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INCREASING THE INFLUENCE OF THE PRIVATE SECTOR IN POLICY REFORMS IN AFRICA

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I. INTRODUCTION

In many parts of the developing world, and especially in African nations, economic policy in the last decade has been characterized by donor-driven emphasis on reforms supporting macroeconomic stabilization and structural adjustment. These prescribed policy changes are intended to create an environment conducive to market-led economic growth, as a response to the failures of command economies and state-owned enterprises. There is now widespread agreement among economists, donors, and many policy makers that market forces and incentives are imperative for continued strong economic performance -- and moreover, that unlike the past in these countries, an independent and dynamic private sector will need to play a key role in generating growth.

While reforms designed along these principles have been the norm, all too often they fail to catalyze the appropriate actions, especially from the private sector upon whose positive actions success depends. Part of the reason is that while the private sector may be viewed as a critical piece of the economic growth equation, only rarely has it actually had a role or even a voice in the policy formulation and decision-making process (Brinkerhoff and Kulibaba 1994). Decision making on policy has remained largely top-down, with little attention to the demand side -- the needs and wishes of the private sector and other non-governmental groups. Under such circumstances, it should be of little surprise that the proposed reforms fail to garner sufficient support to assure successful implementation.

Although considerable lip-service is given to the importance of broad-based private sector participation and consideration of the private sector as a key stakeholder in the new economic reform process, the realization of that objective has been neither automatic nor simple. The private sector itself has a key interest in taking a prominent role in the development of policies that affect it, but it also needs opportunities and the means to provide input (European Commission 1994, Shaw 1990, Bratton 1984). Unfortunately, the process of increasing private sector participation is not an easy one. The policy decision-making apparatus in most African countries continues to be highly centralized and frequently oligarchical. Narrow groups of elites consisting entirely of government officials or of government officials together with select private

sector leaders (many of whom are also leaders of the traditional private sector and benefit from current policies and regulations or are able to get around them) remain the principal players in the policy formulation and implementation process. Organizations (such as business associations, chamber groups, etc.) that take the demands of the private sector to the appropriate decisional authorities are either nascent or are close associates of high-ranking public officials. Room for reformers from the non-traditional organized private sector in the process has been highly circumscribed. In most cases this policy process is not transparent and, as a result, decision makers are rarely held accountable for their actions. However, there are signs that progress is being made. Some organizations have developed strategies and mechanisms for gaining access to and for influencing to some degree the decision-making process. Some environments have proven to be more amenable to progress than others, but progress has been made even under very narrow and relatively closed policy decision-making processes.

The purpose of this paper is to explore different approaches to the development of the private sector's role in the policy formulation, selection, and implementation process. It examines six cases where the private sector has successfully carved out a role in the policy process. The cases illustrate a wide range of difference in terms of both the scope of the role developed and the permanence of that role. Roughly, the roles can be classified into two types: collaborative -- where the private sector has entered into a working relationship with the government in order to address specific issues related to the government's reform agenda; and direct advocacy -- where the private sector organization uses direct demand to argue for policies that favor its interests. In political systems that are relatively open and enjoy multiple channels for expressing demand, direct advocacy is a viable and effective option for groups seeking influence. In highly centralized political systems, however, collaboration may be the private sector's only avenue of influence.

The paper is based on the experience of six organizations that seek to influence the public policy process: the Uganda National Forum; the West Africa Livestock Network; Commercial Sector Working Group in Guinea Bissau; the West Africa Enterprise Network; the Sunnyside Group in South Africa; and Ghana's Institute of Economic Affairs. With the exception of Ghana's Institute of Economic

Affairs, the organizations discussed here have received support through the USAID Global Bureau, enter for Democracy and Governance's Implementing Policy Change Project (IPC)¹.

This study began with an initial review of the processes used by the six African organizations to influence the development and implementation of public policies, including analyzing the differences in approaches and examining what caused individual organizations to select different strategies to affect policy change. The organizations fall into two groups: collaborative organizations that combine public and private sector representatives, and advocacy organizations that only represent private sector interests. Chapter II clarifies the distinction between collaboration and advocacy, outlines an analytic framework for the paper and explains the four key factors. The six cases are analyzed along the four factors (Chapter III), which are associated with the strategic management process (Chapter IV). Lessons learned on the role of the private sector are discussed in Chapter V.

II. FRAMEWORK FOR ANALYSIS

This chapter sets up the analytic outline for the paper. Section A discusses the differences between collaboration and advocacy. Section B proposes a framework, based on an analysis of the cases, whereby (1) *operating environment* and (2) *available resources* determine the private sector's choice of **collaborative** or **advocacy** approaches, which in turn influence (3) *organizational structure* and (4) the process the organization uses to develop its *policy agenda and mechanisms to influence* policy change. Section C explores these four factors in more detail

¹ The IPC Project, a ten-year USAID-funded project that started in October 1990, has focused on improving the policy implementation performance of managers in both the public and private sectors in the developing world. One of IPC's major areas of concentration has been on the problem of public-private collaboration in policy formulation and implementation.

A. **COLLABORATION VERSUS ADVOCACY**

Collaboration or advocacy: these two approaches present a fundamental choice for the private sector to organize itself for policy influence. A collaborative group has both public and private sector participants, whereas an advocacy group is usually composed entirely of members of the private sector. The decision between collaboration or advocacy is the critical fork in the road for the private sector in determining its path to policy influence. The conditions that affect this strategic choice are (1) the political environment in the country, and (2) the resources available to the private sector. As a result of this fundamental decision, the group determines its structure and selects its process for agenda development and mechanisms for policy influence. Collaboration versus advocacy serves as an organizing principle for this paper.

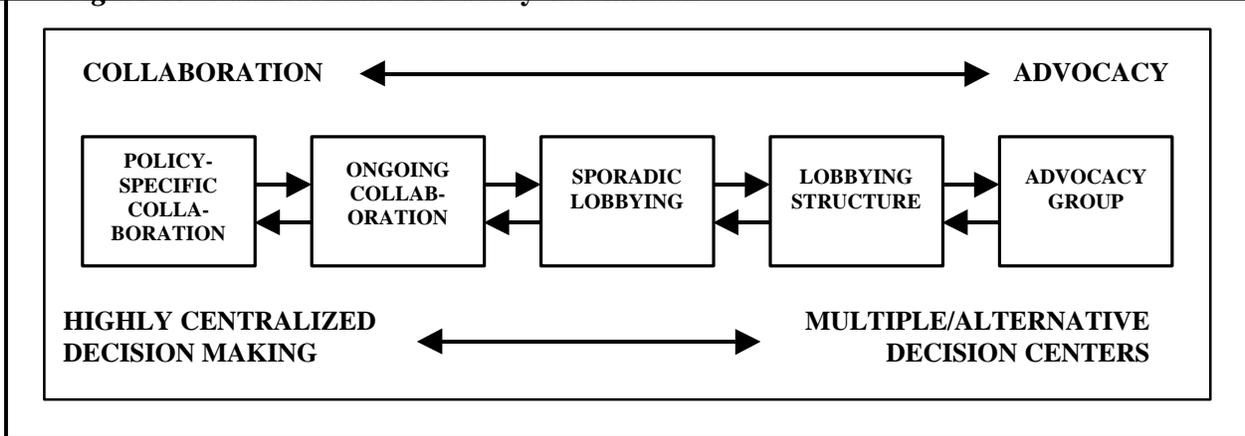
1. **Collaboration**

In collaborative endeavors private and public sector participants jointly select policy issues, decide the group's position, determine strategies and mechanisms to influence and achieve goals, follow through with actions, and monitor results. Since they work together, each party has an understanding of what the other is doing and what its interests are. Both sets of participants contribute to the process and work together toward their common objectives.

A collaborative approach does not necessarily imply equality in the relationship between the two sectors. Indeed, in all three of the collaborative cases in this paper the public sector played the dominant role in setting the limits and tone of the debate. While these collaborative organizations potentially provide the private sector access to decision-makers and an opportunity to influence the policy process, the scope of private sector participation is limited by what the public sector allows. To the extent that the public sector alone decides organizational structure, commandeers the agenda-development process, and controls the organization's resources, the private sector's influence will be limited. Nevertheless, the relative influence of the public and private sectors may vary, so the public sector is not necessarily dominant in all collaborative arrangements.

In restrictive environments, where private sector activists are inexperienced or have few opportunities

Figure 1: Collaboration-Advocacy Continuum



to engage policy makers, or the private sector is unable to marshal sufficient resources independently, collaboration may be the only means for representatives of the business community to influence policy decisions and actions. Private sector representatives who work collaboratively with the public sector may find it easier to reach agreement with government counterparts by jointly deciding on priority policy issues and cooperatively developing solutions and strategies. When there is limited access to decision makers and the structure is narrow, collaboration may provide the private sector at least some measure of interaction with the government. Collaboration, even if severely circumscribed, may be preferable to no private sector participation. Cooperation, however, may limit the private sector's freedom to advocate positions that do not enjoy at least some measure of government support. Furthermore, there is a risk that the private sector members of the organization may feel that their positions are being diluted or that the organization's leadership is being co-opted by government participants.

2. Advocacy

At the other end of the spectrum advocacy groups are defined as exclusively private sector entities. Advocacy groups, where they can be effectively established, give the private sector the greatest control and leverage in its quest for policy influence. These groups determine their own priorities, strategies and tactics. They decide with whom to collaborate and whom to lobby for their demands. Advocacy organizations are most effective in countries where there are multiple decision makers and a relatively open decision-making structure. Advocacy organizations are more likely to thrive in countries with a strong tradition of an independent private sector and active civil society, and where the private sector has substantial resources to bring to the table.

Since advocacy groups operate independent of the government, they do not generally benefit from the close proximity or inherent access to government of collaborative groups. They do, however, enjoy sole responsibility for determining their structure, agenda, and resources, and independence in carrying out their activities. Although they are not bound by some predetermined structure of interaction with government, they nevertheless operate in a policy space largely defined by government.

3. Collaboration-Advocacy Continuum

\ to the private sector for interacting with government can be viewed as a continuum, ranging from collaboration to advocacy (see Figure 1).² A group's location along the continuum depends on the policy making framework and the resources available to the group. In a highly centralized regime, for example, the private sector may be barred from a full-time independent advocacy role, or can do so only at considerable risk, and collaboration may be the only option. On the other hand, in an environment with a diversity of decision makers, the private sector would want to take advantage of the greater control and flexibility afforded by an advocacy group.

Some points along the collaboration-advocacy continuum include the following:

- *Policy-specific collaboration* is the least demanding of the private sector, and, although it may be productive for a particular policy, it generates little spread effects. Public and private sector stakeholders come together only to

² Garrity and Picard (1991) also propose a continuum between the advocacy and participatory roles of organized interests.

address particular policy reforms. The opportunities for private sector influence are limited to the specific collaboration and joint problem solving effort, which provide private sector representatives their only access to policy makers. Private sector representatives can take advantage of the occasion to work directly with government decision makers, or at least influential government officials, to present their demands and to resolve outstanding issues. Once the specified problems are addressed, the group disbands.

