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1. Introduction

This handbook presents basic information on advocacy and how it can be pursued by private enterprises, government institutions and other organizations in Sri Lanka to establish and safeguard their rights. It was prepared by The Asia Foundation, Sri Lanka, through its Local Economic Governance Program, with financial support from the Australian Agency for International Development and the Department for International Development (UK). The handbook is largely adapted from a publication on policy advocacy for SMEs in Indonesia, prepared by The Asia Foundation in Indonesia.1 It has also drawn on advocacy materials developed Dr. Hetifah Sjaifudian Sumarto, an independent consultant to The Asia Foundation. Erin Thebault Weiser, Frida Rustiani, Veronique Salze-Lozach, Farouk Chowdhray, Syed Al-Muti and Niroshinie Nayagam all of The Asia Foundation contributed towards this process.

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2. Who should use this Handbook and how

- **Business associations or other organizations** that wish to engage in policy advocacy. These can follow the given examples in carrying out policy advocacy.

- **Government institutions and organizations** that wish to prepare better policies for enterprises or wish to strengthen the position of enterprises in the local and national economies; and

- **Donor institutions and non-government organizations** that wish to facilitate business associations in carrying out policy advocacy for private enterprises.

Policy advocacy is an activity that requires “actors” for its performance. In this case, the actors considered most competent to perform policy advocacy in the private sector are entrepreneurs themselves, through independent associations and chambers.

The Business Environment

Business environment relates to conditions created by the government through regulations and policies to support the development of businesses. The business environment includes outside macro factors, such as the input market (raw materials), the output market (marketing), business development services, financial institutions, infrastructure, and government bureaucracy. Businesses in most developing countries generally feel that the business environment is not conducive to supporting improvements in their performance. The government is considered to be influential in creating a conducive business environment, as it has the authority to determine the whole series of business regulations and policies.

To create a better business environment, entrepreneurs need to voice their own concerns and interests to the government. Businesses need to work side by side with government to produce good economic policies. At the same time governments should permit businesses to provide input and should resist from making policies behind closed doors. Thus, advocacy is conducted in order to directly respond to the various issues that tend to arise when policy formulation hasn’t been a consultative process. Advocacy is carried out in response to conditions experienced by businesses that restrict
their business development. In this context, advocacy requires structured efforts and methods to press for change.

The actors who can assist in change include business associations, NGOs as well as the government itself. Below is a figure that illustrates the relationships between the various actors in effecting policy change. It shows that business associations can play a very important role in affecting the desired changes in conditions, and creating a better business environment.

The business environment in its broadest sense comprises of all factors external to the firm which affect business opportunities, operations, and profitability. These include market demands; market structure and competition; location; climate; availability; costs and quality of labor; land and natural resources; access to financial and business services; physical and social infrastructure; legal and regulatory framework; government business, trade, and macroeconomic policies and institutions; physical security; and the social and cultural context.
and behaviour of the bureaucracy, and operations of state-owned enterprises. The impacts of government actions on businesses can be direct or indirect. Examples of government actions that have a direct impact are legal requirements for registration, permits and licenses; environment regulations; and taxes. Government can also indirectly affect the business environment through its influence in such sectors as input markets, output markets, security, financial services, education, health, and physical infrastructure. Examples are limitless and include such items as import tariffs causing high costs of inputs; over-valuation of the currency making exports unprofitable; financial sector regulations leading to poor bank coverage and excessive collateral requirements; state-owned electricity company failing to provide reliable and market-priced electricity; poor road maintenance causing high transport costs; poor schools producing unemployable labor force; and lack of security making business operations unsafe.

The enabling environment for business focuses on the extent to which government policies, laws, and regulations set the rules of the game for business and influence, positively or negatively, the performance of markets, the incentives to invest, and the cost of business operations.
3. Enterprises in Sri Lanka

Definition of “private enterprise”

Private enterprises are defined as a business unit established, owned and operated by private individuals for profit. They range from micro, small, and medium to large entities.

Role of private enterprise in national economy of Sri Lanka

The paucity of data presents some challenges to empirically determine the importance of private enterprise to Sri Lanka’s national economy. However, based on the Central Bank estimates for 2006, the private sector accounted for 87 percent of total investment and 89 percent of total consumption in the economy.

Among the wide range of enterprises that are functioning in Sri Lanka, the manufacturing sector is an important economic component because its activities tend to provide linkages to other sectors that produce or provide upstream or downstream inputs and services. Small and medium-sized enterprises make up the bulk of the private sector since they account for a large proportion of start ups, encouraging investment and generating sustainable employment. Within the manufacturing sector, SMEs account for approximately 96 percent of industrial units, 36 percent of industrial employment, and 20 percent of value addition. It also constitutes 70 percent of the total employment in the business sector.

Private enterprise has played a strategic role in Sri Lanka achieving middle-income country status in recent years, through its participation in rural economic development, poverty reduction, and in providing employment and stimulating supply. The national government has recognized the important role the private sector plays in the sustainability of economic development, and this is reflected in policy reforms undertaken.

The private sector acts as a development arm of the economy, empowering individuals to overcome poverty. The most sustainable job creation nationally is by private firms, ranging from newly established small firms to established multinational companies expanding in the growing economy. At present, loss-making state institutions have become a drain on public expenditure, due to politicized decisionmaking and the ensuing inefficiencies created,
reinforcing the importance of the private sector in driving sustainable economic growth and employment.

**Constraints faced by the private enterprise sector**

Macroeconomic mismanagement is one of the primary challenges faced by the private sector. Ineffective monetary policy to contain high inflation, external shocks, and the spiralling cost of living are all demand side obstacles currently faced. In the agricultural sector that comprises much of the rural economy, escalating labor and energy costs combined with a lack of productivity and competitiveness is resulting in sector stagnation and an increasing urban-rural economic disparity.

Textile exports made up 39 percent of total industrial production in 2007 and faces ongoing challenges to market share in an increasingly competitive global export market. The current state of economic infrastructure has posed a serious capacity limitation on continuing growth of private enterprises, limiting the enabling environment for business to operate. Expanding access to financial services remains an important regulatory challenge for many private enterprises, regardless of size, due to the inefficiencies of the provision of credit. Looking forward, government policies in the financial sector should focus on reforming institutions, developing infrastructures to take advantage of technological advances, encouraging competition, and providing incentives through prudential regulations. In a political regime that historically has not had a notable transparent decision-making process, policy advocacy has proven to be an effective tool to facilitate dialogue about these issues and regulatory obstacles faced by private enterprises.

