

# Public-Private Dialogue

## Republic of Macedonia National Entrepreneurship and Competitiveness Council

by

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### 1- Background and Context

The PPD process in Macedonia, especially in the field of economy, was strongly challenged since 2002, as result of the liberalization of the market for Chambers of commerce and business associations. Namely, the fragmentation of the business advocacy organizations had the consequence of having a large number of different interest organizations, clusters, economic chambers and other forms of advocacy communities. This new situation created two new challenges:

- It became very hard for the public sector to communicate with so many organizations with the needed quality and commitment, limiting the ability for the business community to have one, strong voice on priority issues, and
- The newly established organizations were lacking material and human resources to develop adequate researches and expertise in order to become a relevant stakeholder in relation to the Government.

After a series of consultations and performed analysis on how to best approach this issue, it was decided that, while the business associations should remain autonomous, a mechanism is needed for the business community to address issues of common interest for the economy and propose measures based on performed research, analysis and comprehensive studies.

For that purpose, a national platform was identified in the National Entrepreneurship and Competitiveness Council (NECC) which would:

- include all relevant business advocacy organizations, regardless of their size and industry/sector,

- be inclusive in regard to other contributing organizations from the academic circles and other relevant stakeholders,
- be politically neutral, with no direct involvement of the public sector,
- be a strategic partner of the Government, in the field of economic policies,
- build capacities to become the most relevant stakeholder by providing assistance to the public sector to produce higher quality policies.

Following a longer period of preparations and consultations of all stakeholders from the private, civil and the public sector, the NECC was established in 2012, as the highest national PPD forum with key support from USAID's IDEAS project, following a good political momentum. The NECC has a direct partnership status to the Government's economic policy cabinet and high level commitment for cooperation.

As a mechanism to bring leaders of the private, public and civil sector together, it creates a shared vision and a culture for competition, innovation and sustainable development. Within the NECC, the business community gets actively engaged in the policy making process to improve business conditions, helping companies and clusters develop, promote and export their products or services and add new value.

In the past years, efforts of assistance focused on the establishing, the legal status and structuring as well as intensive promotion of NECC, resulting in a recognized position as GoM partner.

## **2- Partnership, structure and processes**

The NECC is a partnership of 17 chambers of commerce, business institutions, clusters and academic institutions as well as on development bank.

It has a special partnership relation with the Government on the highest level, through the cabinet of the deputy-prime minister for economic affairs, in charge of business environment, regulatory reforms and PPD. For that purpose, a partnership agreement is accepted between NECC and the Government, specifying their roles and obligations towards a better policy creation and business climate process.

NECC consists of an executive office, currently with a staff of 2 persons and ten constant committees: 1) SME and crafts; 2) Human resources; 3) Technological development; 4) Investments, and sectorial working groups: 1) Tourism; 2) Auto-motive; 3) Agriculture; 4) Textile; 5) Logistics services; 6) ICT.

The constant committees and working groups in total have 122 members from business associations, companies and other institutions.

The mission of the NECC of the Republic of Macedonia is to promote ideas and policies that will enable broad and sustainable economic development of Macedonia. NECC aims to

contribute to the development of the competitiveness the Republic of Macedonia and knowledge based economy through the growth of domestic industries with high added value due to the fact that they are recognized as the crucial driving force of the economic development.

NECC accomplishes its goals and objectives primarily by organizing a comprehensive forum and a platform for expert discussions and debates regarding the development problems and possible development policies. The NECC's work is primarily based upon the common principles and mission statement, and not on the representation of individual interests of NECC members. All decisions of NECC are based on the principles and not on the operational functions. NECC operates on the principle of rotation of the members of NECC bodies, in order to ensure active participation of all members in its work.

In particular, the NECC accomplishes its goals and objectives by:

- Organizing regular meetings, forums and promotion campaigns throughout the country as a way of encouraging foreign direct investments and investments by current investors, increasing exports, improving the managing capabilities and corporate governance, improving the business ethics and combating corruption in the private sector, public disclosure of comparative indicators of competitiveness, etc.;
- Preparing and implementing action plans which involve making lists of attractive target investments, analysis criteria used by investors in the course of the selection process, preparing comprehensive guide for investors, facilitating the conditions and procedures for investment;
- Providing support to individuals, educational institutions and other legal entities, raising educational development initiatives / projects, training, advice and information at its own discretion and supporting the initiatives of other organizations providing funding for the NECC of RM in the form of donations;
- Conducting research and analysis of information on the economic policy of the Republic of Macedonia vs. the global economy;
- Active participation in international programs and projects through cooperation with international institutions and related organizations as well as local authorities and institutions, participation in foreign fairs and alike.