- **Ongoing collaboration** occurs when participants from the public and private sectors establish a continuing arena for discussing and taking action on a broader array of policy issues. As with specific collaboration, much of the opportunity for private sector influence comes through cooperative processes, such as joint problem-solving. With ongoing collaboration, however, relationships can be developed that encourage accountability to the collaborative organization. Members may develop a sense of responsibility toward one another and ownership of their jointly developed outcomes. The fact that the collaboration is on-going also denotes a clearer relationship and a certain degree of acquired respect and indispensability of the private sector. Since collaboration is ongoing, it demands greater capacity from the private sector to sustain its participation.
- Private sector organizations that employ **sporadic lobbying** determine their own agendas and positions independent of the government, and then attempt to influence the direction of government regulations or legislation. Sporadic
- lobbying uses direct and often highly personal advocacy to solicit government for its demands. Sporadic lobbying is not considered a core function of the organization, and mostly tends to

be reactive. Sporadic lobbying may be less threatening to government officials since the lobbying function is not institutionalized and the group's constituency is less clearly defined. As a result, the organization's influence may depend on the stature, strength of persuasion, or personal connections of individual members.

- As organizations develop greater interest and capacity in policy they may establish a permanent **lobbying structure**. As lobbying actively becomes more of a core activity, the organization may adopt a more strategic and proactive approach. Furthermore, the organization also may develop relationships with key decision makers and establish a reputation for its advocacy activities, which lend credibility and legitimacy that help it generate and mobilize support.
- Permanent **advocacy groups** are created for the specific purpose of advocating and lobbying for particular sets of policies and interests. They may be attached to another organization or be autonomous, but their sole function is lobbying and advocacy. Their policy positions may be based on research, and they may conduct additional research on specific topics to validate their views. Permanent advocacy groups usually have easily identified constituencies. They may also publicly disseminate their findings to develop interest and support.

B. ANALYTIC FRAMEWORK

Figure 2 below illustrates the analytic framework for this study. Operating environment and available resources determine the choice between collaboration or advocacy. The decision to adopt a collaboration or advocacy strategy affects organizational structure, agenda development, and policy influence mechanisms. The following section discusses this framework.

Figure 2: Choice of Collaborative or Advocacy Strategies for Policy Influence³

Collaborative Strategy

Characteristics that Favor a Collaborative Strategy		Implications of a Collaborative Strategy	
Operating Environment	Available Private Sector Resources	Organizational Structure	Agenda Development and Policy Influence
<ul style="list-style-type: none"> ■ Highly centralized decision making ■ Undifferentiated decision making (only Executive) ■ Ineffective means for accountability ■ Hostile to reform initiatives ■ Little tradition or precedence for participation 	<ul style="list-style-type: none"> ■ Low human resources ■ Low technical resources ■ Low (sustainable) financial resources 	<ul style="list-style-type: none"> ■ Mixed public-private sector participation ■ Temporary organizations ■ Policy influence as only activity 	<ul style="list-style-type: none"> ■ Public sector dominated ■ Using informed stakeholders ■ Joint problem solving ■ Leveraging resources

Advocacy Strategy

Characteristics that Favor an Advocacy Strategy		Implications of an Advocacy Strategy	
Operating Environment	Available Private Sector Resources	Organizational Structure	Agenda Development and Policy Influence
<ul style="list-style-type: none"> ■ Decentralized decision making ■ Alternative decision makers (legislatures, courts) ■ Means of accountability ■ Receptive to reforms ■ Tradition of participation 	<ul style="list-style-type: none"> ■ High human resources ■ High technical resources ■ High independent financial resources 	<ul style="list-style-type: none"> ■ Exclusive private sector participation ■ Permanent organizations ■ Activities in addition to policy influence 	<ul style="list-style-type: none"> ■ Private sector agenda ■ Using informed stakeholders ■ Policy research and analysis ■ Public dissemination

³ This framework implicitly assumes that restrictive environments and low levels of resources, or open environments and high resource levels, go hand in hand. Although this is often true since resources are harder to accumulate in closed environments and vice versa, it is not necessarily so, especially in countries undergoing recent political transitions. In new democracies, the private sector may not yet have built up its resource base. Democracies that were toppled by military takeovers may have high levels of private sector resources, despite newly restrictive environments. In these mixed cases the private sector may want to push toward an advocacy approach, since it usually affords higher benefits. The potential gains, of course, need to be weighed against the higher costs and risks of advocacy.

C. FOUR KEY FACTORS

As the figure above illustrates, operating environment and resources determine whether collaboration or advocacy approaches will be most effective and what specific influence strategies to employ.

1. **Operating Environment** refers to the overall political context in which the private sector operates. If the political structure creates windows of opportunity for private sector influence and decision makers are open to receiving input, then the environment will be conducive to effective advocacy organizations. When the political structure and decision-making are closed, collaborative efforts may be the only mechanisms available for giving the private sector a voice and audience with decision makers. Important attributes of the operating environment include:

- **Degree of centralization.** In countries where decision-making authority rests with a small, centralized group, the influence of outside pressure groups will be severely constrained. When access to key decision makers is tightly controlled, influence will likely depend most on gaining access to that inner circle. This is further intensified when power rests solely with a dominant chief executive. For private sector organizations, the best opportunity for influence may exist when chief executives and their close associates do not feel threatened, such as with a collaborative organization over which government decision makers still maintain some control.

The existence of multiple decision centers creates more opportunities for access and influence by organized interest groups. This occurs when decision-making structures are decentralized or when power is shared among the chief executive, the cabinet, line ministries, and local officials. Advocacy groups may be able to benefit most from a decentralized power structure since it creates multiple access points, and the group is not limited to seeking satisfaction only from the very top of the structure.

- **Differentiation.** Where there are alternative decision-making centers, interest groups enjoy alternative channels of access and recourse. In

less democratic societies, decision-making authority rests solely with the executive branch, with no other strong institution to serve as a check on its power. Moreover, if there is differentiation of decision-making authority, such as a freely elected, representative, and empowered legislature, the private sector and other pressure groups have another avenue to influence policy decisions. The more authority vested in the legislature, the more desirable it becomes as a target for advocacy activities. Furthermore, legislators who are fairly elected need to serve the interests of and be accountable to their constituents to remain in power. If pressure groups can mobilize public interest, they gain additional leverage over elected officials.

Specialized, autonomous institutions and agencies, such as regulatory bodies, can also be alternative decision-making centers. Many of these lower level decisions have a profound effect on the private sector. When these institutions are truly independent, they also become targets of private sector advocacy activities.

Like an effective legislature, an independent judiciary can be a countervailing force against the other branches of government. The judiciary provides interest groups and the public with a mechanism to review the policy decisions of executives or legislatures.

- **Accountability.** The media can be an important vehicle for holding government accountable for its actions. The media, whether independent or government controlled, determine much of the policy information available to the public, which underlies their importance. Independent media are generally characterized as free from government control and diverse in their representation of views. While a completely free press is rare in the African context, for example, the media may still effectively increase government accountability and contribute to an informed debate. Media are also an important avenue for interest groups seeking to influence policy decisions. Furthermore, under certain conditions media independence may serve as a proxy for openness of the political environment and access to the policy-making structure.

- **Receptivity or hostility to reforms.** When the policy or political environment is not conducive to a program of reforms, the organization faces an uphill battle just to get its issues on the decision makers' agenda. If the environment favors policies such as those the organization proposes, however, it may concentrate on ensuring that the policies are enacted and implemented as envisioned. For example, when a new government comes to power, it may be elected with a perceived mandate for change. New governments often espouse reform and may be willing to entertain new ideas, especially from constituents. When a government comes to power through a *coup d'etat*, however, it may be more difficult to assess public support. Many revolutionary governments claim to be agents of change and interested in reforms, especially if that was their promise to supporters.

- **Tradition of participation.** In some cultures, inclusive discussion, consensus building, and participation are traditional means of resolving conflict. In these countries, an open inclusive approach that builds support may be easier to implement and gain acceptance than a more confrontational strategy. If a country has no history of public participation, it may also lack widespread interest in or commitment to increasing participation. In some countries, due in part to the colonial legacy, the private sector perceives government as an adversary (and vice versa). When this opinion is prevalent, associations or individuals risk being viewed as having been co-opted by government interests when they are seen as cooperating too closely with the public sector.

2. Available Resources enable or constrain private sector policy influence. When their resources are limited, private sector representatives may need to collaborate with their public sector counterparts in order to leverage what few resources they have. If resources are more abundant, the private sector may have the flexibility to independently pursue an advocacy strategy. For the private sector, assessing their own resources and those that public sector counterparts can bring to the table provide critical input to the decision to pursue a collaborative or advocacy strategy. Major categories of resources include human, technical and financial.

- **Human resources.** High levels of human resources may increase the private sector's access, credibility, leverage or influence (Garrity and Picard 1991). This may be the case for independent advocacy organizations or, in a collaborative endeavor, for private sector participants vis-à-vis their government counterparts. Private sector groups, collaborative or advocacy, benefit when they have high status members or associates. Status may be derived from social status, political connections, business or professional success, academic renown, or other sources. High status affiliation may provide greater political access or serve to enhance credibility with the public sector or the public at large. Well-known or highly respected associates also may generate publicity for an organization and its issues.

Size and breadth of group membership is also an important variable. A group's influence will be affected by how many members or participants it has and how broadly it represents the sector. It also matters where their members are located. If they have strong representation in key regions or sectors, it may give the group influence beyond its membership numbers. This would be particularly true for policies relevant to that region or sector, especially where members control critical resources or public opinion.

- **Technical resources.** Technical resources include the ability to gather and process relevant information, policy analysis capabilities, familiarity with key or strategic technologies, and the capacity to articulate informed positions. Sound public policy decisions benefit from accurate information, good analysis and an understanding of public opinion (Crosby and Orsini 1996). Furthermore, the ability to disseminate information, analysis and opinion -- to decision makers or to the public -- can substantially affect policy outcomes. Where private sector representatives have access to substantial technical capacity and their government counterparts do not, they may decide to employ an advocacy approach and use their information or the results of their analysis to convince the public sector to comply with their requests. A solid grasp of public opinion, especially if the group has a valid claim of representing a particular interest, may also sway decision makers. If the private sector's technical resources are scant when compared to

the government, a collaborative approach may allow the private sector access to valuable information or analysis capacity that it lacks and may provide an opportunity to increase its own resources.

- **Financial resources.** Financial resources can be critical to carrying out advocacy activities. Resources support activities such as: policy analysis, reconnaissance of the policy making process, coalition building, development of policy papers, publishing and disseminating reports, and holding workshops or other fora. The private sector's ability to marshal independent and sustainable resource flows is critical to determine (1) whether they should pursue an advocacy or collaborative strategy; (2) if they can strive to be a permanent organization or should opt for temporary activities; and (3) what specific influence mechanisms they can afford to undertake.

