

ADVOCATING FOR POLICY CHANGE TO IMPROVE THE BUSINESS ENVIRONMENT

*IOE/BUSINESS AFRICA meeting – Enterprise Forum
Entrepreneurship and Employment Creation*

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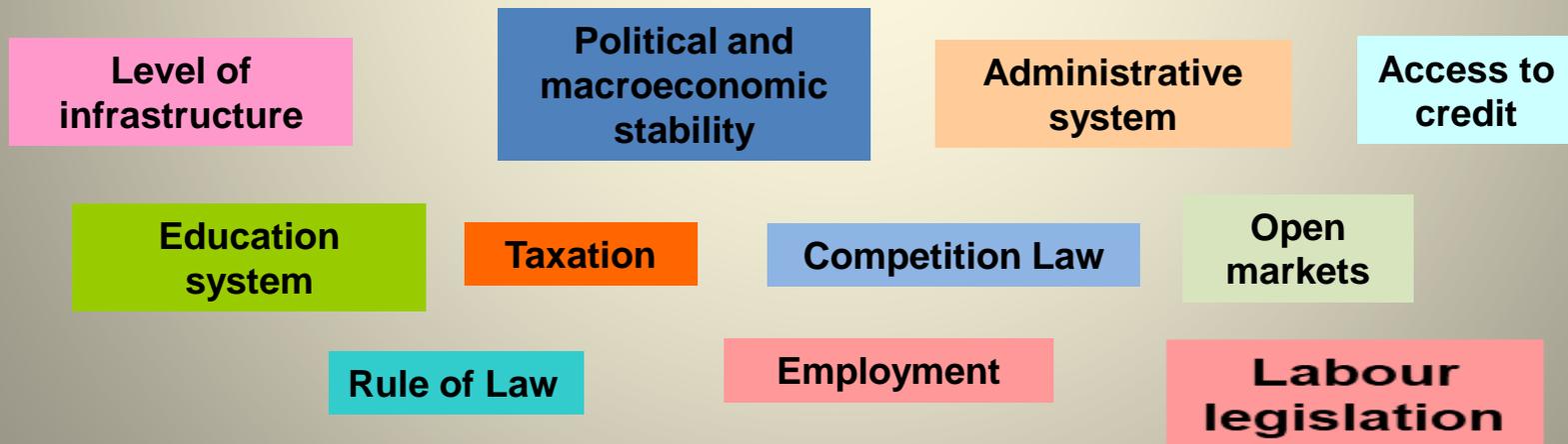
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OUTLINE OF PRESENTATION

- What is the Business Environment – A Refresher
- Rational for policy advocacy to change the business environment
- Evidence-based policy advocacy
- Tools for analysing the business environment
- Policy Papers.
- Monitoring and Evaluation, Lessons learnt policy advocacy continuum.

What is the Business Environment – A Refresher

- The Business Environment is the set of factors shaping the opportunities and incentives for firms to invest productively, create jobs and expand.
- It consists of a complex of policy, legal, institutional conditions that govern business activities.



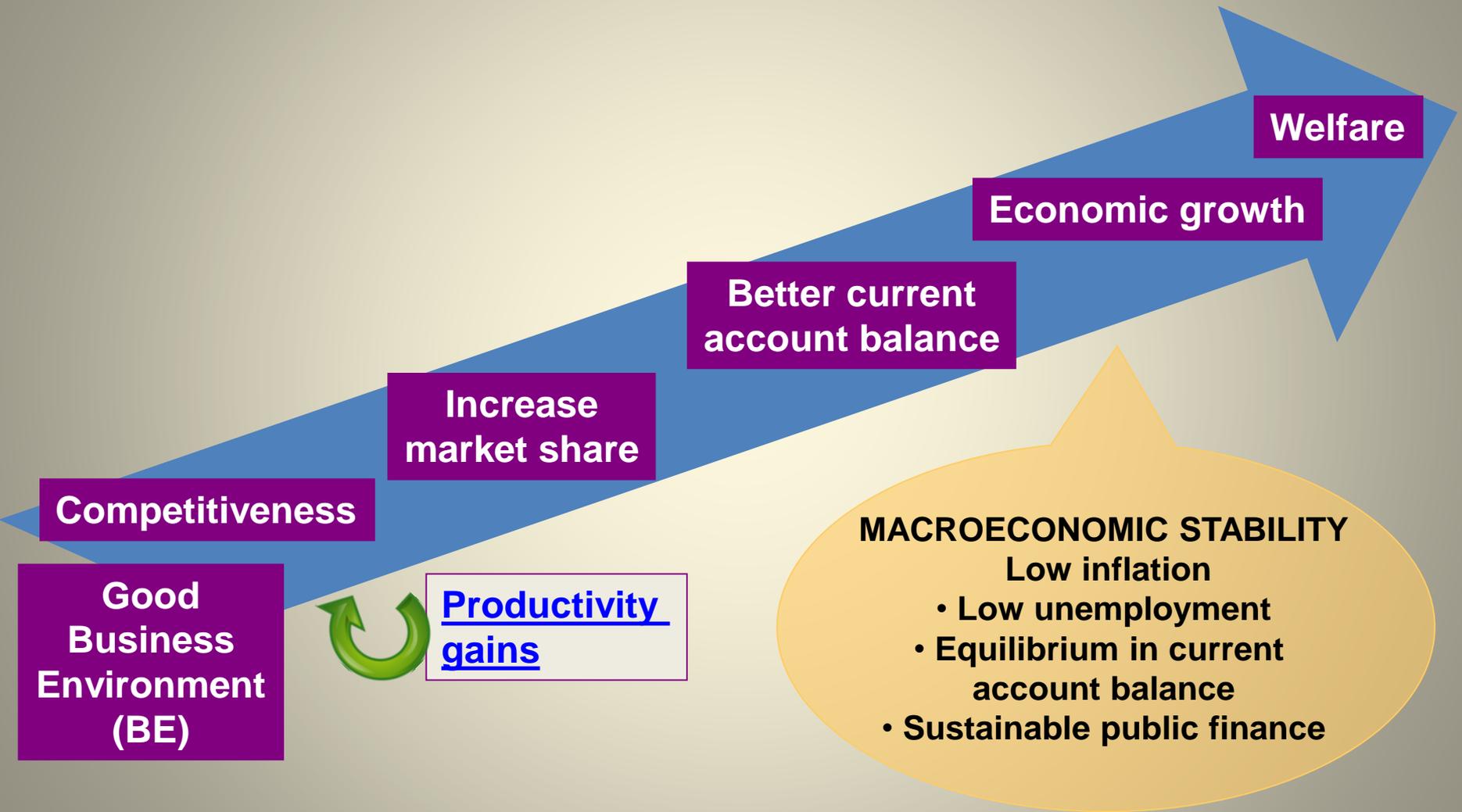
Rationale for Improving the Business Environment

