policy if there is no political agenda and so deliberately aim to set the agenda by bringing together representatives from both private and public sectors to discuss specific topics, often with invited speakers.

Members join business and trade associations for a variety of reasons – and businesses are likely to reap the fruits of your advocacy success irrespective of whether they join and pay their dues. But there is evidence that associations which are successful in their advocacy find it easier to recruit members and more likely that their members will remain as members.

## OBJECTIVES OF THIS BOOK

This book aims to explain the importance and purpose of dialogue and advocacy for business membership organisations, to introduce a simple approach to advocacy and to explore a range of techniques to help you identify, clarify and prioritise the issues that need to be addressed and then to manage them.

# DIALOGUE AND ADVOCACY

Public private dialogue and private sector advocacy have already been defined. The purpose of both is to ensure that government understands how their actions, or occasionally their inactions, impacts on the private sector and to encourage government to act in a way that improves the enabling environment.

---

[3] Okpudo, C (2008), "An investigation into the range of key private sector organisations and their capacity to intervene in the policy formulation process in Nigeria", NESG

## The enabling environment

You may hear the terms 'enabling environment', 'business environment' or 'investment climate'. This simply refers to the environment in which businesses operate and covers a wide range of factors which impact on the 'cost of doing business' and make it more or less likely that businesses, both domestic and foreign, will want to invest. These factors include:

- Legislative & regulatory framework (including employment legislation, environmental legislation, consumer protection, protection of intellectual property rights, health & safety, taxation, duties and tariffs, etc)
- Government policy & macro-economy
- Access to finance
- Availability of skilled labour
- Commercial justice & contract enforcement
- Infrastructure (power, water, telecoms, etc)
- Transport
- Land ownership

Some of these will take time to change and even longer before there is an impact on business; others may be easier to influence in the short term. Regulation is amongst the easiest to change – and can have a big impact.

Regulation covers "the full range of legal instruments and decisions through which governments establish conditions on the behaviour of citizens or enterprises".[4] In this book, 'regulation' is used to define all statutory requirements, whether enacted by Parliament or by local government or additional rules prepared by agencies such as the tax authority.

Businesses get particularly exercised by the regulatory requirements imposed on them. Ideally both the financial burden and the administrative burden should be mitigated, but focusing on the administrative burden can often provide the biggest dividends. There are a number of ways in which the burdens can be mitigated:

- Less new regulation;
- Improving existing regulation – to reduce the administrative burden, to reduce opportunities for corruption, etc – but minimising the number and frequency of changes as businesses can find changes as disruptive as new regulations;
- Providing guidance so businesses know what is expected of them;
- Delaying implementation dates; and
- Promoting a culture change so that inspectors are seen as 'coaches' not 'cops' and so that there are fewer inspections.

## Private sector advocacy

Whilst it may be simple to describe, in practice, advocacy presents a number of challenges. The real issue is not always immediately obvious. There may be competing pressures, for example, from consumers or environmentalists. It is the task of government to balance these pressures whilst ensuring an environment that enables private business to start and prosper. This means that the private sector, when seeking change in public policy, or change in the way that regulations are implemented or, occasionally, enforcement of existing legislation, has to marshal the evidence and make cogent and persuasive arguments.

Effective advocacy, therefore, requires a clear vision of the desired outcome, a thorough understanding of the particular issue being addressed, the ability to prepare evidence based policy proposals and the opportunity to meet with and persuade policy makers and implementers to do something differently or, occasionally, not to do it at all. In addition to influencing and communication ability, advocates will require tenacity and persistence.

[4] OECD, "Improving the Quality of Laws and Regulations: Economic, Legal and Managerial Techniques", Paris, 1994

Whilst you can of course use the same techniques, it should be noted that the term advocacy is not normally used to describe activities that are really marketing or one sector seeking to gain a competitive advantage over another or dealing with one off problems for individual businesses (though it may be that many members coming forward with the same one off problem is indicative a wider issue which could be taken up).

