

## Background

A central task of chambers and associations (Business Membership Organisations – BMOs) is the representation of interests of their members, particularly in regard to the enhancement of their business potential. In order to do so BMOs are involved in an ongoing dialogue with public, political and social decision-makers. The range of topics not only comprises economic and financial policy but also issues regarding the development of infrastructure and educational systems or social and environmental legislation. BMOs aggregate and articulate the wishes and opinions of their members and thus introduce them into the political process. This improves the information available to and the options for political decision-makers as well as the quality and legitimacy of the decisions they make. Especially for small and medium-sized enterprises (SMEs) which do not possess the resources and possibilities for a direct political influence, BMOs are important interest brokers.

## SME Promotion through Advocacy

### Product Description

Many BMOs, especially in developing countries and emerging markets, do not fulfil their tasks of advocacy and participation in the political dialogue sufficiently. Particularly, the representation of interests for SMEs in regard to relevant framework conditions and support programmes is negatively affected through this. sequa has both the experience and the tools to furnish BMOs with the capacities and competencies that are necessary for a constructive advocacy in the political dialogue.

The underlying principle is that adequate economic framework conditions are needed for companies to develop their potential and to generate jobs and income opportunities. Over- or mis-regulated markets prevent sustainable economic development just as much as an instable macro-economy, corruption or other political and bureaucratic obstacles. BMOs have the tasks to identify such undesirable developments, to develop proposals for solutions and then to campaign for their implementation in the political dialogue.

The objective is to qualify and use BMOs as mediators and multipliers which pool and successfully communicate the interests of SMEs and to help shape economic policies. In this context, advocacy is seen as a participatory process, a mutual dialogue between BMOs and public decision-makers. sequa concentrates its activities on the development of the necessary BMO capacities and competencies.

- Implementation of workshops**  
 sequa experts conduct workshops for BMOs. The training schemes include the basics of advocacy as well as challenges and chances. They also showcase concrete tools and 'good practices'. For the presentation of hands-on examples and the exchange of ideas sequa calls in staff and board members from German as well as foreign BMOs. Like all sequa products, the specific contents of the workshops are customized to the preconditions and requirements of the given target group.
- Development and implementation of strategies**  
 sequa provides BMOs with the long-term support necessary to develop and implement an advocacy strategy. The service portfolio is geared towards imparting the qualifications that are required to increase the BMOs capacities for its participation in the political dialogue. This includes the joint development of an advocacy strategy, the discussion of implementation options and the preparation of an action plan.
- Training of Trainers (ToT)**



sequa has compiled manuals and training plans for BMO advocacy that cover different use scenarios. Each specific ToT concept can and should be adapted to the given initial situation, the level of development of the given BMO and the objective of the cooperation. sequa experts can provide support in this process and conduct trainings.

### Product Impact

The central impact chain of the product can be described as follows: The targeted qualification of BMOs for successful advocacy triggers economic changes which enable small and medium-sized enterprises in particular to develop their potential. This increases the employment and income opportunities of a country and reduces poverty.

BMOs profit from their improved reputation with political decision-makers as well as in the private sector. This increases their attractiveness to members and generates a higher income from membership fees; this, in turn, provides them with more resources for advocacy and other services.

At the same time, public decision-makers profit as well since a cooperative dialogue provides them with direct feedback on the effects of, and the reactions to, their economic policy. Overall, this approach strengthens democratic participation in political decision-making processes and improves the communication between the private and public sector and society.

### Product Application Examples

Advocacy support was a focus of the ZDH partnership project in India. The project enabled the Madhya Pradesh Small Scale Industries Organisation (MPSSIO) to dissolve the existing transport monopoly of haulage companies. This led to a marked improvement of the options and cargo rates available to its member companies. The Udaipur Chamber of Commerce and Industry (UCCI) has introduced monthly meetings with representatives of various relevant ministries of the state of Rajasthan; these meetings provide a useful forum where existing problems and issues can be discussed in a timely manner. Other partner BMOs managed to obtain a more cost-effective taxation classification for SMEs and thus to increase the companies' competitiveness.

For a GIZ project for SME promotion in India, sequa compiled, in 2011, a Training of Trainers-manual with the title "Business Policy Advocacy" for BMO executives; by today, 20 trainers have received the relevant training.

The EU-funded project „Capacity Building on Trade Policy for the Vietnam Association of Small and Medium Enterprises (VINASME)“ aimed at long-term and targeted capacity development for trade policy advocacy. Through the intensive support and training provided by sequa, VINASME was able to develop and successfully implement a strategy for the representation of interests of SMEs in trade policy. The association designed proposals for the reform of Vietnam's trade policy which were subsequently accepted by the ministry of economics and industry and are now being discussed in the development process for a free trade agreement with the EU.

In the GIZ project „Model Development of Structures for Economic Promotion in Kazakhstan“, sequa provided support for the development of public-private dialogue structures in four regions via so-called "round tables". For the first time, "bottom-up" processes could thus be triggered, in which representatives of the private sector and public administration in the target regions discuss and develop SME promotion initiatives.