



Note

Effective Consultation of Private Sector Representatives in Trade

Success stories

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Summary

This note brings recognition to the importance of involving the private sector in government consultations in order for trade policies to best benefit a country. The note uses Barbados, Brazil, Zambia, and Laos PDR as case stories of effective public-private dialogue (PPD) mechanisms and provides suggestions to governments for successfully engaging in such dialogues.

Introduction

Trade is a key component of a country's economic growth and development, being one strategy used by developing countries to reduce poverty and improve overall standards of living (Ward & Reid, 2015). The trade of goods and services in developing countries has grown rapidly in recent decades, constituting an increasingly greater share of world trade. For example, export manufacturing sectors have grown in the Global South, which accounts for up to 80 percent of total exports in some countries (IMF, 2001). Likewise, developing countries and transition economies have collectively increased their share in the export of services from one-quarter to one-third over the past twenty years (WTO, 2015).

However, least developed countries (LDCs) and low income countries (LICs) continue to encounter difficulties in capturing or propelling new trade opportunities, as well as sustaining progress across existing economic activities. As a result, trade policy and related negotiations have become a core focus at domestic, regional, bilateral, and multilateral level discussions (Mukiibi, Debornes, & Jeyakumar, 2015, Ward & Reid, 2015). The approach in which trade policies are oriented and negotiated at each scale has a profound impact on the resulting outcome for stakeholders on the ground. According to Stiglitz (1998), participation is one of the essential elements of a successful development strategy, whereby all relevant stakeholders are closely involved in sharing their views, experiences, interests, and needs. He argues that:

“Development cannot just be a matter of negotiations between donors and the government [...] It must involve and support [all stakeholders] for development to be sustainable.

Ownership and participation are also necessary if the development strategy is to be adapted to the circumstances of the country [...] research shows that projects with higher levels of participation are in fact more successful, probably in part because those projects make fewer erroneous assumptions about the needs and capabilities of beneficiaries” (Stiglitz, 1998).

These principles can be applied to consultative processes surrounding trade policy. In the trade of goods and services, the private sector is an important stakeholder with which to engage in consultations to inform trade policy and trade negotiations.

The private sector has many incentives to participate in consultations, primarily as it offers them the opportunity to influence trade policy that would favour their interests. In addition, such consultations can serve to inform the private sector of recent trade developments as well as provide an opportunity to participate in government-led initiatives which are to their economic benefit (CUTS International, n.d.).

To encourage and inform more effective consultation of the private sector in trade policy, this note will first discuss the relevance of engaging the private sector. Secondly, case studies from Barbados, Brazil, Zambia, and Lao PDR will be reviewed to demonstrate successful means of communication with the private sector. From these success stories, transferable lessons will be drawn that could be implemented in South and South East Asia (S&SEA). Lastly, recommendations for consultation mechanisms, communication techniques, and general principles for effective

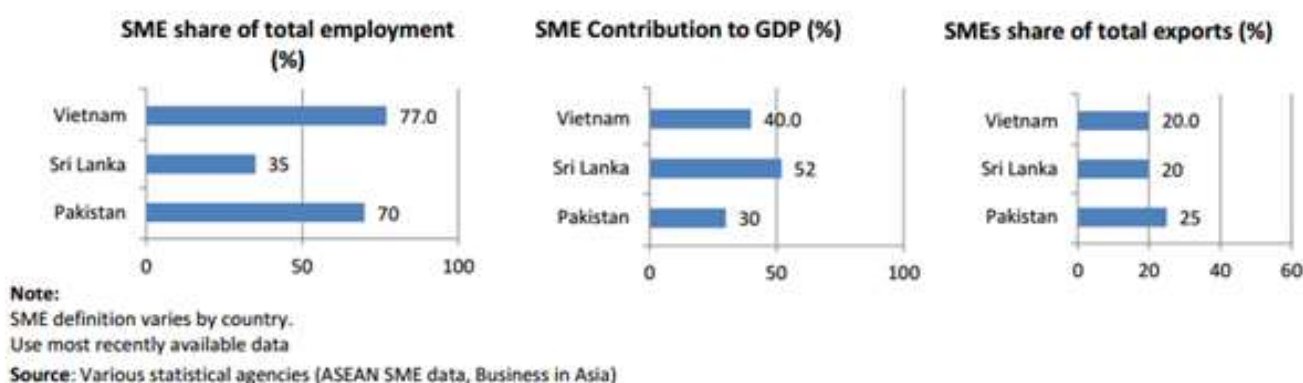
Criticality to Engage Private Sector in Government Consultations