**3.1. Why Private Enterprises Need to Engage in Advocacy**

Policy Advocacy is a series of planned actions targeted at policymakers to support certain policy issues. Given the position of private enterprises in Sri Lanka’s economic and political landscape, it is increasingly important that enterprises engage in independent policy advocacy activities. There are several reasons for this:

First, the most effective actors to carry out policy advocacy are the parties directly affected by the policy. The enterprises are the actors who really understand the issues; not the NGOs, the universities, nor even the experts. By doing policy advocacy independently, it is hoped that the issues targeted
for change will depart from the problems experienced by enterprises, and the ideal conditions that they would like to see achieved. This also prevents accusations that businesses are being “used” or “provoked,” allegations that the pressure for change comes not from the businesses themselves but rather from outside parties.

Second, advocacy activities are not strong enough when done only by individuals. Advocacy requires support, and the closest support comes from fellow businesses. Advocacy through business associations/chambers is therefore essential. Support from other business operators or associations is also needed to show that a given problem is experienced not by only by a few business operators but by nearly all.

Third, businesses face problems related to business environment that hamper their performance. As detailed out earlier, “business environment” refers to the factors outside a business that can affect that business’s development. Among these factors are the input market (raw materials), the output market (marketing), business development services, financial institutions, infrastructure, and government bureaucracy. Businesses feel that the present business environment is not conducive to supporting improvement of their performance. The party they consider responsible for creating a conducive climate, as it holds the authority to determine the whole series of business regulations and policies, is the government, both central and local. Businesses need to engage in advocacy with the government in order to change the conditions that restrict their business development.

<table>
<thead>
<tr>
<th>Reasons for Enterprises to Engage in Advocacy</th>
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<tbody>
<tr>
<td>• Enterprises are the most effective actors to carry out policy advocacy since they are directly affected by the policy.</td>
</tr>
<tr>
<td>• By advocating through associations, enterprises are able to get support from other business people and show that a given problem is experienced not only by a few business operators but by nearly all.</td>
</tr>
<tr>
<td>• Enterprises need to engage in advocacy with the government in order to change the conditions that restrict their business development.</td>
</tr>
</tbody>
</table>
3.2. **Role of Business Associations in Promoting Policy Advocacy**

Experience gained from The Asia Foundation’s Local Economic Governance Program shows that it is difficult for individual enterprises at the local levels to interact with public service providers. Most of the businesses are unable to inform the Government of their needs and constraints in a systematic and organized manner. Government officials also find it difficult to attend to requests and complaints from different individuals and provide the latter with necessary information and advice on an individual basis. As a result, service provision is hampered.

A way out of this impasse is for the enterprises to approach the public service providers through their associations, which are in a better position to make the collective voice of their members heard. Experience has shown that collective action through an organized association is more effective in safeguarding business interests than disorganized individual efforts. A significant part of the collective action of business associations is advocacy work. The next section describes the concept and types of advocacy and how it can be effectively carried out.
4. An Overview of Advocacy

4.1. Definitions of Advocacy

From all definitions of “advocacy,” it is reasonably clear that advocacy is an activity done to effect change in policies or programs made by institutions. These institutions may be governmental institutions at the local or central level, or even private and multinational companies. Some interpret advocacy as referring solely to the activity of defending a case, or litigation in court. A broader definition of advocacy covers not only defending but also promotion or even creation. Below are a number of commonly used definitions of advocacy.

<table>
<thead>
<tr>
<th>Definitions of Advocacy</th>
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</thead>
<tbody>
<tr>
<td>• A process to change unjust and unequal power relation and power structure in favor of the marginalized.</td>
</tr>
<tr>
<td>• A creative process that helps the downtrodden (marginalized/deprived population) in realizing their rights.</td>
</tr>
<tr>
<td>• A communication process that is aimed at organizing deprived and marginalized people on the basis of specific issues that affect them.</td>
</tr>
<tr>
<td>• A planned/organized and participatory process to change public policy and people’s attitude, and empower the marginalized.</td>
</tr>
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</table>

4.2. Types of Advocacy

Broadly speaking, advocacy can be divided into the following three types: (a) policy advocacy, (b) public advocacy, and (c) people-centered advocacy. These are briefly described below.

a) Policy Advocacy

Policy advocacy, as mentioned earlier, is a series of planned actions targeted at policymakers to support a certain policy issue. Political/economic change is attained through formulation/adoption of policies, which are used as tools. In this type of advocacy, the main role is played by mediators of power, while the role of the population at large is rather indirect. It is motivated by social engineering. This handbook deals primarily with policy advocacy.
b) **Public Advocacy**

Public advocacy is aimed at attaining welfare for the people, but does not necessarily empower them. This type of advocacy is dependent on the opinions and support of the majority of the population. It is easy to achieve results since implementation is comparatively easy. (Examples: Policy on banning the use of polyethylene bags; policy on banning motor vehicles with two-stroke engines.)

c) **People-Centered Advocacy**

In this type of advocacy, the people are the driving force. The advocacy process/approach is rights-based and value-driven, and is aimed at changing/empowering marginalized people. Such advocacy leads to a sustainable change in the power structure and the total process is transparent.

### 4.3. Methods of Advocacy

The major methods used in advocacy work can be broadly divided into two groups: violent and non-violent methods. Strikes are a common example of violent advocacy. The non-violent approach, which is more commonly used in advocacy, is based on persuasive communication aimed at achieving set goals. Advocacy methods include alliance building, networking, forming coalitions, creating public opinion, mounting media campaigns, holding dialogues and meetings, social mobilization, lobbying, bargaining and negotiation, forming human chains, etc. Depending on the nature of the advocacy work, these methods can be used either in isolation or in combination with one another to achieve advocacy objectives. Some of the most important of these methods are briefly described below.

a) **Alliance Building**

Alliance is a union of groups or individuals formed with the aim of achieving advocacy goal(s). A principal condition of any advocacy effort is capacity and capability strengthening by forming alliances with other bodies. These alliances are temporary and not necessarily undertaken with like-minded bodies.

b) **Networking**

Advocacy networking comprises communication and cooperation among people or organizations with the aim of pursuing a specific issue.
Networking is a process of building a set of connections. Network is an institutional and organized relationship with like-minded bodies and is of a more permanent nature compared to alliance building.

c) Coalition
Coalition is a short-term union of different organizations in which the policy of each member organization can remain intact. Coalition is issue-based and time-bound, but not necessarily undertaken with like-minded bodies. Coalitions are usually formed for advocating specific issues.

d) Public Opinion
Creating public opinion on an issue that needs to be addressed is an important part of advocacy work. In creating public opinion for or against an issue, it is important to collect, document, and analyze all relevant data and present the processed information to policymakers and the public at large in an organized and convincing manner. The process of forming public opinion should be aimed at receiving support from relevant stakeholders and avoiding conflicts.

