

Public-Private Dialogue

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Jordan/SME sector Participation of SME Associations in Public-Private Dialogue

by

Oraib Al Rantawi
Director
Al Quds Center for Political Studies

*Presented at the Public-Private Dialogue 2017 Workshop
(Tunis, May 9-11, 2017)*

1- Background and Context

Jordan, among most of the Arab countries, witnessed a serious debate on the outcomes of the economic reform processes that had been taking place two or three decades before the inception of the “Arab Spring.” Al Quds Center, with the support of the National Endowment for Democracy (NED) and Center for International Private Enterprise (CIPE), organized a pilot regional workshop early in 2011 in an attempt to better understand what went wrong and to come up with a series of recommendations to enrich the public debate that was heated within the context of the demonstrations and revolutions. One of the main conclusions of that workshop was the need to enhance the democratic participation of the small and medium business (SME) associations, and help this sector to amplify its voice.

Phase 1

In 2012-2013, Al Quds Center conducted a research paper on the SMEs associations in Jordan, focusing on who is who in this field, strengths and weaknesses of the existing organizations, and challenges and opportunities they face. We found that there were 50 associations representing deferent economic sectors, most of them totally marginalized and ignored by other stakeholders. Al Quds Center and CIPE held a national conference to disseminate the findings of the paper, and 15 associations signed a declaration of principle to form a federation.

Phase 2

In 2014, Al Quds Center has worked with the business associations around the idea that emerged to move towards a formal, federated structure. This would be a development almost without precedent in the MENA region and represents a significant consolidation of the business community within Jordan’s civil society. Half of the associations agreed to join forces to create the federation, and an interim executive committee was elected. Al Quds Center worked with these associations on a draft Freedom of Association law and amendments to the existing Labor Law. Al Quds Center convened dialogue among the associations to build consensus on this issue, and convened initial outreach and PPD with government policymakers, resulting in the consideration of these draft laws by parliamentary committee. Throughout 2014 and 2015, Al Quds organized a series of focus groups and workshops to reform the labor law and to put together a new legislation on freedom of association.

Phase 3

Starting 2015, CIPE and Al Quds Center worked with Jordan's small business associations to facilitate the formation of a coalition to collectively advance shared reform priorities, including their desire to federate. This was in direct response to the explicit local demand from the associations for CIPE's and Al Quds Center's support to help them craft and advance an agenda of common policy reform priorities. The coalition membership included most of the small business associations that participated in the first phase of the program, and which have expressed the intention and desire to work together more closely and in a structured way.

Throughout this program, business associations saw the potential to become more effective advocates for their members when it comes to priorities shared with other segments of the business community if they join forces with like-minded associations. In helping them to achieve that, CIPE and Al Quds Center organized a series of activities to empower the small business community to engage in policy advocacy with a united voice, thus equipping them to participate more effectively in democratic dialogue with the government to institute needed reforms. In this way, a coalition provided a vehicle for consistent representation of the common interests of the small business associations. In addition, the coalition would also endow the members with greater ownership of their collective efforts.

CIPE and Al Quds Center assisted the participating business associations to build a viable and effective coalition and will provide ongoing guidance to coalition members on leadership, grassroots mobilization, and advocacy strategies within PPD. CIPE and Al Quds Center continue to support the associations to develop a coalition charter and bylaws that include objectives and guiding principles, structure including roles and responsibilities of its constituent members, how decisions are made, and who speaks for the coalition. CIPE and Al Quds Center worked closely with the associations to facilitate the development of other coalition management tools, such as an action plan and communications function.

Phase 4

In order to be strong collectively, each association participating in the coalition must be a healthy and vibrant membership organization. Building on the previous phase of the project, which included a focus on association capacity-building and assessment, CIPE and Al Quds Center continued to build the capacity of each participating association, with a focus on strategically communicating value and economic impact. CIPE and Al Quds Center are assisting the participating business associations to leverage their status as the only independent sectoral organizations with voluntary membership representing the interests of small business in Jordan by effectively communicating their economic impact to stakeholders.

To that end, CIPE and Al Quds Center combined their expertise and involved each association in conducting an economic impact assessment of its sector. This process will empower the associations with information to better understand and communicate their impact on the economy and consolidate their positions vis-à-vis other stakeholders. CIPE and Al Quds Center will ensure that economic impact assessments are designed through an inclusive process that incorporates individual associations' priorities and complements their strategic planning. Assessments may include data, segmented by locale, on the sector's size and contribution to the local economy, employment, market share, and opportunities for sector growth and market expansion.