## Public private dialogue

You should not wait until an issue springs up. It is far better for trade associations to aim for regular contact with key public sector people and not just when advocating change. Effective dialogue is a pre-requisite for effective advocacy. Dialogue implies regular contact between private and public – sometimes because the private sector wants to influence a particular policy or particular decision, but often just to ensure that each party understands the other. This is important not only because it can provide advance notice when the public sector is thinking of regulating but also because there are ready channels of communication already established which can be used to ensure that each can quickly understand the position of the other.

Effective dialogue builds mutual understanding between private and public sectors to address issues of concern such as the capricious nature of taxation, the opportunities for corruption in most regulatory requirements, and the need for consistency and transparency in the implementation of regulations.

## Four steps to achieve success

This booklet has been commissioned by ENABLE. Their purpose is to enhance the quality and effectiveness of Nigerian private sector advocacy for an improved business environment. It does this by supporting Business Membership Organisations (BMOs) to engage in dialogue and advocacy intended to seek appropriate change in public policy.

ENABLE has adopted a four step approach to advocacy:

- *Identify* issues constraining the private sector and prioritise those for which change in public policy will make the most impact;
- *Research* prioritised issues to ensure a thorough understanding of the costs and benefits for both the private and public sectors as well as understanding the views of other stakeholders;
- *Formulate a policy position and advocate change in public policy* through adopting appropriate strategies to engage the public sector; and
- *Follow-up* to communicate successes to members and stakeholders, to ensure that the public sector implements decisions and policies and to evaluate the impact of advocacy successes.

This book covers the first of these steps – companion volumes will introduce each of the other three.

## Identification of the issues

The objectives from this stage of the advocacy process are to:

- Identify the issues that are important to members and, ideally, also to businesses in the sector who are not members;
- Understand at least to some extent the scale and impact, or potential impact, of the issues – for example by determining how many businesses are affected;
- Understand the depth of impact, or potential impact, of the issues – say in terms of money or jobs or foreign exchange earnings or other equally important economic or social issue;
- Understand the likely burden that is already, or will be, imposed on businesses as a result of the requirement;
- Consider the priority areas of Government and assess the chances of the Government adopting your proposals (they may be willing, but not have the money, for example);

It is important that BMOs do not simply guess what they think is important, but are able to substantiate the key problem areas.

## Finding possible issues

### Be proactive

Issues on which a BMO wishes to take action can arise in a host of ways. Often the first that an association knows about an issue is when a member draws it to their attention but you should not rely on them always telling you. Instead, you should be proactive in seeking possible issues – both by asking your members and by looking elsewhere.

### Issues from members

It is likely that association members, given half a chance, will raise issues of concern.

Members may raise a particular issue because they want help and support to address it, though some members will identify issues specific to them, which the BMO may feel appropriate to address as part of its services to members. This might include, for example, planning permission for a new building or securing a trading permit or access to finance or local harassment. These issues are unlikely to lead to proposals for change in public policy, but supporting members in this way may encourage businesses to want to be members.

Members may also raise issues of wider concern which they want you to take them up on behalf of all them. Typically, such issues will include regulatory requirements, taxation, etc. To find out the issues affecting businesses, you need to ask them – informally, say when they come to meetings, and formally, say through regular surveys. Communicating with members and issue identification are closely linked. Communication can be relatively low level and informal; it might be more regular but mainly one way – generally providing information to members. Or it can be regular and two way – obtaining views and priorities from members.

### Member meetings

Most associations have meetings with their members on a regular basis, so use the opportunity to ask about the issues that are important to them. Have five minutes at every meeting. When someone raises an issue, aim to gauge how important it is by asking whether other businesses have the same issue. Ask about the impact on the businesses. Ensure that the person chairing the meeting makes a note of the issues and feeds it back to your director for advocacy.

You may occasionally want more formal feedback from participants, so you might consider asking them all to complete a short form, though you will need to think carefully about the questions (see below).

If you don't hold regular meetings with members, then maybe you should consider doing so, and put the cost of doing business on the agenda.