e) Media Campaign
A media campaign is aimed at promoting an idea, issue, or institution by using the printed media (newspapers, periodicals) and electronic media (radio, television). Media campaigns help in identifying, selecting, and presenting issues that need to be addressed and in informing and sensitizing the public.

f) Dialogue
Dialogues among different groups help in identifying and discussing the pros and cons of various issues that need to be addressed. As an advocacy method, dialogues provide an opportunity for different groups to voice their opinions and concerns on various issues and to come to certain decisions regarding them. It is an essential element of networking. Of late, policy dialogues have become a popular means of discussing issues amongst stakeholders with the aim of influencing policymakers to make necessary policy changes.

g) Lobbying
Lobbying is the process of using power brokers (i.e. people who are close to power) to influence decision makers for changing policies.
4.4. The Main Actors of Advocacy

The main actors involved in advocacy work can be divided into two groups: objects and subjects of advocacy. The objects of advocacy include policy makers (government) and market, while the subjects are civil society, NGOs, and business associations, etc. The objects and subjects of advocacy are counter-balancing forces which influence one another.

a) Government

The government in advocacy work includes various agencies and officials like ministries, justice department (courts), administrative departments, local government representatives, police and armed forces, executive officers, policymakers, etc.

b) Market

This group includes chambers of commerce and industries, multinational companies, business enterprises, export promotion zones, business associations, and individual businessmen, etc.

c) Civil Society

Anything and everything outside of government and market can be considered civil society. This group includes, but is not limited to, grassroots organizations, political leaders, trade unions, professionals, mass media, and NGOs.
5. Carrying out Policy Advocacy

The crucial stage that determines the success of any policy advocacy is a thorough understanding of all the opportunities and challenges that will influence the policy-making process at both the local and national levels. Basically, the policy-making process is a cycle, rather than a linear process. That is, the process is constantly underway, because there are always certain points at which the public can intervene or exercise influence. Business operators or business associations are the segment of the public that is directly affected by the policies made, and therefore they have every right to attempt to influence this process.

While anyone can be the target (object) of advocacy activities, in this handbook the targets of advocacy activities are the policymakers (executive and legislative). In Sri Lanka, one of the greatest challenges for business development, particularly for small businesses, is government policies that are not always conducive. These policies have quite a broad scope, encompassing both the written regulations and the implementation of those regulations in the field.

In the experience of many business associations, not all advocacy activities succeed in bringing about change. Even when they do produce change, usually the changes that occur are not as great as was hoped, for example in the form of changes to regulations. Therefore, one important point to note for policy advocacy activities is that the process of carrying out policy advocacy is in fact nearly as important as the results of the policy advocacy. This should be noted so that business operators or business associations do not become discouraged when they carry out a series of advocacy activities and the results are less than they had hoped for. We must believe that at a certain point, the policy advocacy will bring results. It is important to bear in mind, that to produce the desired changes, a systematic and effective series of activities is needed. The important steps in advocacy discussed in the next section can help in planning and performing advocacy activities properly.
6. Important Steps in Advocacy

There are multiple meanings or interpretations of advocacy, but what needs to be understood is the need for particular steps in the advocacy process that can bring about change.

6.1. Determining the Advocacy Issues

An advocacy issue is a problem faced by businesses for which changes are to be proposed. However, not every problem faced by business operators can become an advocacy issue. A problem can become an advocacy issue if:

- **The issue is a real need of business operators and requires change.** An example is changes in business licensing procedures. This is a real need for businessmen because the business licensing process is still considered unnecessarily complex, not transparent, and costly. As a
result, businesses have difficulty in arranging licenses quickly, and the costs are high. If no changes are made, small businesses will be harmed.

- **The issue is important and requires immediate change.** If no change is made, there will be a wider negative impact. Usually, such problems spread and affect even more victims (in this case, businesses). Examples are illegal fees and the high security costs that must be paid by businesspeople. Concrete government efforts to overcome illegal fees are a change that is needed immediately, as it directly affects the operating costs of businesses.

- **The issue is in line with, and part of, wider socio-political change.** An example is supporting a political and economic platform that sides with small and medium businesses. The government needs to be encouraged to formulate a good platform involving private enterprises.

To make advocacy activities more effective, selection of the issue should be based on the following two basic principles:

- **Focus:** Choose only one problem. To help in focusing on one problem, answer these questions: (a) Which problem is most important? (b) Which problem can most likely be changed?

- **Strength of support:** Choose the problem that can obtain the greatest support for change. If the advocacy activities are to be done by a
business association, a majority of votes must support the advocacy activities.

To further sharpen which advocacy issue will be chosen, with attention to the two principles noted above, here are some more questions that can help in preparing an advocacy issue:

Below is an example of a simple advocacy table. ²

<table>
<thead>
<tr>
<th>List of problems</th>
<th>What will be the impact</th>
<th>What kind of change is needed</th>
<th>Potential action by associations</th>
<th>Relevant institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. High price of fuel because of high tax</td>
<td>Increase the cost of production / doing business</td>
<td>Tax should be reduced</td>
<td>Meeting with relevant institutions to voice their concern</td>
<td>Parliament, Ministry of Energy</td>
</tr>
<tr>
<td>2. Illegal fees: collected by government officials, during licenses application process because no clear stipulation in the law</td>
<td>Increase the cost of doing business</td>
<td>Clear stipulation in the law and political will of the govt to enforce the law</td>
<td>Meeting with relevant institutions to voice their concern</td>
<td>Parliament, related ministries</td>
</tr>
</tbody>
</table>

² Advocacy table based on information gathered from business owners in 3 provinces in Cambodia.
6.2. Private Enterprise Crisis Mapping

A private enterprise crisis map helps to prioritize issues for advocacy. It has multiple uses and can be used for making an assessment of the status of economic governance. It also helps in planning for advocacy and to ascertain which indicators are relevant for the target groups. Crisis mapping deals with identifying potential factors that contribute to the expansion and contraction of business growth in Sri Lanka. The magnitude of crisis identified is not always equal or consistent at every place and time. The crisis status is relative and may change with a change in the external environment. The crisis needs to be contextualized before any advocacy priority is focused.

Some business crisis indicators are illustrated in the matrix below. Most of these indicators are related to governance performance. The magnitude of the crisis therefore can be identified through the use of Governance Performance Monitoring tools like:

- Public hearing
- Social audit
- Institutional performance rating
- Opinion surveys
- Consultation, etc.

| 3. High interest rate, high administrative costs, long periods | Businesses don’t have enough capital to produce although potential market is identified; high interest rate makes investment more difficult. | Lower interest rate of the bank; facilitation from the association to access potential funding collectively | Negotiate lower interest rate with the bank | Related banks |
6.3. Supporting Data for Advocacy Issues

Once the advocacy issue has been determined and prioritized through a proper analytical process, the next stage is to reinforce the advocacy issue through the support of credible data. Much data can be obtained, but not all of it can be defended. Use of indefensible data can weaken advocacy.

