

Regional Dialogue on
**Promoting Services Development and Trade
in Latin America and the Caribbean**

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**Leveraging Strategic Collaborations
to Influence Policy Design and
Position Services Sectors for Growth**

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Leveraging Strategic Collaborations to Influence Policy Design and Position Services Sectors for Growth

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Regional Dialogue on Promoting Services Development and Trade in LAC

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Purpose

- Examine extent to which stakeholders are successfully involved in policy-making and preparations for trade negotiations relating to services
- Discuss examples of successful collaborations but also shortcomings
- Suggest innovative ways to strengthen the role of multi-stakeholder consultations in services-related policy formulation, implementation and review

Overview

- What has been the traditional approach?
- Collaborative Governance and its impact on innovative policy design
- Services – the tipping point on the scale?
 - Data
 - Increased capacity and credibility
 - Changing the landscape with respect to exports
 - Rise of services in importance as a part of national and regional dialogue
- Leveraging strategic relations for successful policy-making and effective negotiations – the CNSC an untapped resource pool
- Case studies of approaches that are working
- Responses to Key Questions
- Lessons Learnt and Next Steps

What has been the Traditional Approach ?

- Traditionally Trade Negotiations and Policy Design have been domain of the academic experts in the field
- Gap between “thinkers/talkers” and “doers”
- Lack of trust
 - Skepticism
 - Slow implementation

Collaborative Governance

- “A governing arrangement where one or more public agencies directly engage non-state stakeholders in a collective decision-making process that is formal, consensus-oriented and deliberative and that aims to make or implement public policy or manage public programs or assets.”¹

Value of Collaborative Discussions

- Adversaries have learned to engage in productive discussions
- Public managers have developed more fruitful relationships
- Sophisticated forms of collective learning and problem solving have been developed

Services:

The Tipping Point on the Scale?

- Recognition of services as a critical component in the well-being of citizens is still only just being accepted
 - Services accounts for over 70% of GDP in most CARICOM countries
 - Services accounts for the majority of employment in most CARICOM countries which are definitely services oriented
- Most CARICOM countries (except TT) run trade deficits in trade in goods but surpluses in services
- The above clearly suggests that services should be prioritized
 - “No brainer”
- Capacity amongst CSIs is being strengthened – evidenced in development of Services Strategies for key sectors
- Major challenge: Minimal data on services
 - Services data treated as residual that is not always disaggregated
 - Trade in services data are not available – have to be obtained from overseas Central Banks and Statistical Offices

Leveraging Strategic Relations-the CNSC: An Untapped Resource Pool

- Currently comprised of ten countries in CARIFORUM
- Individual focus is on developing services nationally in each country
- Have increased their capacity and gained credibility
- Jointly, the CSIs through the Network negotiate for funds and represent the strongest lobby group for the implementation of initiatives that will support the growth of services regionally

Successful Innovative and Collaborative Approaches - CNSC

- Coalitions of Service Industries (CSIs) work together to:
 - **Develop strategies and policies** to support the development and inclusion of services in National and Regional discussions
 - **Attract funding**
 - **Influence discussions** on the new Export Model
 - **Agitate for a more enabling business environment** for service providers
 - TCSI carried out a Mission to five EU countries with three industry groups
 - Architects , Engineers who made numerous contacts and joint ventures and
 - Entertainers – Got business and have since participate in festivals in the EU
 - BCSI –greater focus on R&D to drive innovative policies, facilitated Green Building Conference and Expo to expose Architects on new developments to drive sustainability and design
 - GCSI – Export Readiness for Service Businesses
 - SLCSI – Extending services regionally

Successful Innovative and Collaborative Approaches - Jamaica

- Health and Wellness
 - Development of the Health and Wellness Tourism Policy Framework –good example of public/private sector partnership that has resulted in the establishment of an institutional framework for policy creation
 - Primary Objective is the generation of the cabinet approved policy document which will include new and revised legislation and regulations

Successful Innovative and Collaborative Approaches - Jamaica

- **Omnibus Tax Legislation**
 - 10 months of direct partnership of the public sector and the private in arriving at the new Omnibus Tax Incentive
 - Successful due to
 - Strong participation in the drafting of policy papers
 - Participation in the running of the various tax models and analysis of data
 - Participating in negotiations directly with the IMF/IDB
 - Consensus amongst private sector bodies on the structure and scope of the incentives packages (in spite of varied interests)

Key Questions

- Are LAC stakeholders sufficiently involved in services policy-making and services trade negotiations?
- Are there differences between their involvement in policy-making vs. their involvement in negotiations?
- What tools can be used to promote trust and cooperation among the various actors involved?
- Are there successful/innovative initiatives that could be replicated?

Are LAC stakeholders sufficiently involved in services policy-making and services trade negotiations?

- Stakeholders have become more involved in CARICOM in recent years
- **Regional negotiations**
 - CRNM/OTN consulted various services industries stakeholders and undertook sub-sector studies. CARICOM negotiations now take place on a Regional rather than individual member state basis
- **Regional support for service sector development**
 - CARICOM Secretariat has a Services Specialist on staff
 - Regional development bank (CDB) has provided grants to CSIs in several CARICOM Member States to develop their capacity
 - CARICOM Secretariat is currently involved in a project to harmonize and standardize the registration of services providers across the region as well as standardize the process by which services providers move between member states
 - The CSIs will play a critical role in the process

Are LAC stakeholders sufficiently involved in services policy-making and services trade negotiations?

- **Involvement in Local Policy making**
 - Several CARICOM countries have undertaken services sector studies
 - Utilized the services of private sector services experts and consultants
 - Studies were usually based on consultations with private sector services industries
 - Private Sector Organisation of Jamaica is heavily consulted in policy making in Jamaica
 - Representatives of the PSOJ are included in important policy and decision-making committees
- JAMPRO and ExporTT have **private sector involved in Governance**
 - Board of JAMPRO is 80% private sector
 - Board of ExporTT is completely private sector
- JCIS signed an **MOU with lead private sector** agencies in October 2011 to collaborate on developing services nationally

JCSI's approach to services policy making

- The Jamaica Coalition of Services Industries (JCSI) interfaces regularly with the sector, via consultations, newsletters and its websites.
- Promotes and encourages stakeholders comments on the Services Sector Expansion & Action Plans.
- Interventions by the stakeholders go towards the development of services sector policy framework.

Are there differences between their involvement in policy-making vs. their involvement in negotiations?

- More involvement in the policy-making process when compared to participation in negotiations
- Policy-making process facilitates more active involvement
- Negotiations tend to be more technical in nature
- Negotiations tend to be with third party countries and require travel at one's expense

What tools can be used to promote trust and cooperation among the various actors?

- The formation and capacity building of CSIs can (and has) been used to promote trust amongst services providers at the local level
 - CSIs allow services providers to **air and share their issues and concerns**
 - CSIs allow industry groups to attract funding that **builds their capacity**
 - CSIs allow industry group to have a **stronger voice**
 - Will have more **influence on policy** as a group
 - There are some powerful individual services industries in CARICOM
 - » Tourism, Financial services, Legal services
 - CSIs also promote trust at the regional level as CSIs work together

Shortcomings

- Some Regional Partners/Bodies do not fully embrace and respect the role and contribution of the Network of Service Coalitions
 - Exclusion of CNSC at 10th EDF discussions with respect to Services Fiche

Lessons Learnt

- The feedback of service providers is critical
- Broker more engagements between the formulators of policy and the private sector
- Tools that work : collectivism/formation and strengthening of industry associations where best practices and information exchanges can be fomented
- Simple communication of the fundamentals of negotiations or policy

THANK YOU

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