The private sector is operated for profit by private individuals or entities, and is not under control of the state. The private sector is diverse, comprising a range of businesses from micro, small, and medium-sized enterprises (MSMEs) on one end of the spectrum to large multinational corporations (MNCs) on the other. MSMEs are equally as important to the economy as larger businesses, particularly in LDCs and emerging economies, and therefore should have targeted consultations to ensure their interests are represented in trade negotiations. Moreover, MSMEs experience unique challenges in comparison to MNCs, which are often overlooked or under-represented in trade discussions. Small and medium enterprises (SMEs) comprise a majority of the private sector in S&SEA countries, averaging upwards of 90 percent of all registered enterprises (UNESCAP, 2009). The data in Figure 1 offer an indication of the integral role of SMEs in select S&SEA country economies.

The private sector can be organized and represented as a collective through apex bodies or by sector associations. Multi-sector apex bodies, such as chambers of commerce, represent the interests of the private sector as a whole, whereas sector-specific associations represent one particular sector or economic activity (Kaukab, 2009).

Representation of the private sector is important, as they provide practical on-the-ground insights of the general and sector-specific business atmosphere, which can positively inform and influence future trade policy (Mukiibi, 2015). The private sector is in the most experienced position to **identify “challenges of market entry; to define the support services businesses need; to advise where and how the cost of doing business should be reduced; to explain the need to improve market conditions; [and] to identify value-added and diversified opportunities”** (Said & Krantz, 2009, p.40). In comparison to other stakeholders, the private sector has more institutional mechanisms in place to interact with the government, particularly on trade issues (Kaukab, 2009). It is also important to garner private sector participation in governmental and non-governmental-led initiatives (CUTS International, n.d.).

Figure 1: SME labour, GDP, and export contributions in select countries



Adapted from Yoshino & Wignaraja (2015). Retrieved from <https://www.imf.org/external/np/seminars/eng/2015/jica2015/pdf/1-B1.pdf>

Public-Private Dialogue (PPD) Mechanisms

PPD mechanisms constitute both formal and informal structures and activities through which governmental bodies engage non-state actors (NSAs), such as the private sector, in collaborative trade strategy discussions (CUTS International, n.d.; Mukiibi, Debornes, & Jeyakumar, 2015). The government “takes the lead in setting sectoral priorities while the private sector sets priorities within sectors” (Said & Krantz, 2009, p.40). Such mechanisms reflect a combined top-down and bottom-up approach to inclusive trade policy discussions between state and NSAs. PPD mechanisms come in many forms, including trade fora, working groups, advisory committees, and trade councils, among others.

PPD can be a powerful instrument for the private sector to contribute to the formation of effective and sustainable trade policies that positively affect the economy. Some benefits include:

- Building momentum for business environment reform
- Ensuring that reform design aligns with local needs and capacity
- Accelerating and smoothing the implementation of policy reforms
- Helping to prioritize solutions for binding constraints
- Promoting accountability, transparency, and good governance
- Building trust and restoring confidence in post-crisis or post-conflict environments (Ward & Reid, 2015)

Developing countries, specifically LDCs, are increasingly implementing consultation mechanisms targeted to access private sector input. In addition to the four selected country case studies, LDCs such as Burkina Faso, Botswana, Kenya, Malawi, Nepal, Tanzania, and Uganda, among others, have made considerable efforts to establish effective mechanisms, such as PPD, to consult their respective private sectors (CUTS International, n.d.; Kaukab, 2009; Mukiibi, Debornes, & Jeyakumar, 2015; Ward & Reid, 2015).