Data that are suitable for responsible advocacy must meet criteria based on the following two aspects:

<table>
<thead>
<tr>
<th>Crisis Indicators</th>
<th>Crisis Status</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Modest</td>
</tr>
<tr>
<td>Inadequate government policy and priority</td>
<td>xxxxx</td>
</tr>
<tr>
<td>Excess/unstable price of agricultural inputs</td>
<td>xxxxx</td>
</tr>
<tr>
<td>Lack of access to easy financial services</td>
<td></td>
</tr>
<tr>
<td>No special loan incentives/government subsidies</td>
<td>xxxxx</td>
</tr>
<tr>
<td>Lack of business development/extension services</td>
<td></td>
</tr>
<tr>
<td>Voice of business is lacking</td>
<td></td>
</tr>
<tr>
<td>Poor accountability of these business services</td>
<td></td>
</tr>
<tr>
<td>Poor access to business-related information</td>
<td></td>
</tr>
<tr>
<td>Lack of improved production technology</td>
<td>xxxxx</td>
</tr>
<tr>
<td>Inadequate growth in agro-based industries</td>
<td></td>
</tr>
<tr>
<td>Lack of coordination among major stakeholders</td>
<td></td>
</tr>
<tr>
<td>Poor enforcement of existing laws and provisions</td>
<td></td>
</tr>
</tbody>
</table>
a) **Substance**: Good data for advocacy must have certain characteristics:

- Recent data: Use the latest up-to-date information that portrays the present situation. Use of old data not only fails to reflect the present conditions; there is also the possibility that the problem has changed.
- Accurate data: Using proper and appropriate methods for gathering information will ensure accuracy of the data.

b) **Sources of data/information**: Two sources of data may be used:

- Self-collected data: Self-collected data can be derived from the experience of the association’s members, or from research activities formulated on the basis of the advocacy need.
- Data gathered by other parties: Included in this category are the results of research done by universities, NGOs, or other independent research institutions. Also included here are data from government statistics, both central and local, and from newspaper reports.

The main types of data that can be used as supporting data for advocacy activities are listed below:

<table>
<thead>
<tr>
<th>Type of Data</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surveys</td>
<td>Research using a quantitative approach, emphasizing the use of numbers as a means to demonstrate empirical facts.</td>
</tr>
<tr>
<td>Polling</td>
<td>This method is almost the same as surveys, but polling is usually done using a very limited number of highly specific questions. The questions are aimed at a wider social group than in a survey.</td>
</tr>
<tr>
<td>Case studies</td>
<td>Highly limited research in one region, but the focus of the research is usually very deep. Both quantitative and qualitative data can be used.</td>
</tr>
<tr>
<td>Government statistics</td>
<td>Data showing figures about certain conditions, e.g. numbers of businesses, value of contribution of small, medium, large businesses to GDP, etc.</td>
</tr>
</tbody>
</table>
Combined supporting data is sometimes used for advocacy. In the article below, Forda Singkawang and West Kalimantan used survey results from the business owners’ perspectives to show how long it can take to apply for business licenses. To strengthen the survey results, Forda also presented case studies from members’ experience when they apply for licenses.

Illegal fees remain a huge problem for business: Survey

Sari P. Setiogi
The Jakarta Post
Jakarta

Business people still see illegal fees as a major problem in doing business and they are unable to put a stop to the practice as police and court officials are among those who demand the illegal fees, according to a survey.

The latest survey made by the Regional Autonomy Witch (KPPOD), released on Monday, indicates that business people were obliged to pay illegal fees to court officials, security officers, community groups and thugs in order to secure their business interests.

In some companies, the illegal costs account for up to 10 percent of costs, quite high in view of the fact that many of them are still struggling to achieve a mere 5 percent profit amid the continued doldrums in many sectors of the economy.

KPPOD is formed by the National Economic Recovery Committee (K PEN), a group of leading business people.

The survey said, of the illegal fees, 13.1 percent were paid to court officials, 11.5 percent to security officers, 8.5 percent to community groups and 6.1 percent to thugs.

The payments of illegal fees are particularly common in the forestry, agribusiness and mining sectors.

The survey does not name the regions where the practice mostly occurs.

The report was made after a survey conducted last year on 5,140 companies operating both at the regional and national levels - including foreign companies.

The survey covered 200 districts and cities in 29 provinces.

Out of the surveyed companies, 85 percent said they paid the illegal costs, while 15 percent did not respond.

Executive director P. Agung Pombunahi said on average illegal costs reached 2 percent of the production cost. While 337 respondents or 3 percent said the illegal costs reached between 8 percent and 10 percent of total production costs.

The survey found that 44.8 percent of respondents said the regional regulations were “quite supportive”; while another 28.3 percent described the regulations as “very supportive”.

Only 6.8 percent of respondents said the regulations were “not supportive”, while the remaining 20.2 percent say they were “less supportive”.

However, almost all business players surveyed (86 percent) said they were not involved in the process of a making business-related regional regulations.

The study shows 32 percent out of 896 regional regulations are damaging to business.

”Facts show that illegal costs continue causing problems for us (business players)… At the moment, investors could only achieve an average profit of about 5 percent. With illegal costs reaching 2 percent, who else will invest here?” said K PEN chairman Sofyan Wanandi.

He said currently investors were still reluctant to enter the country.

“Although the survey shows not only the government but also the regional authorities are causing problems for us”.

Separately, economist with the center for Strategic of the International Studies (CSIS), Djsiman Simandjuntak, said Indonesia should do its utmost to get rid of all problems haunting the business sector as many countries, such as China, India and Vietnam, are now doing to lure investors.

“It’s now or never, if we do not get any better, more foreign investors may pull their investments out of the country”, he said.
6.4. Rights-based Approach to Accessing Information

The state as the basic custodian of government controlled information should adopt necessary principles and guidelines on the right to know. Freedom of information should be guaranteed as a legal and enforceable right, permitting every individual to obtain records and information held by the executive and the legislature and any other body carrying out public functions. It is necessary to recognize the importance of public access to official information in promoting transparency, making the government accountable, and encouraging the full participation of citizens in the democratic process.