### Newsletters

You may already send a newsletter to your members but, if you don't, you should look seriously at doing so. It is a really good way of telling your members what you are doing – and it is a good way of asking them to provide feedback to you about their needs and about the issues that face as they go about their business. If you cannot afford to print and circulate a hard copy newsletter, then think about doing it via e-mail. This is a very cost effective way of keeping in touch and most businesses now have at least occasional access to e-mail.

Invite your readers regularly to tell you about their issues – and ensure that responses are fed back to your director for advocacy. You may also want to use the newsletter to highlight issues faced by some of your members – and to seek feedback so that you can understand better the spread of the problem – is it faced by all your members or just some – and the impact of the problem – how does it affect incomes or jobs for example?

### Internet

There is little excuse these days for not having a website though, if you do, it is important that it all works and that you keep it up to date. There is nothing more frustrating, as seems to be the case with a number of Nigerian trade associations, to find a website – with a comprehensive index – and then to find that the page tantalisingly labelled 'policy positions' with the heading 'coming soon'.

Setting up and maintaining a website is cheap and relatively straightforward – and there are many examples of good websites. Use your website to communicate with your members, to offer information to all of your stakeholders and, importantly, to share your policy positions. Examples of good practice in providing policy position papers can be accessed from wiki.businessadvocacy.net/index.php/Good_practice

If you make newsletters and policy position papers available as downloads from your website – which is helpful for those who might want to read them – take care to ensure that they are not memory hungry, otherwise they may take too long to download. This may require some technical expertise.

### Surveys of members

You may occasionally want to undertake a more formal survey of all your members, rather than relying solely on the active members who turn up to meetings, or those who have felt sufficiently moved to tell you about an issue. This can be helpful in that you can then say to government something along the lines of "we have 20,000 members responsible for 100,000 employees representing more than half the sector; 95 per cent report that they have a problem with…"

You may also think that you have identified one or two issues, but need to gain a better understanding of the impact or the scale of the problem, so you may want to survey all of the membership.

If you automatically collect e-mail addresses, and if most of your members use e-mail, then in both cases these surveys can most easily be undertaken by e-mail or through an internet based survey tool such as survey monkey (www.surveymonkey.com).

You need to take care when writing the survey questions that they provide an accurate view of what your members really think, so the questions need to be written in a way that they do not introduce bias.

### Surveys of businesses in your sector

If your members only represent a small part of the sector, there may be occasions when it is helpful to survey a rather wider cross-section of businesses, so that you can argue that you are actually speaking on behalf of the whole sector. You are less likely to go to the expense of undertaking general surveys of the sector, but this could be a powerful way of determining the scale and impact across the sector of issues that you have already identified.

If there is more than one association active in the sector, or if there are associations with similar interests, then you may wish to do this together. Or you may see it as a way of attempting to recruit additional members to join your association in which case some effort may be required to track down businesses operating in the sector who are not already members. You could try asking your members all to introduce you to other businesses in the sector who they know, or you could use yellow pages for formal businesses.

You might even seek to get some coverage in the press or media and encourage more businesses to contact you.

**…looking for suitable example…**

In the UK, the Biscuit, Cake, Chocolate & Confectionary Association and the British Soft Drinks Association both had members who were big users of sugar, so they joined forces to lobby the European Union – and then formed the UK Industrial Sugar Users' Group.

### Dialogue with government

Dialogue can take a number of forms. At its best, government will invite you to sit with them on a regular basis to discuss issues of mutual concern. This requires, of course, that government knows that you exist – so you will need to make efforts to ensure that policy makers, within the civil service, amongst politicians and amongst Ministers – and knows where you stand. Do not necessarily expect to achieve regular dialogue straight away, but do make efforts to meet with officials and Ministers on a periodic basis and then, as the relationship develops, aim to meet regularly. Don't forget also to meet with relevant government agencies and para-statals as well.

Clearly, a positive relationship will give you a chance to convey your concerns about issues and to offer your policy positions – but, importantly, it should also provide you with an early warning system so that when the government is considering changing public policy, you are alerted to the fact and have a chance to contribute to the debate.