The potential for generating resources from business communities may be greater than for civil society groups working in other sectors, such as health or education. Nevertheless, to be successful, groups must be able to actually mobilize resources from their individual members. For the income stream to be sustainable, donations cannot be one-time contributions but must be regular contributions. The promise of advocacy activities may not be the sole motivation for continual paid membership in organizations. They may also offer benefits or services for which members or associates are willing to pay. As with the other types of resources, the greater the private sector's ability to generate and sustain independent financial resources, the more likely that they can establish an effective advocacy organization. With less financial stability, collaborative approaches may be a more effective means of influence.

Advocacy approaches give the private sector greater latitude in influencing policy; however, advocacy demands that the private sector have higher levels of resources -- human, technical, and financial. Advocacy is more costly than collaboration because the private sector needs the means to independently develop sound policy positions and bring pressure and persuasion to bear on decision makers. The need for resources also depends on the operating environment. In a closed and centralized political

system, advocacy requires even greater levels of resources. For a private sector organization to lobby effectively in a tightly controlled environment, it requires significant resources to overcome decision makers' limited accessibility and distinguish itself from its competitors. Collaboration is less resource intensive; for private sector organizations with fewer resources or in restrictive environments, it may be the only option.

3. Organizational Structure is fundamentally affected by the choice of an advocacy or collaborative strategy. Structure incorporates membership, permanence and scope of activities.

- **The organization's membership or participants.** The composition of an organization's membership is synonymous with its strategy choice: collaborative organizations have public and private participants, and advocacy organizations are exclusively private sector.
- **Permanence or temporariness.** In undertaking policy influence, the private sector may envision its activities as permanent or temporary. For lobbying to be considered a permanent function of an organization entails learning about specific policy-makers and the system in which they operate (Crosby and Orsini 1996). To be sustainable, the private sector group will need to develop a stable resource base (financial, human, technological) that will ensure its continued operation. Activities that provide resources and other sources of funding, however, may create powerful interests or limits on the scope of its advocacy and influencing functions. For example, if the organization's advocacy efforts in one area antagonize someone important in the public sector, they may jeopardize advocacy efforts on another issue or even impinge on unrelated activities that depend on government cooperation. If the organization accepts support from donors or international NGOs, then the funding organization's views may influence the private sector organization's policy agenda and positions.

For many groups the demands of permanence exceed their capacity and resource base. Such groups may come together only to address a fixed set of issues and then disband when they are through. Within groups whose advocacy activities are temporary, the range of issues to be

addressed may vary from quite specific to very complex. The temporary nature of these groups may reduce their leverage over policy decisions and may cause them to be ignored. For this reason, temporary structures often employ a collaborative, joint problem-solving approach, rather than using an advocacy strategy.

- **The scope of the organization's activities.** An organization's mission may be solely to influence policy, or it may undertake a variety of additional activities. In its policy role, an organization may be designed as a private sector entity to represent particular private sector interests or as a mechanism for problem solving around a particular set of issues (Moore and Hamalai 1993). This difference in approach corresponds to the distinction between advocacy and collaboration, where advocacy organizations typically defend private interests and participants in collaborative organizations work together to find solutions.

Advocacy organizations may have to pay a price to constituents in the form of other benefits besides policy outcomes to maintain their support. In addition to policy influence, other activities of these organizations may include providing networks and contacts among members, brokering deals, associating with other organizations, developing and disseminating relevant information, training for members or other important groups, conducting research to serve the organization's needs or

outside requests, and providing a variety of business services. Providing valued member services may attract and keep a sufficiently large membership base to support other activities of the organization, such as advocacy. An organization's range of activities affects its strategic choices for policy influence since what is done in one sphere affects the other. For example, organizations that conduct policy analysis for clients risk developing a reputation for bias when they also strongly advocate for specific reforms.

The organizations in this study take several forms. Although they are not generic, they present a range of points along the collaboration-advocacy continuum. These are summarized in Table 1.

4. Modes of Agenda Development and Policy Influence are determined by whether the organization adopts a collaboration or advocacy strategy and its organizational structure. Agenda development refers to the way in which an organization identifies and reaches agreement on the policy agenda that it wishes to promote, and who is included or excluded in the process. For organizations that consider influencing policy a principal component of their missions, issue selection is a key activity. Organizations need to choose issues that most affect their interests and for which they have the skills and resources to effectively influence. Success will depend on how the organization interacts with government and how

Table 1: Organizational Forms in this Study

Organizational Form	Function	Example
Working groups	Public and private participants solve problems for a specific set of issues or a defined topic area.	Guinea-Bissau Commercial Sector Reform Uganda National Forum
Coordinating committees	Public and private sectors jointly manage and track diverse series of actions across agencies and institutions.	West Africa Livestock Action Plan
Enterprise networks	Private sector members share ideas and take action to promote policy reforms of regional concern and establish contacts for other business interests..	West African national and regional networks
Coalitions	Private organizations advocate for policy interests with one voice to exert more influence than member groups acting alone.	South Africa's Sunnyside Group
Private organization	Private organization represents a particular political or economic perspective and conducts and	Ghana's Institute of Economic Affairs

they make use of available resources. There are several approaches for selecting issues for a policy agenda and influencing decision makers. These include:

- **Public sector dominated.** In a collaborative relation, the government generally has the upper hand in determining the agenda. The ability of private sector representatives to influence the agenda affects their overall scope for influence. Furthermore, the agenda development process may itself be part of a private sector strategy for influencing policy outcomes, if it lays the groundwork for future working relationships. The primary option for groups with combined public-private memberships is collaborating with government to set the agenda. In many instances public sector cooperation is predicated on the organization addressing a set of issues that the government has predetermined, usually from a limited set of topics. While limited, collaboration in selecting and setting priorities for specific policy issues provides an opportunity for the private sector participants to influence the policy decisions and direction.
- **Joint problem solving.** Under a collaborative framework, the private sector may capitalize on its access to government through initiating or participating in joint problem solving activities, where its members work side by side with the government to develop solutions to particular problems. This encourages discussion and builds relationships, which may help the private sector to establish an ongoing partnership with government counterparts.
- **Leveraging resources.** To influence policy outcomes, private sector representatives in collaborative organizations need to leverage their scarce but key resources -- by promoting the role of valued members or sharing important information, for example -- to meet the interests of public sector counterparts. The more a private sector organization can make itself indispensable to government, the greater its influence will be. By strengthening its resource base, an organization increases its potential to move along the continuum from collaboration to advocacy.
- **Using informed stakeholders to identify issues.** This approach may be used by either collaborative or advocacy groups. Often many

concerned parties to policy decisions are neither in the government, nor in influential positions in the private sector or prominent interest groups. Soliciting input from a variety of external stakeholders through workshops or fora contributes to better decisions about priorities and positions. Workshop facilitators may stimulate discussion through draft position papers concerning policy reforms within a particular sector but leave the agenda fairly open so that issues and priorities can be identified by the participants. Although such workshops can be by invitation only, public meetings generate a greater diversity of opinions.

- **Private sector agenda.** Advocacy organizations often rely primarily on their leadership or internal membership to identify priority policy issues, formulate positions, and develop agendas with regard to those issues. This somewhat closed approach may be most effective, especially when groups have the benefit of highly respected or well-connected leaders and members. More established organizations may have a number of issues in which they have an interest. In such cases, focus teams or task forces may be formed to formulate action and research agendas around these specific issues. By design, focus teams are temporary and disband as actions and lobbying efforts are completed.
- **Policy research and analysis.** Here, expert opinion, careful research, and analysis are used to develop persuasive technical arguments for the group's benefit or interest. Research, analysis and expertise are the basis for providing expert testimony, training government officials, or participating in government commissions. This expertise and assistance may improve organizations' credibility and legitimacy with government counterparts, increasing their clout in policy decisions.
- **Public dissemination.** Advocacy organizations use dissemination to influence broader public opinion and to develop large constituencies for their position, with the objective of obtaining enough public support to influence the decisions of policy makers. Similarly, advocacy organizations can consider creating negative publicity for the government, while that would probably not be an appropriate strategy for a collaborative organization.

III. ANALYSIS

Of the six organizations looked at in this study, three use a predominantly collaborative approach and three use advocacy. The organizations employing each approach are discussed separately, with discussions organized around the four key factors: operating environment, available resources, organizational structure, and agenda development and policy influence. Brief case studies of the organizations are presented as exhibits⁴.

A. COLLABORATION

The collaborative organizations in this study are Uganda National Forum (see Exhibit 1), West Africa Livestock (see Exhibit 2), and Commercial Reform in Guinea-Bissau (see Exhibit 3).

1. Operating Environment

In most of the countries that have collaborative organizations -- Uganda, Guinea-Bissau, Côte d'Ivoire, and Burkina Faso -- the policy decision making process has been relatively restricted⁵. Power is centralized, with few alternative decision routes other than the executive. In these environments, collaboration appears to be the foremost feasible mechanism for private sector influence.

In Uganda, for example, Museveni came to power through a coup d'état in 1986, which culminated a five-year guerrilla campaign led by his National Resistance Army (NRA). The new government established a National Resistance Council (NRC), with representatives elected by the county-level Resistance Councils, as its legislature. The cabinet is comprised of senior members of the NRA and its

⁴ The drafting of this paper encompassed numerous variations over several years. The authors recognize that country and case information is not completely current but still consider the finding and conclusions to be relevant and accurate.

⁵ Mali, one of the countries in the West Africa Livestock Action Plan's Central Corridor, is the exception. Its progress toward democracy is outlined below in the discussion of countries in the West African Enterprise Network.

political arm, the National Resistance Movement (NRM). Although Museveni's supporters dominated the NRC, Museveni succeeded in attracting leaders from a range of political factions and ethnic and regional groups. Nevertheless, the new government was composed of a military-dominated executive and a legislature with very limited scope for dissension and debate (Harvey and Robinson 1994).

Since 1986 there has been gradual but uneven political liberalization. The NRC approved devolution of authority for local budgets and revenue to the Resistance Councils at the sub-county and district levels. Military influence on politics has decreased as have restrictions on the freedom of association. Newspapers have some independence. Liberalization, however, still has a long way to go. The local Resistance councils are dominated by the NRM. National elections in 1989 were not considered fully democratic, since they did not provide the opportunity to change the government. There is a ban on political parties. While civic associations are allowed and may publicize their views, people may not freely assemble to discuss political issues. The NRA/NRM controls the most prominent newspaper, *New Vision*. Opposition papers are significantly underfinanced, and, moreover, widespread illiteracy limits newspapers' effectiveness in monitoring and reporting on the actions of government. Decision making is highly centralized in a small group of politicians, high level bureaucrats, and technical advisors. The NRC signs off on policies passed by the cabinet. Museveni chairs the President's Economic Council (PEC), which is concerned with policies outside the legislature's purview.