Phase 5

Throughout all phases, the "*Policy Forum*" created by Al Quds Center as a platform for PPD organized a series of public meetings and roundtable discussions to addressing policies of public concern (transportation, social security, water, energy, education, customs and taxation among many other issues). High-ranking government officials, MPs, Senators, CSOs, Academicians, participated in these

meetings. A series of visits to public institutions were organized for 30 – 40 representatives of the federation members (Socio-Economic Council, Integrity and Anti-Corruption Commission, etc.)

To provide a more sustainable institutional basis for this PPD, CIPE and Al Quds Center provided support and technical assistance to the federation to engage in effective dialogue with relevant government officials. By facilitating a structured dialogue process, Al Quds and CIPE are encouraging PPD that increases representativeness, accountability, and transparency in policymaking and bolsters the democratic process in Jordan.

Phase 6

CIPE and Al Quds Center, now working with the selected 12 associations, will provide intensive training to help them choose a specific policy target (reform certain items in the regulations). This is an ongoing initiative with an objective to practice a serious engagement in policy and legislation process. Both partners are also engaged in developing an economic impact assessment for these 12 association as an active tool for associations to lobby and advocate on behalf of their members.

2- Youth and Inclusion dimension

Including SME associations in PPD processes in Jordan has been an important element of this project's inclusion dimension. What is more, in most of the initiative's activities, Al Quds Center and CIPE have always insisted to include women and youth from the relevant associations. For instance, the Business Women Forum and other business women joined the training, capacity building workshops. More women joined the PPD roundtables as well, and young entrepreneurs were also invited to participate in these activities.

3- Partnership, Structure and Processes

The main international donors are:

- National Endowment for Democracy – NED
- Center of International Private Enterprise – CIPE

The main Jordanian partner associations are:

- 1- The Association of Public Safety Profession Businesses.
- 2- The Association of Beauty Salons Owners.
- 3- The Association of Mechanical Professions.
- 4- The Association of Traders of Medical, Scientific and Laboratory Materials.
- 5- The Association of Food Retailers.
- 6- The Association of Real Estate Office Owners.
- 7- The Association of Electric and Electronic Traders.
- 8- The Association of Clothing and Textile Traders.
- 9- The Association of Traders and Producers of Furniture and Carpets.
- 10- The Association of Tourist Car Offices.
- 11- The Gas Stations Association.
- 12- The Association of Jewelry Shop Owners.
- 13- The Association of Laboratories and Medical Tests.
- 14- Jordan Logistics Association.
- 15- The Association of Olive Oil Producers
- 16- The Association of Dental Laboratories Owners.
- 17- The Association of Weaving Factories.
- 18- The Association of Private Schools Owners.

- 19- The Association of Car Dealers.
- 20- The Association of the Optics Profession Owners.

Joined recently:

1. -Jordanian Beekeepers Association
2. -General Association for Restaurants and Sweet Shops Owners
3. -Association for Owners of Land Survey Offices
4. -Agricultural Materials Traders & Producers Association
5. -Association of Cosmetics and Accessories Dealers

Al Quds Center and CIPE provided the technical support to the associations to help them prioritize the PPD agenda and to reach a consensus on the related issues, mainly the coordination process involve the head of the federation and the interim executive committee. In the last six years, Al Quds Center organized dozens of such PPD activities, some focused on policies, others on legislations (including bylaws and regulations) reforms. These activities involve meetings with the relevant parliamentary permanent committees: more than 20 meetings to amend 39 articles in the Labor Law, meetings with the legal committee, meetings with national direction committee to discuss the access to information law, meetings with trade unions on the Labor Law issues of public concern (roundtables and town hall meetings). Many other roundtables and workshops were organized to tackle issues of public concern (e.g., transportation, energy, water, customs, taxes and VAT, conditions, doing business, standards and measurements, social security, women in businesses and labor market, political parties and economic reforms, access to information, among many other topics.

Business associations, independent trade unions, and political parties (parties are one of permanent stakeholders participating in these activities) have been very active in this project and always show interest in joining the events, raising issues. The government official as well are always reliable, although it is not an easy process for them to adopt the recommendations, whether for political reasons or because of bureaucratic obstacles and constrains.

CIPE and Al Quds Center, together with the interim executive committee have been the key champions of the coordination processes for PPD. Our main goal is to continue to empower SME associations to participate in Jordan's public policy dialogue.

4- Results so far

- The major achievement is to have the federation of Business Association being recognized as *de facto* representative of the private sector in Jordan. The state-owned media outlets covered the federation activities, parliament and other state institutions invited the interim executive committee to dialogue, and the Socio-Economic Council agreed to add 1-2 representative of the Federation to its board. More achievements are still ahead as the federation consolidates its structure and continues its activities.
- Thanks to this PPD initiative, amendments to 39 articles of the Labor Law were approved by the labor committee in the parliament. The amendments are now waiting to be presented during the plenary session for final approval. Al Quds Center and the business associations, together with the independent labor union, were essential part of this process.
- Memoranda of Understanding (MOUs) were signed between some of the associations and public institutions (e.g., social security, professional training foundation).

