**BUSINESS ASSOCIATIONS AS A PART OF CIVIL SOCIETY**

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Hello, my name is Maja Piscevic and I am Executive Director of American Chamber of Commerce in Serbia: AMCHAM. Given its reputations, trends, and influence, I believe that AMCHAM is a good – and more importantly – a replicable example for showcasing that business associations should play a vital role in the democratic dialogue between the private and public sector.

My focus today will be on the unique role that private sector civil society organizations fill be advocating for strengthening business environment, rule of law, transparency and the fight against corruption. This role, performed under the umbrella of the credible non-government institution I view as an essential element of a functioning democracy.

Private sector has arrived, but also a civic obligation to make its voice heard on policy issues. By pursuing policy advocacy private sector performs its principle role in the democratic process, and in this way, complements the quality of the civil society’s contribution to the improvement of the government’s capacity for good governance.

In order to do this presentation in a slightly different and a bit out of the box way I will use the famous Steven Covey’s *7 Habits* based on timeless principles or natural laws that drive both individual and organizational effectiveness. I will use it as a framework for telling my story on this beautiful day in Belgrade. So let’s do it.

**Habit Number 1: Be Proactive**

As much as it sounds as an obvious truth that business associations should be proactive in achieving their goals and objectives, unfortunately in reality it happens that they invest huge amounts of energy and time in passively criticizing the government for not being more responsive to the demands of the private sector without offering any meaningful solutions.

In order to change its image from being a problem observer and criticizer to problem solver business organization has to actively seek to understand the obstacles that its members face, to find common denominators for their problems, and to identify issues that tackle the majority of them, and finally to skillfully but persistently communicate these issues to the government and via media to the general public.

Building confidence of its members in an organization’s capability to deliver on promises made represents the first and foremost pre-condition for success.

In order to test the level of achievement in addressing this objective every business association should periodically perform some kind of confidence survey asking all members for feedback with regard to meeting their expectations.

In our organization, we call it *Why AMCHAM Survey* and we execute it every year in order to provide valuable information that we use for designing the strategy for the next year.

**Habit Number 2: Begin with the End in Mind**

*[Clip from “Alice in Wonderland”]*

Any organization that aims to define a set of objectives that it will try to achieve first needs identify its purpose, it’s mission. In essence it’s *why*, which should then be embraced by the entire membership.

In my view the overarching goal for any business organization should be to become the mechanism for transparent participation of private sector in the policy design as well as the credible partner to the government in improving the business environment.

To identify the list of priorities based on inputs from its members, to make its voice heard and respected as an available resource for policy design by the government, and to install the sense of accountability within the government are three major components of democracy that come out as an intended long-term consequence of active participation of the credible business organization in public policy design.

**Habit Number 3: Put First Things First**

So once an organization has found its *why* and defined its mission statement it is time to move on: to start doing it. But before starting doing it it first has also to define its *what* and eventually *how*. The *what* comes from the members as no one better than them knows what is bothering them.

This process of identifying the advocacy priorities is the first big test for any business organization through which it justifies to the members its determination to address the key issues that hamper their business and to do that in a democratically governed process.

The way we do it at AMCHAM is through several working groups or committees, as we call them, comprised of all the members who share the same concerns or face similar obstacles in business environment. Members of each committee select its leadership, including chair and vice chair, among themselves. Each committee produces its own position paper which is

jointly designed by committee members. Then the position paper is communicated through the entire membership and only after obtaining clearance from membership at large it

becomes a public document and subject to coordinated advocacy efforts over the government.

This, I would say, meticulous sequencing is of utmost importance as although it initially takes more time and effort this type of democratic participation is the only way to ensure the sense of ownership by its members.

**Habit Number Four: Think Win/Win**

So finally it is the time to define how. And the short answer to that question would be to build trust with the government. The business association has to gain trust from the government that in addition to being an advocate of the private sector it also recognizes and respects the public interest. That in itself is a tall order especially in southeast Europe transition post-communist countries where the relationship of trust between the public and private sector has been traditionally very low.

In order to be trusted business association has to be trustworthy. To make this paradigm shift from mistrust to trust it needs first to change the unrooted perception of the zero-sum game in which the success of an advocacy effort by the private sector is perceived as the defeat or weakness of the government by general public and the government itself.

Perhaps a very good example for this could be the latest changes to the labor law which represent the highlight of AMCHAM’s efforts in 2014. Initially government was strongly against the proposed changes since they were viewed by general public as a favorite to multinational companies – mainly US, of course – to ease the firing of Serbian citizens from their companies.