Since the early 1990s, the President has shown greater interest in the private sector and increased willingness to engage in policy dialogue. This coincided with USAID/Uganda interest in supporting the process of economic reforms and increased capacity among business associations, particularly the Uganda Manufacturers' Association (UMA), to conduct policy analysis and lobby government officials. Thus, the Uganda National Forum, a collaborative effort between the PEC and the UMA, developed into the premier forum for public and private sector representatives to work together toward improving private investment and exports. Given Museveni's tight political authority, however, this collaborative approach may be the private sector's only alternative. Museveni and the PEC benefit from private sector input, without

ceding ultimate control. The private sector also gains, because they now have a voice and high-level access in an otherwise restrictive environment where decisional authority is tightly held.

The environment further supports a collaborative public-private approach since there has been no strong, organized opposition to the reforms. When Museveni assumed power he was able to establish a measure of political stability and security, which was widely appreciated after a violent and protracted civil conflict. He also succeeded in neutralizing many opposition leaders and their armed supporters by giving them cabinet posts and positions in the national army respectively. Therefore, Museveni has enjoyed broad political support, which makes a confrontational approach less appropriate.

Economically, the negative effects of many of the stabilization policies were mitigated for a variety of reasons. First was the dismal state of the economy at the initiation of reforms -- high inflation, few government services, low civil service salaries, extensive informal sector trade, and the flight (or murder) of many educated or wealthy Ugandans. Government conferred so few benefits on any group in society that few individuals had the incentive to organize to oppose reform. Second, government revenue increased so dramatically that, despite the need for austerity, government expenditures actually increased, almost five-fold in real terms between 1987 and 1993. Higher revenues came from increased tax collections, which had been at a very low level, and foreign financing. Finally, in addition to larger government expenditures, the proportion going to education and health rose relative to military expenditures. Therefore, the overall direction of policy reforms did not generate strong opposition.

Since economic reform in Uganda was underway when the Forum was initiated in 1992, its role was not to formulate broad policies, but to refine specific policies and assist with implementation within the ongoing economic reforms. As such, the private sector participants did not face a hostile environment, especially since Museveni let it be known that he wanted input from the business community. The collaborative approach has allowed private sector participation within these pre-determined parameters.

The governments in Burkina Faso, Guinea-Bissau, and to a lesser extent, Côte d'Ivoire share some

attributes with Uganda, particularly regarding governments' control and influence on the political process. In Burkina Faso, Captain Blaise Compaoré, who took power in a 1987 coup, was popularly elected in 1991. Guinea-Bissau adopted a multiparty system in 1991, although the 1994 Presidential elections were marked by allegations of fraud (Buckley 1996). Furthermore, the private sectors in Burkina Faso and Guinea-Bissau are very small, with the majority of people in Guinea-Bissau surviving on subsistence agriculture (Mayer 1990). The formal private sectors in these countries have strong links to the state, which limits their ability and interest in mobilizing independent business concerns. In both countries, the Presidents and their close associates dominate policy making. Both economies are heavily dependent on agriculture and the informal sector, with formal sector activities still limited. Although official political power is tightly held and private sector capacity is low, the West African Livestock coordinating committees and the activities around the commercial sector reform in Guinea-Bissau illustrate that the private sector can play a limited, albeit important, role in the policy process by providing input that helps shape policies, insures their relevance and encourages desired private sector responses.

Côte d'Ivoire, on the other hand, enjoys a much more sophisticated economy, with substantial foreign investment, international trade, and large private sector firms. But Côte d'Ivoire has a legacy of corporatist producers' groups and trade unions with ties to the ruling party (Widner 1994), although opposition parties were legalized in 1990 (Harsch 1993, African Rights Monitor 1990). Côte d'Ivoire's recent presidential elections were considered free and fair, although the President allegedly silenced the opposition, and dozens were killed in election-related violence (Buckley 1996). There have also been incidents of imprisonment and intimidation of the press, so open expression of opposing views cannot be taken for granted (IPI Report 1992). While Côte d'Ivoire, like Burkina Faso and Guinea-Bissau, has achieved some degree of political liberalization, it has been sufficiently halting to discourage strong, independent interest group formation, but has opened the door for collaborative endeavors such as the livestock coordinating committees. Diverse representatives of the private sector can work with their government counterparts on the committee to articulate and implement a reform agenda without incurring the risks associated with independent activism.

2. Available Resources

In addition to similarities in the operating environments of the Uganda National Forum, West Africa Livestock, and Guinea-Bissau Commercial Reform, these collaborative organizations also share some similarities in their available resources. All these organizations have as assets some dimension of human resources. In Uganda, the private sector participants include some of the country's more prominent business people. They are credible as representing the interests of the formal private sector and also benefit from good connections among their government counterparts. In the West African nations of Côte d'Ivoire, Mali, and Burkina Faso, livestock trade is an important part of the national and regional economies. The private sector participants to the Action Plan represented many of the key players associated with the sector. Although these private representatives often disagreed among themselves on some issues, they spoke for enough perspectives in the sector to carry weight with their government counterparts when discussing livestock issues and policies. In Guinea-Bissau, the formal private sector is small and not well organized. The

Commercial Sector Reform activity gave select members of the private sector a voice and forum to share their views and opened up the process to a wider public. The private sector perspective and public input were expected to increase ownership of reforms and facilitate their implementation.

The depth of technical resources varies among the organizations. The private sector participants of the Uganda National Forum, members of UMA and its affiliated Uganda Manufacturers Association Consultancy and Information Services, have significant capacity for research and analysis, which has been strengthened by their participation in the Forum. This independent analytical capacity is valued by the public sector. The technical resources of the private sector in the West Africa Livestock activity are more mixed. There appears to be a modest amount of technical capacity, which has been supplemented by the technical assistance resources from the IPC project. However, the institutional and political environments do not necessarily reward objective analysis and technical competence, especially if participants are viewed as having their own agendas. Finally, among the private sector

Exhibit 1

Public-Private Collaboration for Reform: The Uganda National Forum

After many years of government intervention in the economy, which resulted in triple-digit inflation, in 1987 the Government of Uganda agreed to a conventional package of IMF and World Bank stabilization and structural adjustment policies. This change in policies demanded a greater emphasis on the private sector's role in economic development. In response, the President's Economic Council and the Uganda Manufacturers Association developed a cooperative strategic management process to promote increased private sector trade and investment. The IPC project provided technical assistance for these efforts.

The resulting Uganda National Forum for Strategic Management of Trade and Investment has sponsored two national conferences (in 1992 and 1994) to discuss policy issues and four ongoing working groups -- on Investment and Export Promotion, Financial Sector Development, Tax Policy, and Capacity Building. The participants in the conferences and working groups include key policy decision makers in government, prominent representatives of the private sector, and select academics, particularly economists.

Although the government has taken limited steps toward political liberalization, there are still few opportunities for interest groups to influence policy formulation or implementation. Most policy decisions are made by a small group of politicians, senior civil servants, and technical advisors. Nevertheless, the Forum has successfully established an impressive record both by providing a forum for public-private sector dialogue and by acting as a catalyst for substantive policy change.

The collaborative approach of the Forum has incorporated the participation of key public and private sector officials from the outset. The working groups, which all have combined public-private memberships, decide the agenda of issues to address. When key policy decision makers are active members of working groups, they may be influenced through the group's internal deliberations. Other influencing mechanisms include publishing articles in the newspaper or writing letters to policy makers. Furthermore, Forum leadership is well connected to the President and some important ministers and, thus, they have been able to present their positions and supporting research in high-level, face-to-face meetings.

involved in the commercial reform activity in Guinea-Bissau technical capacity was extremely low, if not non-existent.

Available financial resources for all three organizations are limited. Although some private business people associated with the Uganda National Forum enjoy substantial incomes, UMA does not collect significant revenue from its members to finance advocacy activities. Similarly, some of the private sector participants in the West Africa Livestock activity presumably have comfortable incomes. No organization or mechanism exists, however, to mobilize their resources and direct them toward advocacy. With the conclusion of the activity in Guinea-Bissau, there is no effective means for mobilizing private sector resources, to the extent that they exist. Guinea-Bissau has a Chamber of Commerce, but it is weak.

In all of these cases, political environments are closed, political systems are concentrated, and resources are relatively limited and not broad-based. Public sector reformers have invited their private sector counterparts to establish collaborative organizations. From the private sector perspective, collaborative organizations may not be as effective for lobbying as advocacy organizations, but they are a viable means of exercising some measure of influence and, given the environment, may be the private sector's only alternative. Once the decision to collaborate is taken, participants need to determine organizational structure, agendas and policy influence tactics.

3. Organizational Structure

The collaborative organizations in this study share the objective of influencing policy development -- the private sector wants its views heard and the public sector wants its policies implemented. None of these organizations has a mandate unrelated to policy reforms, although the breadth and type of policy vary considerably. The Uganda National Forum is concerned with broad-based economic policy and the enabling environment for trade and investment. The West Africa Livestock Action Plan aims to reduce obstacles to intra-regional livestock trade, such as excessive transaction costs and corruption. In Guinea-Bissau, reforming the rules and regulations governing commercial registration and business transactions has the ultimate objective of stimulating private sector growth.

These organizations work through different forms that allow public-private collaboration and interaction. The Uganda National Forum relies on its four standing working groups, comprised of government and private sector members, to raise issues, develop recommendations and action plans, and follow through with actions. A monitoring group, comprised of the Forum leadership and working group heads, follows up on action plans and coordinates and sets priorities among Forum activities. Annual conferences allow debate among a wider audience and generate publicity for the Forum and its reform agenda. The Forum working groups and conferences were designed as an ongoing institution to foster dialogue on a wide range of economic policy issues, with policy influence viewed as a permanent function. As the economy evolves, the need for dialogue will continue, which underscores the importance of developing relationships between the private and public sectors.

The National Coordinating Committees for the West Africa Livestock Action Plan are also composed of public and private sector stakeholders. These groups are tasked with coordinating, refining, and implementing the Action Plan developed at the Nouakchott conference. The proposed policies and their implementation are complex, but the activities -- and presumably the existence -- of the committees will cease once specified actions are completed.

Current activity focuses on the pilot efforts in Mali, Burkina Faso, and Côte d'Ivoire, and its success encourages replication to other West African countries. Therefore, the coordinating committees, although they are not permanent, may have a role to play in assisting in the completion and replication of their efforts for some time to come.

The commercial reform effort in Guinea-Bissau employed a more temporary working group than in the Uganda National Forum or West Africa Livestock. Individuals from the Ministry of Commerce led the group, which prepared an initial action plan and reviewed and amended a consultant study on current rules and regulations. A series of workshops and town meetings provided opportunities to gather input from traders, business people, and government officials. The workshops generated interest among private sector representatives. The National Conference, with over 200 people attending,

Exhibit 2

Dialogue Among Diverse Stakeholders: The West Africa Livestock Action Plan

The livestock trade has traditionally represented an important export for Sahelian economies. Nevertheless, increased competition and dumping from the European Community and the overvalued CFA franc have led to a declining share for Sahelian livestock traders in coastal markets. Meanwhile, domestic economic contraction led to declining investments in infrastructure, thereby increasing marketing costs for livestock exporters. To raise revenues, Sahelian governments increased taxation on livestock traders in the form of licenses, fees, export taxes. Furthermore, underpaid civil servants have resorted to bribery and extortion from traders to increase their personal incomes.

