

Business Advocacy: Setting Strategies that Influence Trade Policy between EU and India

Business advocacy is the essence of our Chamber and is an influential business association in Europe and would aspire to become a leader of public policy advocacy on international business issues. At its core is our responsibility to identify the barriers our members face in their efforts to productively contribute to their communities, to build individual and collective wealth, and to contribute to the economic, social, environmental and democratic fabric of Europe and India. Businesses in India and in EU countries are not just developed ones, have been able to advocate successfully to improve their competitive position in international markets. Business advocacy in trade policy comprises a range of different activities. Therefore business advocacy and action to influence trade policy play an important role in most economies - and work. We should not assume that smaller firms are deprived of options to influence the international trade situation. And business advocacy can improve the competitive position of exporters in foreign markets. The business-government relationship is of particular relevance now that free trade agreement negotiation between EU and India are in progress. Obviously, business has to play a role in working out trade strategies and government negotiators need to be in permanent contact with business representatives during the whole negotiating process.

Although the activities to achieve them vary, the objectives for advocacy in trade policy of businesses can be classed in the following three categories:

Improved competitive position in foreign markets - Firms in EU and India often push for improved access to their products and support regulations that improve their competitive position in those markets.

Shelter - Enterprises in EU and in India often lobby for trade policies that protect them from foreign competitors and support them through reduced tariffs, quotas and other protective measures by the European Commission and by the government of India (such as special privileges and government support). WTO recognizes the need for protection through tariffs in certain cases, such as support to an “infant industry”, and it allows more generous treatment for countries in early stages of economic development. But companies should note that, over time, WTO rules are becoming more stringent towards these shelter strategies that protect from competition. This is where EICC has expertise to advice.

Defence to limit pressure of other groups - Industry groups may decide to engage in business advocacy to limit or counter-balance the efforts of other interest groups. Firms that are adversely affected can usually present a more effective case as a coalition.

EICC sees following actors in trade policy-making

Apart from business groups, there are several actors in trade policy-making. At the last count, there were more than 35,000 trade and professional associations active in international forums. They range from public relations to labour unions and non-governmental organizations (NGOs).

- In addition to national chambers of commerce, the Paris-based International Chamber of Commerce, which links thousands of companies and business associations, plays a relatively active role in the WTO network. For EICC, chambers in India CII, FICCI, ASSOCHAM and IMC remain its core functionaries.
- An increasing number of firms consider public relations as a good investment. Some have developed specialized skills in business advocacy. More and more are

establishing themselves in Geneva in addition to Washington and Brussels because of the increasing regulatory role of the WTO.

- Labour unions are very much part of the trade policy scene, while the goals of professional associations in many ways resemble those of the unions. Many NGOs active in social issues work relatively quietly, while others are more confrontational, but all NGOs are inclined to act on global issues as a complement to activities at the national level.

Business advocates need to be aware of the standpoints of each of these groups in seeking to broaden their impact on trade policy. Our Chamber aims at developing and creating harmonious relations between these groups in order to remain an active players wherever needs demand.