It is useful and instructive to consider the experiences of these and other countries. Such an examination can inform upon the extent of efforts already undertaken, as well as the challenges that are still to be overcome. Most importantly, **investigation into other countries’ experiences can reveal elements of success as well as lessons that can be learned for designing and implementing better**

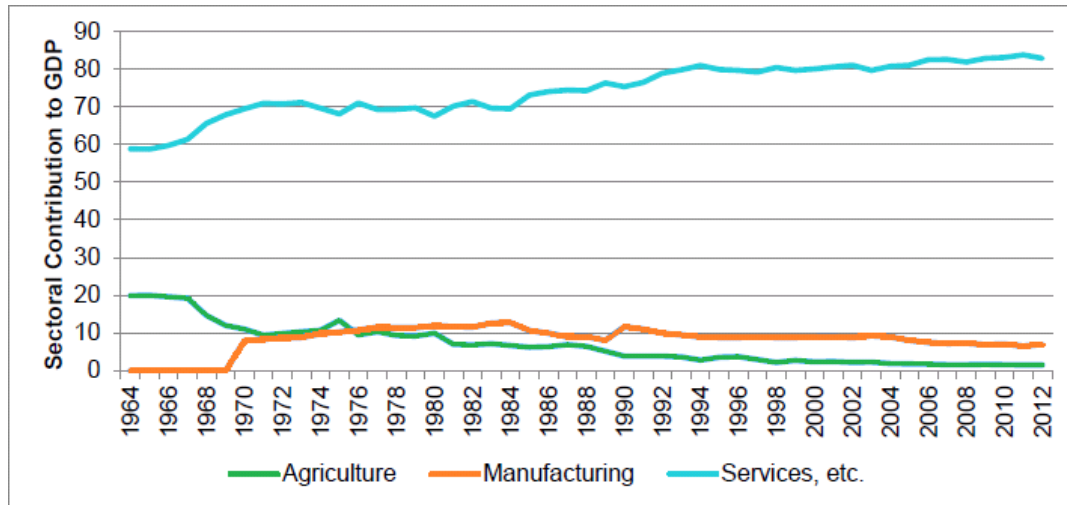
and more effective private sector consultations in developing and least developed countries.

Success Stories and Lessons Learned

Barbados

Barbados has a predominantly services-driven economy through tourism and tourism-related activities, with both a strong base of domestic service providers and a growing international segment (Ward & Reid, 2015). The services sector continues to contribute upwards of 80 percent of GDP each year (Figure 2), employing over 89,000 Barbadians (World Bank, 2015).

Figure 2: Long-term trends of agriculture, manufacturing, and services sector percentage of contributions to GDP in Barbados.



Source: World Bank, World Development Indicators (2015). Retrieved from Ward and Reid (2015).

Barbados has a dense, well-organized network of business support organizations (BSOs) that are geared toward improving the business environment. BSOs play a critical role in representing private sector interests and collaborating with policy-makers. BSOs function to disseminate information, solicit stakeholder views, and develop stakeholder capabilities – particularly for MSMEs – through education, research, networking, and training activities. They

also advocate for improvements to the regulatory and business environments, and bring attention to unattended governance issues, such as government effectiveness, regulatory quality, and rule of law. In addition, BSOs assist the government in the identification of new areas for technical assistance and potential areas of cooperation from consultation with trading partners and the private sector.

Key Features of Business Support Organizations (BSO)

The following is a list of key features or structures of BSOs that are relevant for consultation:

- A well-defined mandate
- Inclusive and diverse membership
- Maintenance of a member database
- Information access points
- Learning resources
- Means to disseminate information
- Record-keeping
- Communication, managerial, analytical, and negotiations skills
- Skilled personnel on trade and sector-specific issues
- Provision of training for personnel, representatives, and members
- Active lines of communication with private sector stakeholders
- Active lines of communication with government and sector ministries
- Active lines of communication with other BSOs
- Partnerships or collaboration mechanisms with other BSOs
- Smart partnerships with international development actors

Whilst many BSOs hold similar mandates in general, each BSO's mandate and institutional mechanisms for policy-making, advocacy, and negotiations in their targeted sector are well-defined and documented. Some BSOs represent a broad spectrum of the economy, such as the Barbados Chamber of Commerce and Industry, whilst others are sector-specific, such as the **Barbados Banker's Association and the Barbados Hotel and Tourism Association**. Not only do BSOs engage directly with the private sector and the government, but there has been movement toward inter-BSO collaboration as well as the development of 'smart partnerships' between BSOs and the international development community (Ward & Reid, 2015).