At a 1992 conference in Nouakchott, representatives of twelve countries in the Sahel and coastal West Africa adopted an Action Plan to resolve problems in regional livestock commerce. The Action Plan represents an approach to regional integration on which there is consensus and support, and which is not dependent upon large commitments of donor or government resources. With modest but ongoing USAID support, conference attendees decided to focus on implementation of the Action Plan in a pilot zone, namely the central corridor of Mali, Burkina Faso, and Côte d'Ivoire. Success depended on identifying and aligning the interests of those involved to facilitate carrying out the measures in the Action Plan. The IPC technical assistance team worked with national coordinating committees, government technical units, and stakeholder groups in the three countries to develop strategies and workplans to implement the Action Plan.

Sahelian countries have traditionally had statist governments and hierarchical political structures. Despite this, and through the facilitation of IPC, the national coordinating committees have operated under a principle of inclusiveness, transparency, dialogue, and honest assessment. A fundamental objective of the Action Plan is to include relevant government agencies and representatives from the private sector in the debate over policy reform. The national coordinating committees now include a broad spectrum of interests from both the public and private sectors, agreed to at the initial Nouakchott conference. Each committee includes government representatives of ministries charged with oversight of livestock production and health, commerce, and finance. The private sector includes a diverse set of private stakeholder groups (transport, livestock traders, butcher syndicates, non-governmental associations of livestock producers, and others).

Considerable factionalism exists both among private sector actors and between the government and private sector. Within the private sector, the "sociétés de convoyage"¹ and transporters exhibited considerable hostility toward one another. Similarly, conflicts among competing transport syndicates are common. Regarding private sector relations with the government, ties have never been particularly close. Each side regards the other with suspicion. Therefore, getting all parties to agree to participate together with compromise and civility is an important accomplishment.

A broad agenda is outlined in the Action Plan. Mechanisms for affecting policy, which in this case means implementing the Action Plan, are:

- action planning,
- developing capacity for policy analysis,
- lobbying and constituency reform, and
- expanding public sector involvement to increasingly higher levels of government officials.

Source: Kulibaba 1997

allowed for even more in-depth discussion between public and private sectors and attracted considerable media attention. The working group's coordination efforts led to specific proposals, many of which will be enacted. The private sector is now more mobilized and, with its government counterparts, articulates a mandate for change. Once the specific activities of the working group were completed, the group disbanded.

Both organizational forms, working groups and coordinating committees, include participants from government and the private sector. They concentrate on policy influence and address the broader reforms that condition a facilitative environment, whether for export promotion, regional trade, or private sector expansion. The significant differences lie in the organizations' permanence or temporality. The efforts in Guinea-Bissau and West Africa were not designed with any notion of long-term sustainability or funding. The Uganda National Forum clearly could play a long-term role by continuing to provide a forum for public-private dialogue on economic policy. So far, Forum leadership has succeeded in attracting sufficient donor resources for its continuing operations, although it seems to realize that this is not a permanent solution.

4. Agenda Development and Policy Influence

Within these collaborative organizations, the public sector enjoys a dominant role in setting the agenda. These groups were formed largely at the initiative of the public sector participants, who also played a key role in determining the direction and tone of the negotiations. Although the public sector officials invited private sector input on the agenda, government decision makers ultimately exercised greater influence in deciding the scope of the collaborative organizations' activities and issues.

The government was involved in developing the agenda for each of the collaborative organizations, although the private sector used the agenda development process itself as a component of its advocacy strategy, implicitly if not explicitly. Since a variety of public and private sector positions were represented, there is some diversity of stakeholder opinion incorporated into decisions. Reaching consensus between two or more stakeholder groups requires negotiation and is usually accomplished through an iterative process. This dialogue presents

a key opportunity for private sector representatives to influence policy by getting government representatives to understand their viewpoint. Nevertheless, the universe of policy options that the organization addresses may be predetermined by the government, sometimes without private sector input.

In developing the initial structure for the Uganda National Forum, the committee, which included both public and private sector representatives, agreed to a structure that revolved around four subject-based working groups: investment promotion, export promotion, financial sector development, and tax policy and administration. At the 1994 national conference, however, Forum participants decided to combine the investment and export promotion groups and create a new working group to address capacity building. Each working group is composed of government officials, private sector representatives, and additional members such as academics. The working groups must negotiate among themselves to identify key policy issues and develop action plans to achieve their objectives.

The National Forum exemplifies ongoing collaboration, since it is not temporally limited by a fixed policy agenda. Forum members value the working groups and national conferences as they provide unique opportunities for policy influence. These include the many arenas for public-private dialogue and debate and for private sector participants to present their views and persuade their public sector colleagues. As with the other collaborative organizations, the scope of private sector advocacy activities may be constrained by their collaborative relationship with government. Given the restrictive environment, however, it is a worthwhile tradeoff to have a voice in policy.

The Forum working groups offer specific opportunities for private sector influence. The private sector representatives contribute to setting the agenda and developing policy positions. Since government representatives are often the officials with decisional authority, the private sector has direct access to them and the chance to develop lasting relationships. Working groups have also sent letters to encourage or follow up on promised reforms. Forum leadership has organized high level meetings with the President or other key decision makers to present analysis and advocate for specific reforms. Furthermore, the national conferences, which receive extensive media coverage, serve to

Exhibit 3

Soliciting Widespread Participation: Reforming Commercial Rules and Regulations in Guinea Bissau

Like other African nations during the early 1990s, Guinea-Bissau underwent economic liberalization and democratization that considerably altered its economic and political environment. The institutions and legislation suited to conditions of dictatorship and a statist economy tended to retard the transformation towards a market-oriented democracy. As a result, institutional and legislative reform became necessary. Despite a generally recognized need for reform, other environmental factors hindered progress. Key stakeholders and government policy makers were quite unaware of the need to engage and cultivate support for reforms. In society at large, Guineans exhibited little motivation to participate in the reform process. The state's meager resources have limited its role in both the economy and society at large, so the government possessed little real capacity to implement reforms. Finally, policy reform required operational changes at both the central and local government levels.

To improve the climate for trade and investment in Guinea-Bissau, the IPC project assisted in reform of the rules and regulations governing commercial activity. The sequence of activities were:

- A working group was created under the direction of the Ministry of Commerce and Industry. The group, with the IPC team's assistance, drafted an initial action plan. An IPC consultant prepared a study reviewing current rules and identifying points of contact between the public and private sectors.
- After working group revisions, this study was widely disseminated and served as the basis for discussion during five regional town meetings. These local workshops generated interest among the private sector representatives and gathered input from traders, business people, and government officials.
- As a result, the Ministry of Commerce and Industry and the Chamber of Commerce, Industry, and Agriculture sponsored a National Conference on Commercial Legislation that developed specific proposals for legislative and regulatory change and identified responsible parties.

From the working group to the town meetings to the National Conference, widespread public and private sector participation ensured an inclusive approach to identifying issues and recommending actions. The relatively small size of Guinean society facilitated networking and personal contact between core stakeholders. Key players in the reform effort most often knew one another, and individuals regularly had professional responsibilities in both the public and private sectors.

This network was the focus of a strategic management process to create opportunities to bring about consensus on reform among policy makers, high-level bureaucrats, and select private sector actors. Strategic management also provided a means to build momentum upon previous agreements and a structure to move the discussions forward.

In the case of commercial regulation reform, debate went beyond the "corridors of power." Public discussion in the form of town meetings and a national conference brought the wider public into the process of formulating the reform. This process may have created greater enthusiasm for the reform effort among the public at large.

publicize and mobilize support for important, pending policy issues.

The West Africa Livestock National Coordinating Committees are responsible for implementing the Action Plan for Regional Integration of the Livestock Trade. The committees' composition includes an

array of public and private sector stakeholders, giving the committees a mandate for implementation. The Action Plan determines a fairly specific agenda of actions or policies for the committees to address. The scope of the coordinating committee's influence is narrowed to the actions at hand, although they have significantly more leverage in implementing the policies. They retain authority to: (1) identify alternatives to existing policies, procedures, and regulations; (2) develop consensus and support for those changes; and (3) coordinate related initiatives in each of the Action Plan countries (Kulibaba 1997). Committee members enjoy an unprecedented opportunity to negotiate solutions among themselves and influence policies that directly affect them.

The National Coordinating Committees are specific collaborations but of a long duration. This affords the private sector members the opportunity to develop relationships with other stakeholders on the committees and repeatedly influence policy implementation. The National Coordinating Committees have been meeting since 1992. Public and private sector members work together to implement the action plan. Their collaborative actions include: action planning; developing capacity for policy analysis; lobbying and constituency development; developing strategies for consolidation of results; and negotiation, mediation, and coordination. Action planning entails breaking down actions into smaller steps, many of which can be enacted by committee members, and coordinating complementary efforts to build support for actions and decrease political risk. Well-argued, analytical policy papers helped convince government officials of the benefits of reform and demonstrated effective support of stakeholder groups and the national committees. Lobbying and constituency development focused on strengthening the coordinating committees' ability and access to present their arguments, while considering the needs of political leaders. Consolidating results has meant engaging successively higher levels of government officials in the Action Plan. Negotiation, mediation, and coordination became critical in the confusion following the CFA Franc devaluation, where a lack of information on new duties led to arbitrary enforcement and new, unscheduled fees (Kulibaba 1997). These mechanisms are all against the backdrop of the collaborative committee structure. Collaboration gives the private sector a seat at the table of policy reform, in an environment where

government distrust of the private sector has been the norm.

In the case of Guinea-Bissau, the working group led by individuals from the Ministry of Industry and Commerce developed an initial action plan, which served as the basis for discussion among a wide audience. Through the four regional town meetings and the National Conference a broad range of stakeholders contributed their ideas to the policy reform and action plan agenda. The facilitation committees, which coordinated the workshops, purposely left the agenda open so participants could identify issues and priorities of concern to them. Although the government working group determined a draft agenda, widespread input from informed stakeholders and the debate that ensued shaped the resulting proposals for legislative and regulatory changes.

Commercial reform in Guinea-Bissau is an example of specific collaboration that includes significant participation by the private sector. The government-led working group and facilitation committees took the initiative to provide the fora for private sector input and collaboration. Without those efforts, and considering the lack of traditions supporting participation and the hierarchical political structure in Guinea-Bissau, it is unlikely that the private sector would have organized their own advocacy organization or initiative. Given the opening, however, private sector representatives made considerable efforts to constructively contribute to the policy dialogue and helped develop specific proposals for legislative and regulatory changes. The private sector is now more mobilized to monitor progress and pressure for promised reforms (Gustafson 1995). It is unclear, however, if they can independently organize sufficient resources or whether government counterparts will continue to be receptive.