Economic empowerment through business development is potentially a function of utilizing business data for profit maximization. Development of businesses in Sri Lanka therefore largely depends on how effectively public access to government information has been promoted. The goal has to be achieved by promoting good governance in the public service delivery aimed at supporting business growth in Sri Lanka. The following tools can be effectively utilized to promote accountability among service providers and entrepreneurs’ access to information:

- **Citizen Charter**: This is a written and voluntary expression of understanding between the citizen and service provider about the nature and quality of services the service provider is obliged to provide. It is a useful way of defining, with stakeholder involvement, the nature and quality of service delivery.

- **Citizen Jury**: This is a process to allow decisionmakers and public representatives to listen to the public and learn what the people want and why. It involves a fact finding survey by an advisory body and uses a panel of juries. The decisionmakers in this process remain as observers while the advisory body and the panelists facilitate the mobilization of public opinion.

- **Citizen Report Card**: This is a participatory survey that solicits user feedback on the performance of public services. It helps to compare performance over the years for individual service providers as well as compare performance across service providers. A citizen report card is used in situations where demand-side data, such as user perception on quality and satisfaction with public services, is missing.

- **Social Audit**: This is an in-depth scrutiny and analysis of the performance of service providers with particular focus on social, environmental, and
community benefits. It is a regular poly-vocal process that follows a participatory approach. With this tool a government department can plan, manage, and measure non-financial activities. It is an instrument of social accountability of an organization.

- **Institutional Performance Rating**: It is a quantitative exercise to track the performance of a government institution in relation to clients’ expectations. It goes beyond just a data-collection exercise to being an instrument to exact public accountability through media coverage and civil society advocacy. It serves as a “surrogate for competition” for state-owned monopolies that lack the incentive to be as responsive as private enterprises to their clients’ needs.

### 6.5. Determining the Advocacy Strategy

When a person runs a business, the goal of the business is to earn profits. To earn these profits, many methods and strategies are employed. The strategy chosen greatly affects the amount of profits earned. Similarly, policy advocacy requires the right strategy if it is to succeed. The correct strategy is needed to arrange, plan, and focus on the specific results to be achieved and a clear advocacy path to achieve these aims.

To simplify formulation of the appropriate strategy, the following logical framework is employed:
Following this logical framework, the selection of the strategy must always be seen in connection with what is stated in the General Aims and what is formulated in the Specific Aims. The strategy must logically respond to the demands of the General Aims.

Key principles in strategy formulation (SMART):

1. **Specific**: Advocated issue has to be clear and focused.
2. **Measurable**: Indicators must be prepared from the beginning that can be used to measure what activities have been achieved. This makes it easier to discover any problems early on.
3. **Achievable**: The quickest and most effective ways to get the results.
4. **Realistic**: Every effort to achieve the aims will always entail some costs. It is therefore necessary to seek several alternative strategies and then determine which of these strategies provide benefits that are greater than the costs.
5. **Time bound**: The program has to be conducted within a certain period to achieve certain results. Therefore, it needs a thorough planning.

To fulfill the above principles, the following steps can be used in formulating a proper strategy:

- Make a list of methods that could be effective in producing policy change.
- For each method, list the indicators that could be used to measure achievement of results.
- Discuss the strengths and weaknesses of each method, based on the indicators.
- Perform a benefit/cost analysis. Calculate the benefits (results) that can be achieved from each method, and calculate the costs that must be expended for each method.
- Compare the benefits and the costs of all the methods. Choose the methods where benefits outweigh their costs.

The example of a logical framework for advocacy is below.
<table>
<thead>
<tr>
<th><strong>Intervention Logic</strong></th>
<th><strong>Performance Indicators</strong></th>
<th><strong>Means of Verification</strong></th>
<th><strong>Assumptions</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Goal</strong></td>
<td>(The overall broader objectives to which the program contributes) Better process for the business licenses issuance</td>
<td>(Measures that contribute to the overall broader objectives)  - Number of registered business increased by 20%  - Number of workers in SME sectors increased by 30%</td>
<td>(Sources of information for the indicators) Government statistics</td>
</tr>
<tr>
<td><strong>Objective</strong></td>
<td>(A more specific objective the program should achieve) Transparency in time taken and fees levied.</td>
<td>(Conditions at the end of the program that indicate the achievement of specific objective) Availability of information on time taken and fees levied in public areas</td>
<td>(Sources of information for the indicators) A board with information on time and fees</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(Conditions beyond our control, but they are necessary in order to achieve the objective) - There is a government policy on exact time and fee - Availability of government budget for board of information</td>
</tr>
<tr>
<td>Activities</td>
<td>(Tasks to be carried out in certain sequences)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Study of the current issuance of business licenses system</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Workshop to gather input from public and private sectors</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Means required to implement activities)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Availability of survey tools</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Field study conducted</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Attendance of relevant participants</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Sources of information that show the progress)</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>- Study TOR</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Availability of questionnaire and list of respondents</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Study report</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Invitee list</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Attendance list</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Workshop report</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Pre-conditions required before starting activities)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Availability of data on SMEs / respondents</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Preliminary assessment of participants has been conducted</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Sources of information for the indicators)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Government budget allocation for production and distribution</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Receipt of production order and distribution</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>(External factors must be realized to obtain the expected results on schedule)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Availability of information / recommendations for reduced fee and faster turnaround time for issuance of business licenses.</td>
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</tbody>
</table>

One important aspect of advocacy strategy is to determine the method of advocacy. This method depends on the role chosen by advocators. The main target of advocacy is changes of policy according to the interests of those
who initiate and demand for changes. There are two roles that can be chosen:

1. Role as a party who involves in the decisionmaking process through negotiation, lobby, and dialogue, etc. with decision-makers.
2. Role as a party who opposes the policy and puts pressure through demonstration and other revolutionary ways to push for changes.

To help in discovering proper and appropriate strategies for certain conditions, here is a strategy choice that can be considered is as follows:

**Policy Dialogue**

Generally, the most popular method among business associations for conducting policy advocacy is policy dialogue. This method is considered most appropriate because it directly brings together the private enterprises and policymakers (i.e. the government). In practice, such policy dialogues may be explicitly labeled as dialogues, but are also presented in the form of discussions, workshops, and seminars. Policy dialogues involve all parties related to the topic of advocacy, including the mass media.

**6.6. Stakeholder Analysis**

One very important step in policy advocacy is to expand the network in order to maximize results. To this end, it is necessary to understand the composition and constellation of the parties related to the advocacy activities. A strategy that is not based on an understanding of the positions, roles, influence, and capacities of the various parties involved is sure to be ineffective, as the success of a strategy depends greatly on how we interact with, influence, and mobilize support from the parties with an interest in the policy change.