Indeed, you should find that when the Government has proposals for new regulations, it will want to consult and so will contact you to ask for your views. But even if they don't, you can pro-active in finding out about proposals and feeding your views back to government, through the people that you know.

You may find, particularly with agencies and para-statals, that the private sector is represented on the board, so you might be able to use this as a route either to seek early warning about proposals with regulatory implications or to convey your views to the organisation.

### Dialogue with Parliamentarians

Meeting with Parliamentarians (that is, members of either chamber who are not Ministers) can be a good way of ensuring that they understand your issues – but it can also be an effective way, particularly if there is a special interest group, of discovering the views of and pressures on Parliamentarians, and so gain advance notice of impending legislation.

### Monitoring government

Monitoring government when you do not have a relationship with key personnel can be more challenging, but is by no means impossible. You need to know which Ministries, Departments and Agencies are relevant. Then check to see whether they have websites and whether they appear to update them. If they do, make a note in your diary to check their websites regularly or use a programme which will do the hard work for you. There are lots available – look at Website watcher (www.aignes.com) or www.ChangeDetection.com or www.UpdatePatrol.com or www.InternetOwl.com.

Check to see if they publish any sort of newsletter, either in hard copy or on-line, and sign up to receive it.

If you have a newsletter, ask the organisation to add you to their list for press releases, which will ensure that you get information as the same time as the press. This can be helpful in learning about anything that the press decides not to cover.

There is really no substitute for personal relationships, so whilst you are doing all this, aim to develop those relationships as well in order to establish good channels of communication.

### Monitoring pressure groups

Pressure groups, civil society organisations and non-governmental organisations often campaign for changes in legislation and this can impact on business. So monitor their activities – in much the same way that you might monitor government – by signing up for newsletters and monitoring their websites. If you discover an issue that is being pursued, irrespective of whether it has come from a mainstream or a fringe group, you will need to decide whether the issue is likely to gain traction. Clearly some issues taken up by NGOs are likely quickly to become urgent for you, but others may give a steer on your longer term thinking.

### The press and media

The first inkling that many people have about changes to government policy is when the story appears in the press or on the television or radio. So you need systematically to monitor the press and media. You may want to sign up to a cuttings service, which will make the monitoring much easier for you, but there will be a charge and they don't spot everything.

### Networking

Networking can be an effective way of discovering proposals for changes to public policy – and forming alliances can confer credibility when associations seek modification to those proposals, so it is in the interests of every business and trade association to network widely.

The Nigerian Economic Summit Group has good links into government at all levels so form a relationship with them. Offer to work with them on issues that are likely to affect your members; ask them to keep you informed of issues that they may discover first. If possible, develop joint policy positions with them.

Put NESG, and other relevant trade associations, on to your newsletter list. If you haven't heard from key associations in a while, call them up and meet with them.

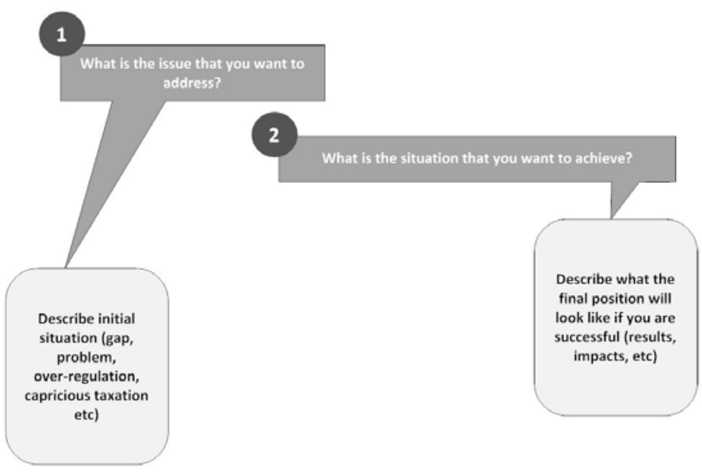
You should network more widely though than just with other trade associations. NGOs, civil society organisations and research institutions are also keeping their ear to the ground and may be willing to share intelligence with you. Again, add them to your newsletter list, and ask them to add you to theirs.