The Uganda National Forum, West Africa Livestock, and Guinea-Bissau Commercial Reform exemplify the collaborative pattern described by the analytic framework: restrictive operating environments and limited resources, thereby leading to collaborative organizations, with a short-term focus on policy advocacy (Uganda's permanent structure is the exception) and dominated by the public sector. The three organizations, however, land on different spots on the collaboration-advocacy continuum. Guinea-Bissau occupies the position farthest to the left on the continuum, in the realm of policy-specific

collaborations. As a result of low capacity and limited resources of both public and private sectors, the consultative process was an isolated event. At best, it improved the specific policies under discussion, reduced mistrust between the sectors, and sowed the seeds for future cooperation. West Africa Livestock would come next, somewhere between policy-specific and ongoing collaboration. The consultative committees are not designed to last indefinitely, but have existed for several years and are expected to continue until policy reforms are enacted. The importance of livestock trade, the committee structure, and flashes of liberalization in the Central Corridor countries contribute to the private sector's standing in exercising influence over the reform process. Finally, Uganda National Forum falls squarely into the category of ongoing collaboration, as shown by its ability to generate new sources of funding and adapt to and address new policy areas of increasing concern. Stronger private sector analytic capacity and the government's interest in reform contribute to the Forum's success.

B. ADVOCACY

The advocacy organizations discussed in this section are the Sunnyside Group (see Exhibit 4), the West Africa Enterprise Network (see Exhibit 5), and Ghana's Institute of Economic Affairs (see Exhibit 6).

1. Operating Environment

The operating environments in the countries where these advocacy organizations have flourished -- particularly Ghana, Mali, and Senegal, which have been the most successful countries in the West Africa Enterprise Network, and South Africa -- are more politically open than in the countries with collaborative organizations. For example, the political situation in Ghana has shifted significantly since Flight Lieutenant Jerry Rawlings first took power in a populist coup in 1981. While Rawlings initially called for broad popular involvement and participatory democracy, in practice this participation was manifest as rampant populism, resulting in arbitrary justice, irrational management of enterprises, and random violence (Rothchild and Gyimah-Boadi 1989). In 1983 Rawlings and his government began to rein in radical populism and adopted the Economic Recovery Program (ERP), a package of stabilization and structural adjustment policies. During the early period of these reforms,

the government perceived the political threat from the pro-market policies and their ideological reversal to be high. Decisions were tightly controlled and taken only by a small core of government insiders, although they devoted considerable energy to communicating their policies palatably and persuasively. These decision makers attempted to build support for their policies but did not allow opportunities for real participation.

In the mid- and late-1980s, the government decided to develop a greater sense of partnership with Ghanaians regarding the reform program. It began a limited dialogue with a number of groups, including public service employees, unions, and private sector groups. The discussions, however, were structured not so much to develop ownership as to co-opt or mollify key groups. The only action that fostered expanded decisional authority was the establishment of a district assembly level of government. While the district assemblies worked on development activities related to the Program of Actions to Mitigate the Social Costs of Adjustment, they did not enjoy any authority regarding the Economic Recovery Program (Special Programme for Africa 1995).

Since 1989, Ghana's decision-making structure has begun to open up. The government's economic policy success generated more demand for economic and political accountability, the return of expatriates, and donor pressure for increased openness. In response, the government began to reform decision-making structures and processes and engage the private sector in an effort to mobilize private sector growth (Special Programme for Africa 1995). Democratization and decentralization are providing greater opportunity for private sector and other interest groups to participate in the policy reform process. Despite impressive reforms, the cast of powerful characters has not changed. Some observers question whether the changes are superficial attempts by Rawlings and his government to respond to criticism and retain power or represent genuine institutional reform.

Senegal and Mali, like Ghana, are also moving toward greater democracy and more dialogue with individuals and groups in the private sector. In both countries the traditional formal private sector organizations have become discredited due to their ties to government and noncompetitive behavior. This, in turn, has opened up opportunities for new groups like the Enterprise Networks. In Senegal the

Exhibit 4

Building Consensus: The Sunnyside Group in South Africa

The Sunnyside Group, formed in 1987, is a coalition of over 70 South African small business associations, public and private development agencies, universities, and commercial banks. The Sunnyside Group (Sunnyside) was organized as a coalition to “facilitate, influence and lobby for the creation and establishment of a regulatory and policy environment that is both enabling and supportive of entrepreneurship, job and wealth creation, and small business development.”

Under the apartheid system, Sunnyside operated in a political environment where the vast majority of its constituents were disenfranchised from South Africa's political process. This led Sunnyside to adopt an indirect approach for influencing policy reform, one that would be acceptable to a political system that did not afford the organization the political power to pursue more direct and challenging political pressure approaches to reform policy.

Sunnyside pursues its objective by developing practical and concrete solutions to policy and legislative restrictions. Sunnyside's Executive Committee decides which issues to address. Specific solutions are developed through the active research of specially constituted focus teams. The research is then used as a basis for *building consensus* with a broad array of stakeholders. Stakeholders brought into the coalition vary with the issue, but often include labor unions, political parties and the government. By building consensus through large coalitions in support of reform, Sunnyside has been able to develop a constituency for policy change without politicizing the debate or resorting to a confrontational approach.

Source: Constitution of the Sunnyside Group: A Voluntary Organization

newly appointed Minister of Commerce is a private sector consultant rather than a career civil servant, which is indicative of a widening circle of power (Orsini and Courcelle 1996).

In Mali recent democratic reforms and openness have created windows of opportunity for the private sector to participate in policy reform. Since Mali's democratic revolution in 1991, the government has granted the media free rein and moved away from previous restrictive economic policies to encourage privatization and foreign and domestic investment. Government officials have sought recommendations from entrepreneurs to improve the business climate (Buckley 1996) and have asked the National Network to review pending legislation and work with the Finance Committee on reform issues (Orsini and Courcelle 1996).

South Africa, of course, offers the most dramatic example of political liberalization. The elections that ended apartheid and accompanying reforms vastly improved economic opportunities and the security of persons and property. In addition to increased democracy, South Africa enjoys a long

tradition of participation and consensus building at the local level. The consensual approach of the Sunnyside Group reflects this tradition.

2. Available Resources

The West Africa Enterprise Network, Sunnyside Group, and Institute of Economic Affairs all have substantial human, technical, and financial resources available to them. The Networks' members are a select group of well-educated, successful business people, chosen according to established criteria such as sectoral affiliations and professional qualifications. Many also bring a wide circle of contacts. The Sunnyside Group is a large coalition of organizations with an interest in small business development, including Chambers of Commerce, associations representing small business, banks, and academic institutions. The breadth of Sunnyside's membership is so diverse and comprehensive that it is an important player in policy decisions and implementation affecting small business. Ghana's Institute of Economic Affairs also has a strong human resource base. IEA can rely on the support of a number of prominent individuals, such as

academics, judges, legislators, and leading business people.

Each of these advocacy organizations has technical capacity to undertake lobbying activities, such as gathering information, conducting policy analysis, identifying key decision makers and decisional processes, and drafting and disseminating persuasive

position papers. This capacity gives the advocacy organizations credibility and is critical for them to successfully advocate for their interests.

Advocacy activities, especially when separate from government, require financial resources. Members of the West African Enterprise Networks pay dues,

Exhibit 5

Challenging the Status Quo: The West Africa Enterprise Network

Traditionally in the West African economies, economic policy has been determined through the collusion of political decision makers -- the well educated "administrative class" -- and a small number of powerful firms in the formal private sector. These policies favored controlled environments that afforded their supporters in government rent-seeking opportunities. More recently, however, structural adjustment in West Africa has involved the enactment of major macroeconomic reforms. As a result of the changing policy environment, the next generation of well-educated individuals is increasingly choosing to become private sector entrepreneurs, rather than public sector administrators. This younger, private sector generation feels constrained by the restrictions on competition that previously favored the entrenched interests. They see market liberalization as providing opportunities, rather than threatening their entitlements.

To assist these entrepreneurs and foster market oriented policies, the IPC Project has supported the development of informal organizations and provided them assistance to undertake meaningful dialogue with government policy makers. The informal networks within each of the countries where the project has been active are composed of private sector entrepreneurs who have an interest in influencing the policy process. IPC assistance has introduced strategic management tools to enable the networks to develop, monitor and assess the implementation of action plans, and provided training in the use of advocacy and constituency building skills.

The more successful national networks -- in Ghana, Mali, and Senegal -- have benefited from the strong leadership of a committed national coordinator and liberalizing political and economic environments. In these countries networks have established a strong membership base, developed strategic plans and positions on policy issues, and succeeded in influencing policy. With varying degrees of success, the networks have conducted strategic planning exercises in which they analyze their strengths and weaknesses, assess their interests vis-à-vis other stakeholders, and analyze their capacity to affect change before determining where to concentrate their policy reform efforts. They have invariably focused on issues that are of common concern to all members, such as taxes, financial market reforms, or trade barriers. Issues of concern to a minority of the membership may be addressed through the efforts of the newly forming regional subnetworks, developed to reap the benefits of sector-specific organizations.

The networks continue to face a challenge in building credibility and support for their reforms, since they oppose the entrenched interests in the government and the established voice for the private sector. They have found it more productive to adopt a low key approach to advocacy, rather than confronting their powerful adversaries head on. Strategies include:

- offering policy expertise to the government;
- involving the network in official commissions that study policy impacts;
- drafting and disseminating positions papers; and
- organizing roundtable discussions or dinner debates.

Their access to policy makers and, therefore, their ability to employ some of these strategies have depended upon established contacts with key policy makers. Nevertheless, the contacts served as the foot in the door that enabled them to undertake the formal advocacy activities in support of the networks' policy positions.

Source: Quinn and Connolly, 1996

which provide the networks an independent source of funds. The Sunnyside Group and Ghana's Institute of Economic Affairs receive funds from a variety of diverse sources, which provide them an adequate and reasonably stable resource base.

3. Organizational Structure

The advocacy organizations -- West Africa Enterprise Network, Sunnyside Group in South Africa, and Ghana's Institute of Economic Affairs -- each have unique purposes and employ different organizational structures to lobby for policy reforms. Sunnyside's primary purpose is to lobby for a regulatory and policy environment conducive to small business development, while the objectives of the Network and the Institute of Economic Affairs are broader. The Enterprise Networks have six objectives, even though each Network does not necessarily focus on all six. They are: (1) improving dialogue with the state, (2) increasing access to finance, (3) improving national firms' competitiveness, (4) fostering national entrepreneurship, (5) improving the image of the private sector, and (6) ensuring Network sustainability. The Institute of Economic Affairs aims to support economic liberalization and political democratization by conducting research on the effects of pending policy reforms, disseminating research results, providing fora for informed policy debates, and strengthening the legislative process.