One instrument used to understand this constellation is Stakeholder Analysis. Using Stakeholder Analysis, we can identify who we need to work with effectively to increase support for our initiatives. Through this analysis, we can also detect and act to prevent any misunderstandings or rejections that could occur.

Stakeholders are individuals, groups, or organization/institutions with an interest in a policy. They include: (a) Primary stakeholders, that is the parties that will receive the benefits (often called beneficiaries), and the parties that
will suffer losses, from a policy intervention step; and (b) Secondary stakeholders, i.e. intermediary parties, those that have influence or positions related directly or indirectly to achievement of the policy aim. This second category includes NGOs, government agencies, consultants, the banking sector, etc., which may or may not be involved in the decision-making processes.

Key stakeholders are those that can significantly influence policy, or those considered to hold an important position for achievement of the policy aims. Key stakeholders may come from either primary or secondary stakeholders.

This identification process increases the chances of success and is conducted using the SWOT method. Based on the association’s SWOT (strengths, weaknesses, opportunities, and threats) the relevant parties will be determined based on whether they complement the process. Steps in conducting the stakeholder analysis are:

1. List all parties (people, groups or institutions) related to enterprise development.
2. Identify parties that are potential supporters and parties that are opposed.
3. Identify how potential supporters can contribute to the program.

Stakeholder analysis in advocacy activities is aimed at:

a) Recognizing the issues that could affect, or be affected by, a policy advocacy process. For example, if we intend to make a policy on efficient licensing, we need to identify (a) what will be affected by the change in licensing policy, and (b) what could potentially affect the progress of the policy advocacy.

b) Identifying the parties with an interest in, or related to, a policy advocacy process. Once we have identified the matters that could affect and be affected by the policy, we can then identify (a) who has an interest (for or against) in the advocacy process; (b) who will receive the benefits, and who will suffer, from the policy change process; and (c) who are the “winners” and the “losers” in the present situation (when there is no policy, or when the existing policy is inadequate).

c) Identifying the characteristics of the various stakeholders based on their positions, influence, power, knowledge, etc., with regard to the policy that is the target of the advocacy. In this process, the advocacy team must identify the people who oppose and support the advocacy, in terms of their positions, influence, resources, etc. Through this process we can know the characteristics of the supporters, and the opponents, of the advocacy steps
to be taken. In addition to the supporters and opponents of advocacy, there will be some stakeholders who are undecided (the “fence-sitters”). The advocacy team should attempt to convince this group in order to make them supporters and prevent them from becoming opponents.

Advocacy Stakeholder Analysis

<table>
<thead>
<tr>
<th>PROPONENT</th>
<th>SUPPORTER</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

FENCE SITTER | OPPONENT

6.7. Creating and Presenting Effective Messages

Advocacy actions are closely related to activities to form public opinion, with the aim of influencing public policy. Efforts to form and even influence public opinion are hard work. In this regard, it is very important to formulate messages in such a way that they are effective. The following activities need to be undertaken for creating effective messages:

a) Focusing the Message

To formulate an effective message, it is important to ensure the message is focused. The following steps will help in focusing the main messages to be presented in a dialogue:

- Plan before-hand what message you want to convey; make notes as necessary.
- Present a maximum of three matters or issues for which you propose changes.
- Present proposals to change a maximum of two of the most important or urgent issues. Do not ask the target of your advocacy
to make changes in more than two matters, unless they indicate a strong and genuine interest in change.

- If possible, prepare calculations or estimates of the benefits that could be achieved from the change, as a projection for the future. Also emphasize the benefits that may be felt by the advocacy target.
- Present your main message (issue, proposal, and projection) in no more than 15 minutes.
- Leave plenty of time for dialogue. In the dialogue, you will see whether your message has been received well or not. If you feel it has not been well received, you can use the dialogue to reiterate your message, but avoid boring the advocacy target.
- Avoid a coercive or lecturing tone; the advocacy target will tend to reject your ideas, or react passively. Display an attitude open to negotiation, yet be clear and firm about what you are and are not willing to compromise on.
- Thank the advocacy target for listening to your ideas, and remind them that you will be back to follow up on the changes proposed.

b) Packaging the Message through the Media

If you cannot present the message directly, it can be packaged through the media. The media used can be pamphlets, brochures, posters, stickers, or use of the mass media, such as press conferences, press releases, and press gatherings. Among all these media, packaging the message through the mass media is considered to have the greatest impact on the general public, and is the most effective.

To package your message to be disseminated through the media, first be sure that:

- The message contains elements of “hot news.”
- The message will be interesting.
- The topic raised is relevant to local conditions or problems (contains a local element).
- The presentation of the message needs to be smooth and simple, so as to be readily understood by the general public. Choose the right person(s) to deliver the message.
• Ideally, the message should be complemented by visual materials (photos, illustrations, graphs, etc.), particularly when employing electronic media (television).

c) Presenting a Message Packaged in the Media

After the message has been packaged in various forms, the next important task is to convey the message. Pamphlets, stickers, and posters can be distributed to potential target groups and placed in busy, strategic places such as shopping malls, campuses, etc.

For messages packaged through the mass media, the methods to choose from include press conferences, press releases, press gatherings, and media talk shows. Dealing face to face with journalists requires thorough preparation because if the information presented does not match the message, your advocacy activities will be counterproductive. Below are several options for presenting messages:

14 Steps to Holding a Press Conference

• Determine whether a press conference is the most appropriate action.
• Set the date and time for the press conference. The best time is between 10 a.m. and 2 p.m., as press deadlines are usually at 12 midnight. If there is a journalists’ association, find out about any relatively slow times. Try to find a strategic location.
• Find a main speaker, and always have a back-up speaker ready. It is also good to have a small group of supporters present.
• Help the speaker write what he/she will present so that it is in line with your message.
• Make a list of available media, complete with addresses, phone and fax numbers, and names of reporters.
• Prepare a short announcement or invitation giving a brief description of the planned press conference, and fax it to all the media. Send it two to four days before the event. The invitation must interest reporters to ensure they come.

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3 Advocacy Guide, UNA-USA, April 2002
• Prepare a press release. This is needed to make it easier for the main message to be grasped quickly in the press conference. Pass the press release out to the reporters who attend, and send it to the media that did not attend after the press conference is over.

• Prepare a media kit containing research data or other available supporting data that will help the reporters to write better stories.

• On the day of the conference, telephone the media to remind them about the press conference. Always have a resource person available in case reporters want to conduct a further interview.

• Arrive at least 30 minutes before the start of the event to ensure that all technical aspects are ready.

• Don’t wait too long for reporters who arrive late.

• Thank all the reporters for coming. Be sure they have a chance to interview the speaker.