## Clarifying issues

### Framing the issue

The effort expended in finding issues is likely to result in large numbers of possible issues, so you will need to undertake some basic research to clarify whether an issue is sufficiently important to take up. The purpose at this stage is just to learn enough about the issue to understand the real issue, to decide whether it should be on your list and to assign a priority. You are not aiming to learn everything that you can – that comes later, if the issue is prioritised for action. But you are aiming to frame the issue in a way that secures sympathy from policy makers. This will also help if you subsequently prioritise the issue and need to commission research to understand it better: if the issue is framed too narrowly then possible solutions will be unintentionally omitted but if the issue is framed too widely, or is too vague, then the research effort will be dissipated and the argument weakened.

**Figure 1: Advocacy strategy**




Source: Irwin, D (forthcoming), "Advocacy for business associations"

As well as describing the issue, you also need to describe your ideal future position. Be realistic. If you are fighting proposals for new regulation, then your desired future may simply be that the regulation is not enacted. But if you are lobbying about existing regulation, consider carefully where you are aiming. It is unrealistic, for example to expect the government to abolish taxation – but you might argue that there are too many taxes, all of which take too much time and paperwork, and argue that they should be replaced by one or two taxes with simplified paperwork.

Don't be afraid to spend a considerable amount of time thinking about framing the advocacy issue. A common reason for weak research is a vague or unfocused brief.

### Exploring the issue

You will almost certainly find, as you start to explore the issue, that framing and exploring is an iterative process – the exploration that you undertake will help you to define the issue more tightly. Exploring the issue is intended to help you build your understanding of the issue, the possible impact and the likely implications so you may want to be able to answer these questions:

- What is the harm or risk that the public policy is intended to avoid? What is the government trying to do? What is their policy imperative? Is the issue within the control of the government?
- What is the history and rationale for the public policy or regulation? Has the issue arisen from nowhere, or is there a history? Is this an incremental step?
- Why is the policy a problem to business and what are the specific causes of the problem? Can the policy be implemented in a way that will not cause significant problems to members? Why is the issue important to your members?
- What is the scale (who is affected and how many businesses does it affect etc) and depth (how are business affected, what is the cost or benefit to each business etc) of the impact?
- Is there an alternative that might achieve the policy imperative with a smaller burden on the private sector?
- What will be the impact on other stakeholders if you are successful in securing the changes that you want? How will they react?

Your policy proposals must not disadvantage other businesses – since they will lobby against you. Proposals should not be anti-competitive – for example, seeking to ban imports to give an advantage to local providers.

You should consider carefully whether the issue is the policy itself or the way in which it is proposed to implement the policy – this will determine whether you advocate at the policy level or the implementation level. The Government may be totally committed to introducing a new regulation, for example. It may have a choice about the way in which the regulation is framed and enforced. So you may choose to accept the policy but to advocate its introduction in a way that minimises the additional burden imposed on business. For example, introducing a regulation over a longer period may allow businesses to adapt.

> **…need Nigerian example please…**
>
> In the UK, the Biscuit Cake Chocolate & Confectionary Association lobbied for a longer period to introduce new packaging legislation – allowing the industry time to use up all existing stocks and to design new packaging to meet the new requirements.

If you know that there are competing pressures on regulators, for example, from consumers or environmentalists or NGOs, then look for win/win solutions that match public policy agendas whilst minimising the burden on the private sector.

### Summarising the issue

Once you have defined the issue, you will want to set out it out clearly, ideally, on a single page. This needs to address all of the questions above. Ideally the brief should also outline your initial policy response, recognising that this may be refined if the issue is prioritised for more work. The advantage, however, of having an early policy position is that you are in a position to explain your position to policy makers – and to provide at least some evidence to support your position – should you find yourselves in dialogue with them.

The brief needs to be written in language that is clear and appeals to your target audiences, remembering that your target audiences include your members (who want reassurance that you have understood their needs), policy makers (who want you to make their lives easier), other private sector and civil society organisations (who could become your allies for the particular issue) and, possibly, the press (who could publicise the issue widely, helping you to build larger alliances and encouraging others also to lobby policy makers).

