

Effective Approaches to Developing Cooperation Among Chambers of Commerce in Central Asia and Neighboring Countries

Presentation for the *Seminar on Cooperation Among
Central Asian National Chambers of Commerce*

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Outline of Presentation

- **Types & Functions of Chambers**
- **Strategic Challenges Facing Chambers of Commerce**
- **Regional Approaches & Arrangements of Chambers of Commerce**
- **Lessons and Recommendations**

Types of Chambers of Commerce

- Varied in composition, size, organizational structure, objectives, and services.
- "Peak" associations bringing together all business organizations; sector-specific and sub-sectoral associations; regional chambers; and local chambers of commerce.
- Public law status vs. private law chambers.
- Compulsory membership versus voluntary.
- Range of activities: some which help economic performance while others detract from it.

Development Functions of Chambers of Commerce

- **Reducing transaction costs**
 - Search costs
 - Enforcement costs
- **Resolve collective action problems**
 - Standards
 - Training
 - Upstream-downstream coordination
 - Horizontal coordination

Specific Roles & Functions of Chambers

- **Information to members.**
- **Provision of general services.**
- **Technical or specialist services.**
- **Firm or industry upgrading & competitiveness development.**
- **Advocacy & lobbying.**

II. Strategic Challenges Facing Chambers of Commerce

Strategic Challenges Facing Chambers of Commerce

- **Get policymakers to understand broad purposes of chambers of commerce & particular needs of individual sectors.**
- **How to develop consistent voice of business community & articulate concerns of members to government.**
- **Limited role to date of business in regional cooperation programs.**
 - **At best post-hoc role.**

Strategic Challenges continued

- **Lobbying or policy advocacy environment more competitive.**
 - Increasing number of interest groups.
 - More knowledgeable population, and international pressures/commitments.
 - Harder to get government to listen & win influence.
- **Increasing sophistication of policy debate.**
 - Need policy expertise and research skills to persuade bureaucracy and win over other interest groups.

III. Regional Approaches & Arrangements of Chambers of Commerce

Numerous and Varied

- **Wide variety of transnational or regional approaches & arrangements of chambers of commerce.**
- **All regions (except North America) have arrangements of national chambers of commerce.**

Key Variables of Transnational Chamber Approaches & Arrangements

- **Origins**
- **Grouping**
- **Institutional specialization**
- **Services & activities**
- **Financing**
- **Often a continuum:**



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Variable: Origins



**Public Sector /
Donor agencies**

**Private Sector /
Chambers of Commerce**

**G-77 Chambers of
Commerce**

Eurochambres

FEMCAMCO

**GMS Business
Forum**

ASEAN CCI

**General Union of Arab
Chambers of Commerce**

AICO

**West Africa Enterprise
Network**

Variable: Grouping

- **By geographic region**
 - **FECAMCO; Eurochambres; GMS Business Forum; West Africa Enterprise Network**
- **By economic group**
 - **ASEAN CCI; G-77 CCI**
- **By cultural / linguistic basis**
 - **AICO; General Union of Arab Chambers of Commerce**

Variable: Institutional Specialization



Basic organizational structure

Highly specialized institutions

GMS Business Forum

G-77 CCI

FECAMCO

AICO

Eurochambres

ASEAN CCI

General Union of Arab Chambers of Commerce

Variable: Services & Activities



Few activities;
general forums;
“talk shops”

Diverse; specialized;
public-private
partnerships;
member services

GMS Business
Forum

FECAMCO

AICO

Eurochambres

G-77 CCI

General Union of
Arab Chambers of
Commerce

ASEAN CCI

Variable: Financing



**Dependent on
external sources**

**GMS Business
Forum**

G-77 CCI

**ASEAN
CCI**

**Self-financing (by
members'
subscriptions &
services)**

FECAMCO

Eurochambres

AICO

Asociacion Iberoamericana de Camaras de Comercio (AICO)

- **Established 1975 by industrialists.**
- **22 countries (Latin America, Spain, & Portugal).**
- **Spanish & Portuguese-speaking Chambers of Commerce & associations.**
- **Purposes:**
 - **to be Latin American organization harnessing synergies among private sectors;**
 - **defend national & international interests of members;**
 - **promote socially responsible free commerce.**

AICO Organizational Structure

Directive Council
(Presidents of capital
cities' chambers)

Assembly
(Chambers & Government)

Presidency
(President, 4 VPs, Treasurer)

General Secretariat
(Secretary General,
4 regional deputy S-Gs, staff)

9 Directive Commissions
(e.g., enterprise development,
tourism, technological
innovation)

AICO's Main Services

- **Information**
- **Promotion**
- **Commercial services**
- **Tourism**
- **Arbitration**

The Greater Mekong Subregion Business Forum (GMS-BF)

- **National chambers of commerce and industry in 6 countries (core group).**
- **Established in October 2000 under Asian Development Bank's GMS Program.**
- **Assistance from ADB & United Nations ESCAP.**
- **Purposes:**
 - **channel between private sector & governments;**
 - **network to encourage investment cooperation in subregional projects;**
 - **strengthen indigenous private sectors.**