- After an intensive series of meetings with the associations, Greater Amman Municipality agreed recently to facilitate the annual renewal of registration for 18,000 enterprises without any prior approval from other government institutions.
- Internal structure, communication and outreach:
 - The federation gained a new momentum after electing the second interim executive committee with a more active and committed members and chairperson;
 - The presence of the federation in the news media and social media is increasing rapidly;
 - The communication between the federation and government officials is more frequent and on the high level;
 - The interim executive committee developed a schedule for regular meetings organized based on the action plan created as a result of a series of training workshops by CIPE and Al Quds;
 - The internal communications between the executive committee and the general assembly, using the new media communications tools, has greatly improved;
 - More associations are voluntarily joining the federation.

5- Expected Results

Our immediate main objective is empowering the Jordanian business associations as a key stakeholder in the participatory democratic policymaking process. Al Quds Center and CIPE are working toward that goal by helping to create the federation and consolidating its internal structure, and building the capacity of its association members. To measure progress, Al Quds Center and CIPE developed a monitoring and evaluation (M&E) framework.

The partners also realized from the beginning of the initiative the need to engage the federation and the individual business associations in PPD. Building their capacity for policy dialogue with decision-makers has been, and will continue to be, an important part of the capacity building methodology adopted in this project. To-date, every founding association participated in at least 10 PPD activities.

As we are currently working on a research paper focused on the economic impact assessment for the 12 prominent associations, we expect more effective advocacy campaign to promote the business agenda broadly supported by the associations in Jordan. A legal registration of the federation is expected within a year from now. This will be a crucial milestone for Jordan in the integration process of business associations in the decision-making through PPD.

6- Challenges

From the government's perspective:

- In the early stages of this project, there was no evidence of government interest to communicate or to integrate the SME sector in the consultation process around relevant policies and legislations. All the focus was given to the chambers, which usually represent big businesses.
- The security situation in the country that makes organizing larger meetings difficult.

Our strategy is to prove the opposite. These associations represent more than 80% of the Jordanian economy, gathering tens of thousands of Jordanians and non-Jordanians who work in the country. It is essential for the economy and stability of the country to integrate these associations in the decision-making process. The government now seems to understand that as well, which means that our strategy is working.

From the chambers' perspective:

- Both industry and commerce chambers showed their unwillingness to deal with what they wrongly perceived as "alternative" or a "competitor" business reorientation, despite the many clarification we made. This misperception is part of power struggle within the big business community, and we still trying to figure out how to change the chambers' perception regarding efforts to empower SMEs in policy dialogue.

We succeeded so far in containing the chambers' negative reaction. Our strategy going forward is to use the elections for the chamber boards to lobby for MOUs with prominent candidates, and to encourage some association leaders to run for office in the chambers.

From the associations' perspective:

- Divisions among Jordan's many business associations, lack of advocacy knowhow, weaknesses in the capacity and structure, and failed previous experiences with attempted cooperation shed a shadow on the associations' enthusiasm, especially in the beginning of the initiative. However, assistance with capacity building and early successes of the federation are demonstrating to the associations what they can accomplish if they work together. The desire to build on these successes is becoming stronger day by day.

Biography of the Author:

Oraib Al Rantawi

Mr. Al Rantawi has Political Science and Journalism background. He was a journalist and reporter from 1978 – 1993, based in Beirut, Damascus, and Nicosia, covering the civil war in Lebanon, Arab-Israeli conflict, and regional developments for several Pan-Arab newspapers, radio stations, and news agencies. In 1994, he started working as a columnist and commentator for *Ad-Dustour* daily and many other media outlets, and was a producer and presenter of a TV talk-show. In 1999, he founded the Al Quds Center for Political Studies, where he still serves as the director. During his career, Mr. Al Rantawi wrote thousands of articles on Middle Eastern affairs, and has been the author, co-author, and editor of several books on the Arab-Israeli conflict, Palestinian cause, democratic transformations, and regional conflicts. He has been a frequent participant in hundreds of domestic, regional, and international conferences, seminars, workshops, and TV talk-shows. He has been a member of the International Organization of Journalists IOJ (1980-now), General Union of Palestinian Writers and Journalists, Jordanian Press Association, Jordan First Royal Committee (2002-2003), Higher Council for Media in Jordan (2001 – 2004), and served on the Board of the Jordanian Radio and Television Corporation (2003 - 2004).