# Prioritising issues

There will always be some issues that crop up unexpectedly and which require immediate attention. In general, however, associations should not take on too many issues at the same time. The danger is that none will get the attention that they deserve and all will fail. Issues require effort and resource in undertaking research and in preparing compelling policy proposals, not to mention the effort required to meet with and influence public officials and politicians.

You may well need to have policy positions on a much wider range of issues so that you can convey the appropriate messages if you find yourself in dialogue with the government. You may decide, therefore, to run with one or two issues now, to be gathering basic information on several in order to have a basic position, and to be starting the process for the next one or two prioritised issues.

Some basic research into all these areas will provide you with enough information to prioritise the issues. This is essential as it is unlikely that you will have the resources – both financial and people – to pursue more than a handful of issues at any one time. You could however identify issues that will need to be progressed when further resources are available, and start gathering data as and when the opportunity arises.

It is likely that some of your members will feel strongly about some of the possible issues, so you need to have a clear and transparent mechanism for prioritisation. Factors might include:

- Relevance to members – if all or most of your members are affected, then the issue is likely to be more important than if there are only a few members who have a problem – and likelihood of achieving consensus;
- Impact on and cost to members – often the biggest driver of whether to pursue an issue, measured in terms of both the actual cost (eg obtaining a licence, paying more for something etc) and the administrative cost (eg, in increased paperwork etc);
- Focus – it will be easier to advocate change if you are focused on just one or two requirements, rather than trying to take on a broad issue – if necessary, split broad requirements into smaller, more focused issues;
- Salience of the issue – does it apply to significant numbers of businesses outside of your members, or outside of your sector, or indeed to significant numbers of other stakeholders;
- Contentiousness – if different stakeholders are taking a range of competing positions, you may find it more difficult to convey your message (that is not to say that you should not be involved in contentious issues, but rather to recognise that they may need more effort and that you may be taking on more than just the government);
- Political feasibility – it may be difficult or impossible for the government to deal with some issues, say because they are covered by international treaty, so you may choose not to waste time lobbying for these to be changed;
- Timeliness for policy makers: consider which issues are most timely for the Government – if they are considering a new regulation, they will be more interested in your views on that than on an existing regulation which could wait;
- Complexity: if you are new to advocacy, start with the issues that you regard as easier and so that you can learn about dialogue and advocacy. As you gain experience – and confidence – then you can begin to tackle the bigger, more complex issues.
- Likelihood of success

Do not select issues based simply on the views of the staff or in the views of a small but vocal minority of members.

Effective BMOs use an issues grid to monitor and prioritise issues. One axis might indicate the cost to a business of a particular regulation or requirement; the other axis might show the number of businesses likely to be affected.

**Issues grid**

…Can anyone give me an example of an issues grid as used in Nigeria please…

# Managing issues

If you are serious about engaging in dialogue and advocacy, you need to consider the resources that are likely to be required. There will be specific costs associated with pursuing each issue, for example, to cover research, meetings with policy makers, possibly public launches of a policy position, public relations etc. However, you also need to cover the costs of identifying and working up the issues to a point where it they become advocacy projects. Ideally, the association will appoint both a board sub-committee which can take policy decisions, such as which issues to pursue, and a member of staff who can be director of advocacy (or some similar title). This person will be responsible for gathering the issues, for managing the research, for making recommendations for which projects to pursue and then managing the advocacy projects. Such a person would probably also represent the organisation in dialogues with government. Depending on the size of the association, it may be possible, indeed desirable, to share this role with that of director of public affairs or director of communications.