This view was so deeply rooted that on many occasions during previous years the effort to amend the outdated law ended nowhere. The only way to make the necessary changes possible, including design of the comprehensive communication strategy with structured messages for different audiences, including government, AMCHAM members, unions, media and general population explaining the benefits of the proposed changes with a focus on easier hiring: in other words creating conditions for new jobs.

The process was long with ups and downs but eventually it resulted in a very solid and modern labor law compliant to new requirements.

Not only did AMCHAM come out as a leader in change, which is the organization’s official slogan, but it strengthened its reputation as a reputable organization driven by high ethical standards among its members and wider republic.

The win-win principle represents the foundation for the paradigm shift and is a natural consequence of trust. To try to put it in a tech language once the minimum of trust is established the Bluetooth communication is enabled.

What does this mean? This means that the exchange of information between the public and the private sector through the business organization becomes smoother, faster, more
productive, and more creative. Steven Covey masterly calls this *The Speed of Trust.*

**Habit Number 5: Seek First to Understand, Then to be Understood**It is the obvious truth that the public and private sector have different standpoints. They see the society through different lenses and that fact cannot be changed. What is worse is that sometimes some parts of the private sector – multinational companies or certain industries – have views or interests which are not only in contrast with the public interest but also with the private sector or parts of the private sector.

The role of business associations is crucial in this regard. Standing in the middle of the battlefield – of course metaphorically speaking – it is ideally positioned to see, to analyze and to understand the big picture and rich complexity of this relationship, and at the same time to act on finding the common ground for enabling Bluetooth communication between public and private sector.

In order to do that business organizations has first to engage in understanding the key drivers and motives of each side and then to start identifying and gradually expanding the ground for cooperation. In that respect credible and dedicated business associations have the challenge and opportunity to educate its membership, to stimulate identifying common denominators, and reaching agreement on joint objectives with government stakeholders as well as media.

In this way, a business organization becomes a perfect liaison between public and private sector constantly looking for areas where interests cross for the benefit of ordinary people in a democratic process.

**Habit Number 6: Synergize**

The best way to understand the principle called synergy is perhaps to confront it with a seemingly similar but actually substantially different concept of compromise. The way that Steven Covey uses synergy means that the whole is bigger than the sum of the parts because the synergetic communication produces solutions better than any of the originally proposed.

On the contrary, with a compromise both parties have to lower expectations in order to achieve any kind of acceptable solution.

Although it may seem challenging and overly ambitious to try to apply the principle of synergy in the sense of creating cooperation to public/private dialogue it is not impossible, and when it works out it is highly rewarding.

The essence of synergy is to be wary of the differences but at the same time to build on strengths. Private sector has the knowledge and the resources to identify the key priorities

and the government has the capacity to implement them.

As much as private and public sector often disagree on particular issues they need to understand that they exist in the same ecosystem and are mutually interdependent. For instance, AMCHAM members employ almost 150,000 workers – citizens of Serbia and eventually the voters in parliamentary elections, if satisfied with their salaries and work conditions, they will probably vote again for the government that successfully attracted foreign investment which offered them jobs and good salaries to raise their children.

To bring these seemingly confronted positions together through a platform for open dialogue created by the credible business association represents the real proof of the strength, commitment, and wisdom for any given civil institution.

**Habit Number 7: Sharpen the Saw**

Suppose you come upon someone in the forest hectically working to saw down a tree. “What are you doing?” you ask. “Sawing down a tree.” “Oh, you look very exhausted. How long have you been doing it?” “Oh, don’t ask. For more than four hours. I’m beat,” he says. “This is hard work.” “I bet it is,” you say, “so why don’t you take a short break and sharpen the saw? I’m sure it will go much faster.” “I don’t have time to sharpen the saw,” he says, “Don’t you see I’m busy working?”

Sharpen the saw, in the way that Steven Covey uses it, means investing in your most precious resource. In the case of business organizations, or society as a whole, it is the youth. Investing in youth means investing in the future. Educating, engaging the youth, the young students, talented students, and young managers means investing in future democratic reformers, policy innovators, and advocacy leaders.

In order to create a lasting platform for modernization and education of young future leaders AMCHAM has designed a special year-long program called *AmChamps*. Through AmChamps it creates a platform for bringing together most talented students from Belgrade University together with top young managers from AMCHAM companies for a year-long program of mentoring, lectures, case studies, team building, and soft-skills training.

Once the program ends, participants remain engaged as trainers for the new generation of students through the Alumni Club where they continue to mature and to expand their skills, knowledge and influence.

And now my favorite quote by Aristotle: “We are what we repeatedly do.” Excellence then is not an act but a habit. So just do it. Be the change you want to see in the world. Thank you.

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