• Keep records of all media coverage following the event.

• To expand your reach, this can be followed up with other mass media activities, such as talk shows, in the same week.

Preparing and Issuing a Press Release

If it is not possible to hold a press conference due to limited time and funds, consider preparing and issuing a press release. Here are important things to remember when preparing a press release.

• The Headline: In about 10 words – or less – you need to grab the attention of the editor. The headline should summarize the information in the press release, but in a way that is exciting and dynamic; think of it as a billboard along a highway – you have just a few words to make your release stand out among the many others editors receive on a given day.

• Opening Paragraph: Your first paragraph is critical. This paragraph must explain “the five Ws and one H” of the story – the who, what, when, where, why, and how. This first paragraph must summarize the press release, with the following paragraphs providing the

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4 Dr. Randall Hansen’s Wide World of Web, Associate Professor of Marketing, School of Business Administration, Stetson University, DeLand, FL
details. The opening paragraph must also contain the hook: the one thing that gets your audience interested in reading more – but remember that the hook has to be relevant to your audience as well as to the news media.

- The Body: Using a strategy called the inverted pyramid, the body of the press release should be written with the most important information and quotes first. This inverted pyramid technique is used so that if editors need to cut the story to fit space constraints, they can cut off from the end without losing critical information.

- The Closing Paragraph: Repeat the critical contact information, including the name of the person, his or her phone number and/or e-mail address.

**Press Gathering**

A meeting with the mass media, or press gathering, is usually necessary if the issue being raised or the activities to be conducted are not well known among the media and they therefore need a special briefing. This type of gathering is more like a discussion with relatively small groups (maximum 10 people). One or two informants from outside the group should present the issue to the group. The ultimate aim of this activity is that the mass media will be more familiar with, and better understand, the issue or activity, so that it could later be covered in the media. Because the ultimate aim of this activity is quite specific, the persons invited from the mass media should not be regular reporters, but rather more senior persons who make decisions, such as editors or chief editors.

**6.8. Evaluation**

After carrying out all the activities described above, the next step is to conduct an evaluation. This evaluation is important not only to see whether the policy advocacy activities have achieved results or not, but also as part of the learning process. The evaluation will reveal the strengths and weaknesses of the advocacy activities undertaken. It can also be used as a basis for further advocacy activities. Note that advocacy activities are highly dynamic activities that may require regular changes during each stage of the process. Thus, in advocacy activities, the correct advocacy process is nearly as important as the output of the activities. As with the policy cycle itself,
policy advocacy activities are also activities that must be ongoing and form a continuous cycle. When one cycle of the advocacy activities has been completed, the next cycle needs should be prepared immediately.

A schematic illustration of the advocacy cycle is provided below.

**The Advocacy Cycle**

![Advocacy Cycle Diagram]

6.9. Fundraising

The process should be budgeted for in terms of process and cost for each task/activity. Ideally, the associations need to proactively fundraise by reviewing funding possibilities directly from its membership, in dues and contribution, and from varying fundraising activities and initiatives.

6.10. Capacity Building for Advocacy

Advocacy skill development is a part of the advocacy process. This is achieved through:

- Training
- Experience sharing
- Learning from others
- Exposure visits
- Development of an advocacy system
- Strengthening discipline of advocacy subjects (e.g. SME associations)
6.11. Collection of Support Information and Monitoring

As noted above, advocacy activities are highly dynamic. Continuous efforts to collect information during the advocacy process are crucial because:

1. It can anticipate changes in current conditions and helps in planning changes to the advocacy strategy. By doing so, advocacy does not become ineffective or counterproductive.

2. It will provide an objective point of view on whether the policy advocacy has or has not achieved the intended goal.

Information collection is also crucial before conducting monitoring and evaluation, which aims to improve the program performance and achieve the goal.

<table>
<thead>
<tr>
<th>MONITORING</th>
<th>EVALUATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objective</td>
<td>To give input to the program</td>
</tr>
<tr>
<td>When to conduct</td>
<td>During the program</td>
</tr>
<tr>
<td>Function</td>
<td>As an early warning system that enables advocacy strategy changes</td>
</tr>
<tr>
<td></td>
<td>6 months - 1 year after the program</td>
</tr>
<tr>
<td></td>
<td>As a measurement to the achievement of the program that enables improvement for the next advocacy program</td>
</tr>
</tbody>
</table>

Below are some examples of monitoring tools (which are similar to the evaluation tools) for advocacy programs.

**Monitoring Tools for Advocacy Activities**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Target output</th>
<th>Indicator</th>
<th>Verification</th>
<th>Assumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Press conference</td>
<td>Mass media carry and disseminate news reports</td>
<td>25% of journalists attend</td>
<td>Attendance list</td>
<td>Story carried by at least 10% of the media that attend</td>
</tr>
</tbody>
</table>
The policy cycle

Policy advocacy program must be on-going and form a continuing cycle. When one cycle of the advocacy program has been completed, the next cycle needs to be prepared immediately. Below depicts how programs should be evaluated.

<table>
<thead>
<tr>
<th>Public dialogue/seminar</th>
<th>Policy makers are willing to listen, or even to change policy</th>
<th>Enterprises understand and are willing to support advocacy activities</th>
<th>Representatives of government agencies and legislatures are present</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>60% of participants are SMEs</td>
<td></td>
<td>60% of participants are SMEs</td>
</tr>
<tr>
<td>Attendance list</td>
<td>Plan for follow-up from the public dialogue or seminar</td>
<td></td>
<td>Plan for follow-up from the public dialogue or seminar</td>
</tr>
<tr>
<td>Preliminary commitment from policy makers to change policy, and from the enterprises to support advocacy activities</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Lobbying with legislatures | Issue will be discussed in legislative sessions | More than two legislators attend, and display interest in solving enterprises’ problems | Minutes of meeting | Previous personal contact with legislators |
7. **Examples of Successful Advocacy Work**

Advocacy activities carried out by businesses and their associations have been successful in many parts of the world. Examples of such activities in three countries – Bangladesh, Cambodia and Indonesia – are recounted below.

7.1. **Establishing Rights in Accessing Financial Services in Bangladesh**

The Rangpur-Dinajpur Rural Services (RDRS), an NGO operating in northwest Bangladesh, started its business development activities in 1999 through the “Competency-based Economies through Formation of Entrepreneurs (CEFE) Entrepreneurship Development Program.” Lalmonirhat was one of the focal areas for the program. In the launch workshop, important stakeholders (Bangladesh Small and Cottage Industries Corporation (BSUL), commercial banks, government agencies, chambers of commerce, local leaders, and NGOs) were invited and their cooperation solicited. Participation by the key stakeholders was also aimed to build confidence and establish a local network with SME service providers. Initial consensus building with the key players was successful both in terms of establishing connectivity and securing commitment of support.