It is likely that managing the process will be eased by developing an appropriate chart so that issues can be tracked. Typical column headings might include:

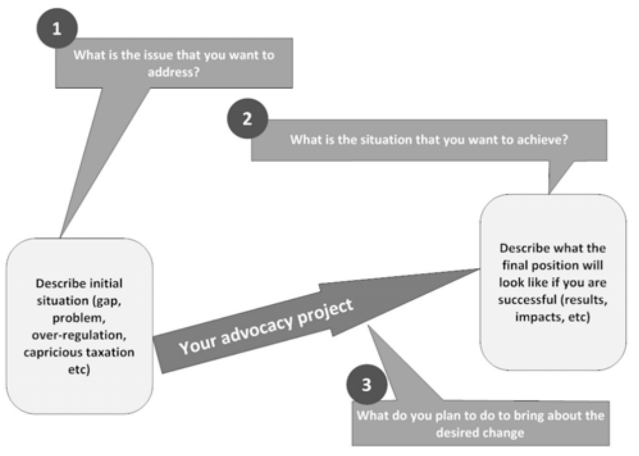
- Source
- Possible issue
- Basic research (commissioned, completed)
- Issue brief prepared
- Prioritisation
- Stage in advocacy process (detailed research commissioned, policy proposal prepared, policy being advocated, policy adopted by government, follow up monitoring)

A systematic approach will enable you to ensure that you are using on a regular basis all of the different ways described earlier to identify issues and that all but the most trivial are then being captured and examined with the most important being prioritised for action.

# Next steps

This section aims to summarise briefly the later steps in the advocacy process, that is, research, lobbying and monitoring.

**Figure 2: Advocacy strategy**




Source: Irwin, D (forthcoming), "Advocacy for business associations"

You are clear about the issue the issue that you want to address. You are clear about what the world will look like if you are successful. You are then in a position to develop a plan to bring about the desired change, recognising that this may need further thought once you start, not because you have failed to plan sufficiently, but rather in response to changing circumstances.

## Understand the issues

You need to research the issue, to ensure that the association has a thorough understanding of the issue and the implications. You will need to gather appropriate evidence, some from secondary sources if it exists, and some from primary sources. You will need to understand the views of all the stakeholders. You should look at the decision making processes in government for the specific issue and understand the opinions and attitudes of policy makers. You should be looking for potential allies and supporters.

# Develop policy proposals & influence policy makers

### Policy proposals

Policy position papers need to be clear, succinct and compelling, stressing the benefits and built on the evidence – for example, removing regulation X or enforcing regulation Y will lead to a Z per cent increase in income amongst poor farmers. Do not just assume that everyone will accept your proposal because it seems obvious. You need consensus: proposals should not just be acceptable but positively desired by your members and, ideally, the wider private sector. Their support and encouragement will be necessary as you lobby.

### Influencing policy makers

Think carefully about which policy makers need to be influenced. Often this will be senior civil servants or Ministers, but may not be if the real objective is to seek the enforcement of existing regulation or to ensure that policy is introduced in such a way as to minimise the administrative burden.

Effective dialogue requires some effort to understand the public sector. Many public officials have never worked in the private sector. If the public sector is not listening, or is listening but not really understanding, then nothing will happen. In engaging in dialogue, you may therefore need to take some time to understand public officers, to understand what drives them, to understand what they need to do their job more effectively. This means that dialogue needs regular, not just occasional, meetings, if both parties are to begin to understand the other.

You may have started by advocating a change in policy but conclude that there are some issues where the public sector is going to regulate, irrespective of the evidence that you can provide. If that seems likely, it is better to accept it and move on – either to minimise the burden that might arise from that new regulation or to the next issue. It is more important to develop and maintain a good relationship than to fight to the end on every issue. Compromising, or giving in gracefully, will do more for you than always fighting. The challenge of course is to judge which issues are worth pursuing.

# Follow up

Once policy makers have agreed to your proposals, you need to monitor progress and to hold decision-makers or implementing agencies to account. Cheer on success and encourage continuing action by issuing press releases and talking to the media. Do not let up until you are satisfied that what you agreed has been implemented. In so far as you are able, ensure that you communicate the results of your campaign to your members.

This stage should also include an evaluation of the process, with a view to improving your advocacy competence, empowering your members and addressing unintended consequences of your work.

You may also want to think about whether to share lessons more widely, certainly with the Fund that provided you with financial support, but also with other business advocacy organisations to develop their capacity.

# Good luck

There is much to do, but there is considerable help and advice available…