

# Provincial Business Dialog



## Background

There are various forms of national and provincial level dialogs between the business community and the Government. They vary between celebrations (New Year), information events, public consultations on new laws and regulations, and dialogs on specific business-related problems (such as public administration, land access for SMEs, access to finance, quality and availability of labor force and implementation of laws).



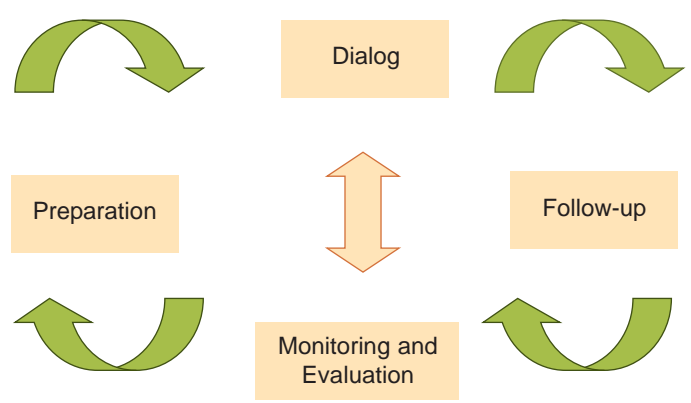
National level business dialogs which include stakeholders from the foreign investors' community, have become increasingly professional over the years. Business dialogs in the provinces however often follow a very traditional set up that does not encourage the local business community to share their views and problems with the local authorities. They are often "monologue sessions" with lengthy speeches by

provincial Government leaders. As such local enterprises lose interest in events featuring one-sided dialogs. Quality is also often compromised through unclear answers from the local government to the problems raised, the lack of skillful moderation and few follow-up activities.

Thus, business dialogs suffer from both methodological (unclear agenda and topics for dialog) and organizational weaknesses (lack of skilled facilitation, personal cases are raised that are of no interest to the wider community). This results in unenthusiastic participation and a passive attitude among the enterprises. The lack of follow-up activities and action plans by the local government leads to disappointment and mistrust of local political leaders.

## GTZ Intervention

GTZ-SMEDP adopts a comprehensive approach in supporting the public-private dialog on the provincial level. The local stakeholders, authorities and business community are supported in the preparation, organization and follow-up, monitoring and evaluation of dialog events. External expertise, technical and facilitation-wise, is introduced to improve the quality of the public-private dialog. The four phases of this process are illustrated and described below:



### Expected Impacts

- Changes in the mindset of the local authorities towards business dialogs. Departments like the Department of Natural Resources and Environment or Tax are now more willing and proactive in directly dealing with enterprises
- Transparency and cooperation between public and private sector is enhanced
- The local business environment is improved through changes in the attitude and behavior of civil servants and better service quality
- Enhanced lobbying capacity of the local business community
- Strengthened capacity of local stakeholders to engage in policy dialog

### Lessons Leant

#### *Preparation*

SMEDP helps the business community select the topics or problems to be discussed in the dialog. It is important to identify issues that are relevant to the majority of enterprises instead of just a select few. This can be done by organizing a survey in advance. It is also useful to select a group of champion enterprises and to help them prepare their arguments for the dialog. Individual enterprises' problems can be answered in advance by the line departments and uploaded onto the provincial website to reduce individual questions during the actual dialog event.

#### *Result-oriented Dialog*

It is helpful to introduce new settings for dialog events such as a talk show format facilitated by a professional moderator, instead of a classroom setting. Using a professional moderator will make it easier to reach solutions or to elaborate an action plan for follow-up. The discussions are also more meaningful to the business community if a lawyer is present to support them with arguments and questions related to relevant laws. The use of legal services can be promoted by awarding BDS vouchers to active entrepreneurs. The mass media's involvement in the process is also critically important.

#### *Follow-up*

Follow-up activities are essential to maintain the business community's interest in future dialogs with the government. Helping the local government build a follow-up action plan is therefore as important as the event itself.

#### *Monitoring and Evaluation*

The provincial website and a dialog platform accommodated on it can be used for monitoring and evaluation purposes.

#### *Capacity building for key actors to ensure the sustainability of the approach*

Provincial Business Associations need to be strengthened to prepare and organize the dialog and the coordination with the local authorities. Local governments also need to be supported to transparently address issues raised by the entrepreneurs.

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