In the NECC, besides the founders, others can also become members with equal rights and responsibilities. Membership in the NECC can be individual and collective.

Collective members of the NECC can be:

- Commercial and business organizations - formally registered as associations, such as chambers of commerce, associations, societies, clusters, and similar forms of business organizations;
- Representatives of the organizational forms of the financial sector (banking, insurance, trading in securities);
- Civil Society Organizations (NGO sector);
- Scientific and educational institutions;
- Officials of representative trade unions/representative employer organizations.

NECC has 4 financing pillars: 1) Members fees are dependent on the size and form of members, varying between 50 and 3.000 EUR/year; 2) Donor support from bilateral and multilateral assistance organizations; 3) Project financing; 4) Government contribution.

### **3-Results so far**

In 2012 and 2013 the NECC executive office organized **91** events: education trainings, workshops, seminars, promotions and presentations including over 700 professionals from the public, private and the civil sector.

Brochures and curriculums on policy papers for the business community were produced, with participation of relevant experts. NECC is member of 8 different policy making committees and working groups, actively contributing in the policy creation process, advocating the businesses.

The private sector created a mandate whereby only high level issues that cannot be resolved by the associations should go on the agenda. The draft policy papers are results of hard analysis. Moreover, the government is obligated to include the policy dialogue information in its proposal. Whereas previously there was a lack of feedback on proposals, now a committee is in place to manage the agenda creation process. The committee is composed of government and private sector representatives. Proposals are reviewed under a criterion to ensure that the issues can be delivered within the next year.

The Council has improved the private sector's capacity to clearly identify problems and present specific solutions. The partnership agreement with the government on joint working groups has helped overall in trust-building between the government, private sector, and civil society organizations.

In spite of a proven track record of successes, there are still challenges due to the still very fragmented private sector with a complex organizational structure - 17 chambers in a country of 2 million people. This big number of chambers of commerce aggressively

competing for members, which, coupled with their unfamiliarity with evidence-based research make the aggregation of recommendations to different proposals very challenging.

We had a strong presence in the public from many events and interviews followed by our web-site: [www.necc.mk](http://www.necc.mk)

#### **4– Expected results**

NECC continues to organize series of events in different areas, with a PPD conference expected to take place in quarter 4, as a new nation-wide platform for direct interaction with the Government to present policy papers on priority issues.

One of the reasons behind the lack of trust between the private and the public sector is that they do not know each other – they work in parallel. The biggest challenge is to keep business people interested as they lose focus easily, and additionally there is a need to find a good way to manage their interest. Probably one of the most innovative things about the NECC was something as basic as being there to listen to what the problems and obstacles of the private sector were - they were never heard and didn't believe the government would ever come to them!

In the course of 2014, NECC shall develop four Policy papers in 4 priority fields of interests for the business community, followed by the adequate research, analysis and resulting in specific measures for the Government, including the preliminary Impact assessment procedure. For that purpose, experts will be included for each policy paper as well as the USAID IDEAS'e expert assistance.

A quarterly newsletter is also foreseen for 2014 and preparations are ongoing.

## **Biography of author**

*Goran Lazarevski* - After completing his studies of Economics in Zurich, Switzerland and a career in air transport and tourism he continued at the Swiss national trade union. Responsible for a team of over 80 scientists and support as Deputy General Manager of the Institute for Earthquake Engineering Skopje, one of the most prestigious of its kind. CEO and Executive Managing board Member of EuroComputer Systems-ECS Skopje, a leading ICT system-integrator. Since 2011, part of Booz Allen Hamilton, as manager of the IDEAS's Public-Private Dialogue component. Currently ending the M.Sc. studies at Institute of Economics Skopje in International management. Speaks fluently German, English, Serbian, Bulgarian and learning Greek.

In the course of his professional career, Mr. Lazarevski specialized in Management, PPD, Policy creation, Regulatory Impact Assessment and Corporate Social Responsibility and sustainable business and attended a number of trainings, conferences and seminars in Macedonia and abroad.