- Various approaches to develop the private sector expects that the following will happen :
 - increasing the turnover/ profit of poor entrepreneurs,
 - creating employment,
 - and stimulating economic growth.

- typically, business environment reforms are designed to bring about :
 - more firms start-up or register as formal businesses, for example as a result of simplified business registration procedures or tax incentives.
 - firms invest more following the improvement of legislative or regulatory frameworks
 - firms directly increase their sales/turnover or net income, for example through the removal of trade barriers or savings from more efficient licensing and inspections processes

- **when a business is started, this obviously has a direct positive impact on employment at the firm-level, at the minimum for the entrepreneur. Moreover, expected or actual increases in firm turnover/ profit as a result of business environment reforms can lead firms to expand and employ more people.**

Which is the ultimate goal?



Business Agenda – Structured Policy Advocacy

- List of prioritised business issues
- Lobbying and advocacy strategies
- Short term
- Long term
- Research
- Position Papers
- Communication of policy position
- Monitoring and evaluation

Evidence! Evidence! Evidence!

- The name of the game in advocating for a policy change is proving that there is verifiable evidence to support a policy change.
- Regulations, Policies and sometimes very hard to change is a law which has been enacted.
- Without clear evidence of facts, figures, impacts, why should a government or a stakeholder change its policy direction, explaining to other stakeholders why the change.

Tools to Assess the external Environment

- **Sustainable enterprises do not and cannot exist in a vacuum; they operate within a political, social and economic context and are subject to regulatory and institutional constraints.**
- **While it is important to support enterprise-specific interventions for businesses to grow, it is equally important to look at the external environment in which they operate**

- World Bank Doing Business Report since 2004
- ILO Enabling Environment for Sustainable Enterprise (EASE) since 2007
- The Global Competitiveness Report (GCR) is a yearly report published by the **World** Economic Forum. Since 2004, the Global Competitiveness Report ranks countries based on the **Global Competitiveness Index**,
- Employers and Business Organisation research

Developing Policy Papers

- To communicate clearly and concisely the position taken by the employer organisation in relation to specific policy area.
- To provide a clear policy recommendation that will be a solution to the existing problem
- Policy paper should be clear
- **A sustainable solution should be proposed together with sustainable approaches and benefits to other stakeholders – GAINS TRACTION!**
- Despite our particular business environments being different due to globalisation our issues are almost the same and therefore through the platform created by the IOE and Business Africa learn best practice from other EOs

BUILDING ALLIANCES FOR CRITICAL MASS OF SUPPORT FOR A POLICY POSITION

- A critical mass of support for any policy position is so important to bring another layer of conviction that the policy recommendation beneficial to many.
- Alliance within Trade Unions and other business membership organisations – caution organisational wars are not easy to win.
- Sometimes there could be some unholy alliance for a particular policy position.

Monitoring and Evaluation

- Tracking achievements made in policy advocacy efforts
- Publishing achievements and acknowledging the efforts of governments, stakeholders and alliances for support.
- Lessons learnt that can be replicated or discarded.
- Policy advocacy is a cycle in continuum!



Thank you for your kind attention.