A training program on new business creation was organized in Lalmonirhat for a group of 25 interested participants, who were carefully selected from a larger group of 60. An expatriate CEFE Trainer conducted the training. At the end of the training, the participants were asked to formulate business plans that they intended executing. The business plans, were evaluated by a panel of qualified practitioners representing local commercial banks, BSCIC, and the Rajshahi Krishi Unnayan Bank (RAKUB).

The panelists appreciated the initiatives of RDRS and the business plans prepared by the entrepreneurs. The local bank managers assured the participants of financial assistance, since some of the plans were very convincing and potentially deserving of investment support. However, at the end of the training, the participants could not attract the local commercial banks to provide investment support when they applied for enterprise loans from those banks. In the context of growing reluctance of bankers to process the loan applications of the new entrepreneurs, RDRS Business Development Unit resorted to an advocacy approach to influence the local bankers in favor of the applicants.
The applicants were organized into a group and advised to move collectively instead of approaching the local banks individually. The applicants were provided with all necessary information regarding loan eligibility, processing, and disbursement procedures. The collective approach presented in a big change in the attitude of the bankers. The applicants expressed their confidence and assertiveness while negotiating on various conditions. Their voice within a short period of time was augmented because of their collective approach, skills, and access to information. At one stage, the aspiring applicants politely invited all the local bank managers that they had approached to visit their business sites. They were successful in bringing a number of managers to their proposed sites and explained the potential they had to make their businesses profitable. Physical verification of the SME sites by the bank managers finally prompted BSCIC to finance six off-farm SMEs and RAKUB to finance at least one on-farm business plan.

The progress was followed up until the businesses commenced operations and reached a position whereby they could profitably sustain their enterprises. The follow-up also indicated that loan repayment by CEFE entrepreneurs was done regularly and at the rate of nearly 95 percent.

7.2. Tuk-tuk Drivers Protest Parking Fees and Regulations in Cambodia

Hundreds of tuk-tuk (autorickshaw) drivers gathered in the provincial town of Siem Reap on September 5, 2006, to demand the rescinding of new restrictions and parking fees for their vehicles at Angkor Archaeological Park, newspapers reported:

Around 200 tuk-tuk drivers staged the protest by blocking the entrance to the cultural tourist complex, claiming that unfair practices have been implemented since September 1, officials told The Cambodia Daily.

Cambodge Soir reported that there were nearly 1,000 protestors at the demonstration.

The Apsara Authority, which is responsible for the conservation of the ancient complex, confirmed that tuk-tuk and taxi drivers must now park their vehicles in a parking lot near the entrance, and can no longer carry tourists directly in to the temples, The Cambodia Daily reported. The government has granted exclusive rights to transport visitors around the complex in 40 electric vehicles to a private Chinese company, the English-language
newspaper noted. “The [three-wheel] drivers started to protest at 7 a.m. and broke up around 5:30 p.m.,” said Siem Reap Deputy Governor Chan Sophal as saying. “They disagree to pay a fee for the parking lot and want to take tourists right to the stairs of Angkor Wat,” he said, adding that officials have implemented the new policy in the interest of the park’s environment.

Kim Phally, president of the Tourism Transportation Association of Siem Reap, said that the parking lot is helpful in keeping order at the Angkor complex, but suggested that charging fees would definitely affect tuk-tuk drivers’ livelihoods, reported Koh Santepheap.

“If we have to pay fees to park in front of Angkor Wat, we will no longer be able to earn sufficient income to support decent lives, while the price of gasoline is already high,” said tuk-tuk driver Saru. “We will continue with our protest until parking is free of charge,” he added, according to the French-language daily Cambodge Soir. “Angkor belongs to Cambodians, Cambodians should reap the benefits,” the protesters proclaimed.

The Apsara Authority is currently charging 500 riel for a motorcycle, 2,000 riel for a taxi and 3,000 riel for minibuses at the new car park, noted The Cambodia Daily.

Protestors complained that at another parking lot near Bakheng temple, the operator charges fees based on how long a vehicle parks there, Sralang Khmer reported.

Soeung Kong, deputy director of the authority, said that the protestors removed tourist signs in front of Angkor Wat and damaged some of the company’s electric vehicles, reported Cambodge Soir. Tuk-tuk and motodop drivers “fear that the electric vehicles will take their business,” said the official.

Chan Sophal promised to effectively deal with the protestors’ difficulties, added Koh Santepheap. “We will hold joint discussions to find a fair solution,” he said.

7.3. Upgrading the Adi Sucipto Airport in Indonesia

Small and medium-scale businesses in Yogyakarta are dominated by handicraft producers, who until recently marketed their products mostly in Bali, both for consumption in Bali (which is a tourist destination) and for export. As a consequence, the fate of handicraft operators in Yogyakarta
depended greatly on Bali as their marketing area. When the Bali bombing tragedy occurred, Yogyakarta suffered a tremendous impact: exports through Bali virtually stopped, and there was also a fall in demand for products to be sold in Bali, as the number of foreign tourists fell sharply.

For this reason, Forda UKM (SME Forum) Yogyakarta, supported by JNP-UKM (National Support Network for Small and Medium Enterprises) and The Asia Foundation proposed that Adi Sucipto Airport be upgraded to become an International Airport. With an international airport, Yogyakarta’s dependence on tourists shopping through Bali would be reduced. Furthermore, it was hoped that any security disturbances in other regions would not affect tourist visits directly to Yogyakarta, where things remained relatively stable.

It should be noted that in this case, Forda UKM Yogyakarta used research study results that quantitatively showed the amount of losses suffered by Yogyakarta as the consequence of the Bali bombing. The data was presented to policymakers at the local and national levels by Forda Yogyakarta together with other business associations. In addition, Forda Yogyakarta cooperated with the media to conduct talk shows, making the advocacy activities even more convincing.
The Asia Foundation
www.asiafoundation.org

The Asia Foundation is a non-profit, non-governmental organization committed to the development of a peaceful, prosperous, just, and open Asia-Pacific region. The Foundation supports programs in Asia that help improve governance, law, and civil society; women’s empowerment; economic reform and development; and international relations. Drawing on more than 50 years of experience in Asia, the Foundation collaborates with private and public partners to support leadership and institutional development, exchanges, and policy research.

With a network of 17 offices throughout Asia and its headquarters in San Francisco, the Foundation addresses these issues on both a country and regional level. In 2007, the Foundation provided more than $68 million in program support and distributed 974,000 books and educational materials valued at $33 million throughout Asia.

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