The West Africa Enterprise Network is organized as a regional network composed of national networks in twelve countries. The original model for a Network to represent the interests of the private sector in West Africa was an informal association of select business people, financially autonomous, led by a national coordinator. As the National Networks have evolved and concern with their sustainability has developed, most have opted to attain formal status and have registered as NGOs or associations. Informal status was valuable at the outset, since it allowed the networks to serve as catalysts among other private sector groups, without threatening established organizations, and was less likely to be viewed by government authorities as a political opponent. Membership in the Network is exclusively private sector and by invitation, with criteria such as sectoral affiliation, professional qualifications, availability, level of interest in the policy process, and global market vision. New members must be proposed by an existing member and contribute to a cross section

of skills and backgrounds (Orsini and Courcelle 1996).

In contrast to the Network's relatively informal association of individuals, the Sunnyside Group represents a coalition of established organizations that are concerned with South Africa's small business sector. The diversity of member organizations include: the African Council for Hawkers and Informal Business, the Black Consumer Union, Cape Town and Durban Chambers of Commerce, Housewives' League of South Africa, the Private Sector Counseling Organization, the Small Business Advisory Services, the South African Black Taxi Association, the Standard Bank of South Africa Limited, and the University of the Western Cape's Institute for Small Business. Members are from the private or non-governmental sectors. A small executive committee oversees the Sunnyside group, meeting regularly to identify economic, policy, and regulatory issues to address, and monitor organizational business and finances. The Executive Committee and the Executive Director create focus teams to research and develop advocacy positions and tactics on specific policies or regulations. By design, the focus teams are temporary; they coalesce to formulate action and research agendas and disband once actions and lobbying efforts are completed.

The Institute of Economic Affairs is organized as a specialized research and advocacy group. It is governed by a private sector Board of Trustees and staffed by economists, a political scientist, a statistician, and program officers, who conduct research on selected topics. The Institute widely disseminates its research results and sponsors various meetings and fora for discussion and debate. The audience for research dissemination and debates may include members of parliament, the executive branch, members of regional houses of chiefs and regional assemblies, private business leaders, labor unions, the media, professors, the judiciary, the diplomatic community, and the country's political parties. Although its audience includes the public sector, the Institute operates as an independent, private sector organization.

Each of these three advocacy organizations strive to be a permanent institution, and none is tied to a limited set of policy issues. These organizations envision continuing roles for themselves as their respective economies evolve. Carving a niche for the organizations in the policy landscapes and assuring

the continuity of their resources pose significant challenges for each. Ideally, success with advocacy initiatives will contribute to the organizations' credibility and help them attract sufficient resources to continue their operations. Even for the Network and Institute of Economic Affairs, whose missions extend beyond policy reform, advocacy remains central to their sustainability.

4. Agenda Development and Policy Influence

Agenda development in the advocacy organizations is distinguished from the process in collaborative organizations by the absence of government participation. In the advocacy organizations, group leaders or small sub-groups may make policy agenda decisions, which limit opportunities for widespread participation. While the agenda-development process presents a key opportunity for collaborative organizations to initiate or strengthen their dialogue with government, advocacy organizations enjoy the independence to select issues or positions that may be more controversial and less to the government's liking and that clearly seek to defend the interests of

the organization.

Therefore, for these advocacy organizations, interaction with government decision makers, which occurs once policy agendas and positions have been established, is their primary opportunity to influence policy decisions. This does not mean that advocacy organizations are not influenced by government or that they are unwilling to collaborate. Rather, their independence allows them to more thoroughly research and debate issues among themselves before they begin to deal with the public sector. As with agenda development, this exclusively private sector focus may result in advocacy organizations adopting policy positions that are more contentious or farther away from the government perspective than those developed by collaborative groups. Similarly, the specific tactics they use for influence may be much less consensual than those used by the collaborative organizations.

Each of the National Networks in the West Africa Enterprise sets its own policy priorities. The groups are small and exclusive and do not solicit the opinions of outsiders. The Networks employ a strategic management approach to select among

Exhibit 6

Research as a Catalyst for Change: Ghana's Institute of Economic Affairs

Ghana began implementing economic liberalization policies in 1983 and returned to a constitutional form of government in 1993. Ghana's Parliament, however, was composed of previously inexperienced politicians, with only two of 200 members having any prior legislative experience. As a benefit of a more liberal political environment, the government has permitted a considerable degree of free expression through the media.

In this context, the Center for International Private Enterprise (CIPE) began to provide assistance to Accra's Institute of Economic Affairs (IEA). IEA conducts research on how specific policy reforms, if enacted, would affect the private sector. IEA usually selects for analysis economic issues that are pending before the legislature. The bills to be researched are identified by IEA staff in conjunction with its Board of Trustees, composed of private sector representatives, and with the leadership of Parliament. On occasion, issues for analysis have been selected at the request of the business community.

Once IEA has completed its analysis of a pending economic topic, the findings are widely distributed to government and private sector parties. Draft reports are then presented at public fora to which interested parties are invited. These fora are used as formative events, and input from the meetings is included in the final analytic paper. The final papers are condensed into "Legislative Alerts" that are distributed throughout the country to an even broader range of stakeholders.

IEA also indirectly influences the public policy dialogue by:

- providing basic economic training courses to members of the media, so they understand the principles of market economics and can report on the issues responsibly;
- conducting courses for parliamentarians in basic economics and parliamentary procedures;
- preparing reports on national economic performance for the private sector;
- offering a variety of fora for discussion amongst the legislature, business community, and the media; and
- assisting individual parliamentarians who request help to analyze the economic implications of pending legislation and prepare brief analysis of draft bills.

competing issues that pursue their objectives and consider their operating environments. Their strategic plans serve as the foundation for their decision making. Similarly, the Regional Network has a strategic plan to guide its decisions. National Coordinators may raise issues at the Coordinators' Meetings, with final decisions approved by the three person Executive Committee.

The West African Enterprise Networks, typically small groups of well connected individuals, have successfully used sporadic lobbying, through personal meetings and direct persuasion, to influence decision makers. Despite the personalized approach, the networks forbid lobbying on behalf of specific individuals or firms, so as not to hurt their reputations or credibility as spokespeople for private sector interests. The Networks also employ other, low key and often collaborative approaches, such as offering policy expertise to government; involving the network in official commissions that study policy impacts; drafting and disseminating position papers; and organizing roundtable discussions or dinner debates. These tactics have supported the Networks' initial strategy of organizing themselves as informal groups, so as not to threaten government decision makers and other private sector groups. As the Networks mature and register for formal status, they move toward developing permanent, regularized mechanisms for advocating issues.

For the Sunnyside Group, policy topics, the initial policy stance, and recommended actions are developed by the appointed focus teams, although the Executive Committee usually handles issues concerning the development of broad economic or business policies. Policy positions are based on research, such as reviewing existing regulations or legislation and interviewing affected small business persons. Once research is completed, focus teams hold workshops with Sunnyside members to refine the organization's policy position. The purpose of the workshops is to develop consensus and build support within the Sunnyside coalition.

The Sunnyside Group employs a dual approach in its policy tactics. For targeted regulatory reforms, they use direct advocacy by pressuring specific decision makers within particular ministries or agencies. The strategy for broader policy development for small business reform is much more consensual. Starting with their own membership, they build broad coalitions of support for desired reforms that include other private sector groups, labor unions, political

parties, and even government. By building consensus through these large coalitions in support of reforms, Sunnyside has been able to develop powerful constituencies for policy change without polarizing the debate or resorting to a confrontational stance.

The Institute of Economic Affairs usually focuses on economic legislation pending before Parliament. Institute staff identify bills to be researched in conjunction with the Board of Trustees and often with input from the leadership of Parliament. Requests for research may also come from the business community or individual members of Parliament, but the IEA Board makes final decisions. Although they generally have been reactive to policy issues in the past, the Institute's Board and staff are working to become more proactive in developing their policy agenda.

Ghana's Institute of Economic Affairs is a formal interest advocacy group. The Institute clearly supports an agenda of free market reforms and economic and political liberalization and conducts research on specific policies to support its positions. It disseminates its research findings in order to build public support for its positions. The Institute also influences policy dialogue and the policy process by providing economics training to parliamentarians and the media to improve the policy content of debate, sponsoring fora for policy debate, reporting on national economic performance, and conducting policy analysis at the request of legislators.

The West Africa Enterprise Networks, Sunnyside Group, and Institute of Economic Affairs use similar influencing mechanisms, relying on the stature or connections of members or using their technical capacity. They attempt to persuade decision makers by adding substantive information and analysis to the debate; building support among other key stakeholders, including the public; and pushing or pressuring decision makers toward reform. However, none of these organizations has adopted a confrontational style or tactics, which would be a risky strategy unless they had a lot of clout. Despite increasing opportunities for association and expression in these countries, these freedoms are sufficiently tenuous that outright criticism of the government or its policies is not a prudent course of action for organizations that want to prosper into the future. They face constraints in the political environments, in particular the predominance of government in all economic decisions, and limited

resources. Notwithstanding their significant efforts, none of these organizations could be considered very strong⁶.

West Africa Enterprise Network, Sunnyside Group, and the Institute of Economic Affairs present three examples of advocacy organizations. They exist in countries whose political environments are beginning to open up, the private sectors' have substantial resources to draw from, the organizations participate in a variety of activities, and they are effective at setting their agendas and operating independent of the public sector. On the collaboration-advocacy continuum, however, they occupy a range of spaces. West Africa Enterprise Network is closest to the collaborative groups and lands in the realm of sporadic lobbying. For members of the Enterprise Networks their relationships with government tend to be very personal and lobbying is important, but not the sole function of the Networks. As the Networks become more established, however, the lobbying function is also beginning to mature. The Sunnyside Group fits the description of a lobbying structure, with strategic and proactive lobbying activities and a demonstrated relationship with key decision makers. South Africa's tradition of participation and receptive environment facilitate Sunnyside's lobbying efforts. Finally, Ghana's Institute of Economic Affairs is situated farthest toward advocacy on the continuum, as a permanent interest advocacy group. IEA has developed a publicly acknowledged position supporting economic reforms and an established program of analysis, dissemination, and debate. Their relatively substantial human, technical, and financial resources have afforded them the space to operate independently.

IV. UTILITY OF STRATEGIC MANAGEMENT AND LESSONS LEARNED

This section discusses the utility of strategic management for assisting collaborative and advocacy organization, presents a matrix that compares the analytic framework for private sector influence to a

⁶ To wit, the Sunnyside Group was not able to adapt to the rapidly changing political environment after the end of the Apartheid era and no longer exists.

strategic management process, and concludes with lessons learned relevant to strategic management.

A. UTILITY OF STRATEGIC MANAGEMENT

In assisting collaborative and advocacy organizations, the IPC Project has used strategic management as a framework and toolkit around which to build the capacity of organizations to effectively manage policy advocacy. IPC provides strategic management assistance to: (1) help strengthen the ability of private sector actors and organizations to participate in the policy process, and (2) enhance the capacity of the public sector to understand and work with the private sector and incorporate their input. IPC provides assistance to public and private sector managers by helping them to define issues; identify a set of actors with whom to collaborate; select a process for influencing public sector decision makers; chart a path to increase their own legitimacy to participate in a country's policy development process; and develop, implement and monitor action plans. These tasks are embodied in IPC's strategic management approach.