GMS-BF Organizational Structure

**Chair
(rotating)**

**6 Core Members
(Chambers of GMS countries)**

**Secretariat
(Secretary General, staff,
ADB & UN consultants)**

Corporate Members

GMS-BF Activities

- **General country business information.**
- **Conferences.**
- **Training courses.**
- **Trade exhibitions.**

ASEAN Chamber of Commerce & Industry (ASEAN CCI)

- **Established in 1972.**
- **National CCIs of ASEAN countries.**
- **Purposes:**
 - **Coordinate private sector cooperation in common interests and problems.**
 - **Accelerate economic growth and progress in the region through joint actions.**
 - **Facilitate closer relations with relevant regional and international organizations.**

ASEAN CCI Organizational Structure



Current Focus of ASEAN CCI

- **Consolidate and strengthen ASEAN CCI, including financing.**
- **Enhance cooperation among national CCIs.**
- **Contribute to accelerated regional economic integration.**
- **Emphasize relations with China, Japan, & India.**
- **Capacity building for SMEs.**

General Union of Arab Chambers of Commerce

- **Established in 1951, with headquarters in Beirut, Lebanon.**
- **26 member chambers and federations (national and municipal).**
- **Purposes:**
 - **strengthen economic integration & development among Arab countries;**
 - **coordinate regional cooperation among Arab chambers;**
 - **promote Arab economic interests abroad, especially exports; & rationalization of imports & investment.**

GUACC Organizational Structure

Union Council
(policymaking body
of chambers)

General Conference
(biannual business
forum)

Executive Committee
(President, 2 VPs,
4 elected members)

Secretariat General
(Secretary General, Asst. S-G,
staff)

**Trade
Committee**

**Labor Affairs
Committee**

**Joint Arab-Foreign
Chambers Committee**

General Union of Arab Chambers of Commerce Activities

- **General Conference: deliberate & forward recommendations to Arab Governments measures needed to enhance cooperation and integration.**
- **Biannual Arab Businessmen & Investors Conference: promote inter-Arab investment; highlight problems & opportunities for PPP.**
- **Research and publications: special studies & serials**
 - e.g., The Arab Economic Report.
- **Focused seminars & workshops on economic development & integration.**

Eurochambres

- **Association of European CCI established 1958; based in Brussels.**
- **Now 45 national associations of CCIs and 1 transnational chamber of commerce**
 - Network of over 2,000 regional & local chambers.
 - Represents over 19 million enterprises.
- **Purposes:**
 - Represent business in EU institutions.
 - Present to EU institutions needs & opinions of business.
 - Promote European integration.
 - Deliver pan-European services to members.
 - Provide information on EU policies & programs.

Eurochambres Organizational Structure

Plenary Assembly
(All members; sets general guidelines for activities)

Board of Directors
(Defines policies & overall management)

Presidency
President, 3 Deputy Presidents, 5 VPs

Executive Officers
(Secretary General, Deputy S-G, & staff)

EU Affairs

International Affairs

Corporate Affairs

Legal Affairs

Eurochambres Activities

- **Support services for chambers**
 - e.g., chamber management training programs, benchmarking, & marketing chambers.
- **Lobbying & advocacy within EU**
 - Identify issues and develop common position.
 - Position papers (e.g., labor law, energy policy, customs, free trade agreements).
- **Training & capacity building projects**
 - For member chambers; & outside Europe.
- **Policy dialogue within EU & other regions.**
- **Enterprise experience program:**
 - Exposes senior EU policymakers to business life in SMEs.

IV. Lessons & Recommendations

Some Key Lessons for Central Asia Chambers of Commerce

- Effectiveness better assured if regional arrangement “demand-driven” by private sector.
- Functional specialization of organization structure results in better outputs & results.
- What doesn't work well:
 - “Supply-driven”; general organizational arrangement; non-participatory / unrepresentative.
- Unified voice and advocacy.
 - Includes ensuring high-level channels to governments and regional institutions.

Key Lessons continued

- **Transnational groupings of chambers normally legal / registered association.**
- **Rotating secretariats and chairmanships consume time, resources, and often result in weak leadership.**
 - **Elected leaders & capable professionals work better.**

Recommendations for Central Asia Chambers of Commerce

- **Carefully assess “demand” for transnational arrangement of Central Asia chambers of commerce.**
 - **Awareness efforts may be necessary precursor.**
- **Key intermediary between broader business sector & public / regional cooperation institutions.**
- **Ensure broad representation and participation.**
- **Focus more on outputs & outcomes than inputs.**

Recommendations continued

- **Recommended issues to focus on initially:**
 - Promoting trade & linkages among members;
 - PPP dialogue mechanism on business environment & regional projects.
- **Possible PPP “launching points”: CAREC Technical Working Groups; CAREC Business Development Forum & Senior Officials Meeting.**
- **Number of MOUs not important**
 - Focus on implementation & quality partnerships

THANK YOU VERY MUCH!