Strategic management involves an approach to management and a set of analytical tools. The approach consists of four elements: (1) an orientation toward the future, (2) an emphasis on the external environment, without sacrificing attention to the internal organization (e.g. how decisions are made), (3) a concern with assuring a good fit between the environment and the organization, (4) a strong focus on implementation and action and a commitment to a continuous, iterative process (Crosby 1991). The tools of strategic management include, for example, stakeholder analysis; strengths, weaknesses, opportunities, and threats (SWOT) assessment; and political mapping (for a detailed discussion of strategic management tools, see Brinkerhoff 1996). Furthermore, the strategic management process introduces methods that encourage participatory decision making and transparency and demonstrate their benefits. IPC aims to influence the approach to policy change by developing skills that can be applied in many situations.

The organizations that received assistance from IPC have adopted a strategic management approach. During the first Uganda National Forum conference, the IPC team introduced strategic management,

which became an underlying framework for the Forum -- anticipation of the future, concern about the environment and the organization's congruence with it, and monitoring progress. The Forum has been able to adapt itself to changes in its environment, as evidenced by the dissolution of one working group and the formation of another to address issues of human resource development and capacity building. For the National Coordinating Committees implementing the West Africa Livestock Action Plan, their operational goal is to develop an ongoing process of structured interaction among stakeholders. Stakeholder analysis, a powerful strategic management tool, has been critical for identifying the important players and assessing their positions and roles. Furthermore, the Action Plan initiative focuses on "packages" of actions that are appropriate to the political and institutional environments and within the purview of the respective Coordinating Committees and implementing organizations. Those involved in the working groups in Guinea-Bissau credit the IPC approach, which focused on building strategic management capacity, with helping them to think through policy implementation and for enlisting and mobilizing the support of powerful stakeholders (Gustafson 1995).

The Enterprise Networks in West Africa have used strategic management tools for mission definition, action planning, monitoring and evaluation, and advocacy. In the initial technical assistance briefings for new networks, the IPC team stresses the usefulness of strategic management to understand the external environment in which an organization functions and to seek the best fit for the organization, especially in the unstable political and economic environments of West Africa. Networks are encouraged to develop achievable action plans that allow for monitoring, evaluation, and modification (Orsini and Courcelle 1996). In South Africa, a sub-group of Sunnyside's Executive Committee used strategic management to focus its advocacy activities, relying extensively on policy network mapping and stakeholder analysis. Sunnyside also holds annual strategic retreats to monitor, review, and refocus their overall strategy.

B. STRATEGIC MANAGEMENT AND PRIVATE SECTOR INFLUENCE

As these examples illustrate, collaborative and advocacy organizations can use strategic

management to help analyze and make decisions based upon the four key variables outlined above -- operating environment, available resources, organizational structure, and agenda development and policy influence. Table 2 below illustrates how these factors roughly correspond to some of the steps in the strategic management process (these steps are outlined in Crosby 1991). An analysis of the factors may help managers apply the process of strategic management to their organizations.

C. STRATEGIC MANAGEMENT LESSONS LEARNED

- ***Strategic management assists private sector organizations to identify their limits and develop mechanisms to increase resources and effectiveness.*** Because of differences in operating environments and organizational strengths and structures, the private sector's ability to influence policy can vary dramatically among countries, policies, or organizations. Organizations benefit by systematically assessing their own capabilities, understanding how that capacity fits with the environment, and developing strategies to augment their human, technical, and financial resources. Strategic management encourages reflection and provides the appropriate tools -- SWOT analysis, institutional mapping, mission clarification, and objectives specification. For example, although South Africa's Sunnyside Group enjoys a broad membership and strong analytic skills, it still must develop and mobilize strong coalitions to advance specific policy reform objectives/initiatives.
- ***Strategic management encourages organizations to look to the external environment for opportunities.*** Private sector organizations and actors can benefit by actively looking for opportunities to influence policy formulation and implementation. Pending legislation, elections, a new or revised constitution, strengthening of the legislature, judiciary or local government, greater acceptance of critical media coverage and public debate, pressure for policy reform by donor organizations, or the changing interests or positions of current leaders are all potential opportunities. Strategic management tools such as SWOT assessment, stakeholder analysis,

political mapping, and forcefield analysis can assist in identifying such possibilities.

The commercial sector reform workshops in Guinea-Bissau provided an opportunity for the private sector to participate in and influence policy for expanding trade and investment.

Table 2: A Framework for Using Strategic Management to Increase the Ability of the Private Sector to Influence Policy Formulation and Implementation

<i>The IPC Strategic Management Process</i>	<i>Characteristics Affecting the Private Sector's Ability to Influence Policy</i>
1. Agreement on and initiation of the strategic management process.	The private sector must recognize its ability to influence policy and decide to pursue those opportunities. Strategic management provides a methodology for pursuing its policy influence objectives.
2. Identification and clarification of the organization's mission, objectives, and current strategies.	<p>Organizational Choices</p> <ul style="list-style-type: none"> ▪ <i>Collaboration or advocacy</i> ▪ <i>Temporary or permanent advocacy function</i> ▪ <i>Policy influence only or other activities</i> <p>What is the organization's strategy? On what are these choices based? Where does policy influence fit into the organization's strategy?</p>
3. Identification of the internal strengths and weaknesses.	<p>Available Private Sector Resources</p> <ul style="list-style-type: none"> ▪ <i>Human resources</i> ▪ <i>Technical resources</i> ▪ <i>Financial resources</i> <p>What resources can the private sector bring to bear on decision makers? What resources are lacking?</p>
4. Assessment of the threats and opportunities from the external environment.	<p>Operating Environment</p> <ul style="list-style-type: none"> ▪ <i>Degree of centralization</i> ▪ <i>Means of accountability</i> ▪ <i>Tradition of participation</i> <p>Where are decisions made? How are decision makers held accountable? How are participation and advocacy perceived and handled?</p>
5. Identification of key constituents/stakeholders and their expectations.	<ul style="list-style-type: none"> ▪ <i>Degree of concentration/differentiation</i> ▪ <i>Receptivity to reforms</i> <p>Who has an interest in the policy? Who makes decisions? What are their positions?</p>
6. Identification of the key strategic issues confronting the organization.	<p>Agenda Development</p> <ul style="list-style-type: none"> ▪ <i>Public or private sector agenda</i> ▪ <i>Informed stakeholders</i> <p>Who selects which are key issues? How are choices made?</p>
7. Design/analyze/select strategy alternatives and options to manage issues as identified in step 6.	<p>Policy Influence Tactics</p> <ul style="list-style-type: none"> ▪ <i>Joint problem solving</i> ▪ <i>Leveraging resources</i> ▪ <i>Research, analysis, dissemination</i> ▪ <i>Persuasion and bargaining</i> <p>What means are available and effective to address the issues?</p>
8. Implementation of strategy.	What are the tasks to be carried out? How can the organization mobilize resources?
9. Monitoring and review of the strategy's performance.	How will the group know if it is influencing policy? Are the policies working? What are the critical indicators?

Nevertheless, the business community may not have been sufficiently organized or strategically focused to identify it. Fortunately, government officials on the working group extended the private sector community an invitation to participate; the private sector recognized the opportunity and agreed to collaborate.

- **Strategic management can assist the private sector to select influence mechanisms and tactics that increase their role in and influence on the policy process.** An array of agenda development and influence mechanisms are available to the private sector. The tools of strategic management -- activity planning, priority setting, constituency mobilization, and advocacy -- can help organizations develop strategies and select appropriate organizational structures and tactics to meet their objectives. The West Africa Livestock Coordinating Committees has had an incremental impact on policy by selecting influence mechanisms that meet the needs of political leaders. They have concentrated on conducting policy analysis, presenting cogent arguments, gaining access to decision makers, and assisting with negotiation, mediation and coordination.

V. THE ROLE OF THE PRIVATE SECTOR AND LESSONS LEARNED

The private sector can play a significant role in the policy process by influencing design, advocating for adoption, and participating in implementation, as shown by the discussion above.

- ***In most cases, the private sector can play some role in the policy process.*** Even in countries with a hierarchical and closed policy decision making structure, the private sector can through collaborative strategies define a niche for itself. In Uganda, the National Forum serves the needs of the government, in particular the President's Economic Council, by providing a means to bring in key members of the private sector, gather their input on and develop their ownership of impending reforms, and, ideally, result in policies reflective of private sector interests, thereby encouraging the desired private sector response. While the government clearly benefits from the Forum, it also provides private sector participants a heretofore unavailable opportunity to contribute to policy

deliberations and implementation. By using the goodwill generated through the Forum, the private sector has leveraged its role.

In countries where policy authority is more dispersed, organizations still need to position themselves to establish credibility with target policy makers and potential private sector constituents. Ghana's Institute of Economic Affairs has evolved into a research-based advocacy institution with a commitment to serving the research, policy analysis, and training needs of the legislature, the cabinet, the media, and leaders of the private sector. All their activities provide opportunities for the private sector to influence decision makers and opinion leaders and affect the policy process.

- ***To participate in the policy process, private sector parties must be proactive and opportunistic.*** To increase private sector participation, business leaders and organizations must proactively look for, create and take advantage of opportunities to engage in policy dialogue. Prior to the establishment of the Enterprise Networks in West Africa, many of the younger generation of entrepreneurs were disillusioned with the existing Chambers of Commerce and traditional business organizations because they did not advocate the trade-oriented, free market reforms that the entrepreneurs wanted. Creating the enterprise networks provided an organization and mechanism for this group to marshal their influence and voice their policy interests.

Private sector organizations need to explore opportunities as they arise, even if they don't seem appealing. A private sector leader or organization may be skeptical of a government invitation to collaborate in policy reform. They may worry that their constituents will view them as capitulating to government interests, that the government may use them solely to validate their own agenda, or that their concerns will not be addressed. Given the limited number of alternative channels for participation in some systems, however, some opportunity to influence is better than none at all. Private sector participants in the Uganda National Forum, Guinea-Bissau's commercial reform workshops, or the West Africa Livestock coordinating committees may have initially doubted the utility of these collaborative endeavors, but all have

proven that participation, even as constrained by the limitations of collaboration, is a first step towards influence.

- ***An increased role for the private sector in the policy process leads to greater pluralism.*** Greater influence and participation by any pressure group sets a precedent for repeat participation by that group, and more participation by one group serves as a model to other groups, and opens up the policy process to more dialogue and inclusiveness. The interests of business are critical to many reform efforts. The success of many policies to bolster economic growth and development depend on private

sector response. Accommodating the needs and interests of the business community is pivotal to policy outcomes. As private sector actors become more engaged, it is likely that they will make greater demands on government, not only for benefits and services, but for transparency and accountability in the policy process. Through participation, the private sector gains ownership of both policies and policy making. If private sector organizations are successful, their legacy of greater democracy may ultimately confer more benefits on society than any specific policy reform for which they advocated.

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