The sophistication of the BSO network in Barbados has facilitated, strengthened, and enhanced the processes and the quality of governmental consultation with the private sector.

Brazil

With an ever-expanding presence in world markets, **Brazil's economy built its foundations** in large, well-developed agricultural, mining, manufacturing, and service sectors (Central Intelligence Agency, 2016a). As of 2013, its growing focus in services contributes almost 70 percent of GDP (Alvarenga, 2015).

Brazil's private sector is well-established, often represented collectively by business associations. Government consultations may occur directly with businesses, business associations, or with an overarching business federation. For example, one of the largest federations, *Federação das Indústrias do Estado de São Paulo*, comprises 131 business associations, representing 150,000 businesses of all sizes from 23 separate industrial sectors.

In the 1990s, trade policy-making underwent

significant changes with the addition of new sector-specific topics to the trade policy agenda. In 1996, negotiations for the Free Trade Agreement of the Americas (FTAA) prompted the internal and external reorganization of negotiations and consultations processes for Brazilian state and NSAs. Under the Ministry of External Relations of Brazil (MER), a national FTAA Secretariat was established, constituting a monthly forum responsible for the debate and coordination of negotiations issues. To develop negotiations positions, this forum engaged government ministries, the Foreign Trade Chamber of Brazil, the private sector, and civil society organizations (CSOs). Following FTAA Member State negotiations, the Secretariat hosted workshops for domestic stakeholders to inform on discussions, solicit views, as well as prepare proposals and new negotiations positions.

Mechanisms such as the Inter-ministerial Working Group on International Trade in Goods and Services were also formed under the MER to facilitate coordination between ministries. Membership to these working groups included technical representatives from various ministries, the private sector, and CSOs.

However, many trade fora in Brazil were discontinued in the mid-2000s as both regional and WTO negotiations came to an impasse. As a result, both the private sector and CSOs lost interest in participating in government consultations.

The coordination of negotiation positions remained within the MER, which expanded to accrue new thematic departments and divisions dedicated to the diversity of aspects emanating from international trade negotiations. Private sector participation was somewhat revived following the establishment of the Private Sector Advisory Council, which forged better channels of

communication between the Brazilian government and the private sector. Despite a brief four-year period of dormancy, the Council was reconvened in early 2015 to cultivate stronger and more direct relationships with the private sector.

Most consultations on trade are informal, though many different consultation mechanisms are employed in Brazil. For example, the Ministry of Development, Industry and Foreign Trade (MDIC) often engages well-known private sector stakeholders for direct consultation or distributes a survey to the wider private sector community. Recently, MDIC has been active in the organization of workshops on trade in services for the private sector (Alvarenga, 2015).

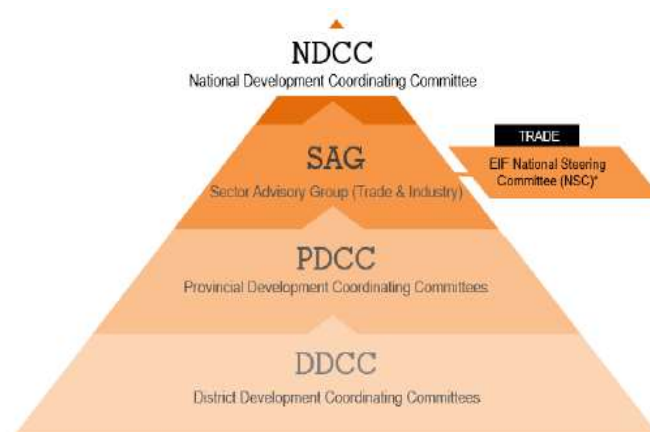
Zambia

The Zambian economy is highly dependent upon its extractive copper mining industries for export. Over the course of the last decade, Zambia has become one of the world's most rapidly growing economies despite its lack of economic diversification (Central Intelligence Agency, 2016b).

Both the private sector and CSOs are involved in national policy-making and implementation processes for trade in Zambia, and are assuming progressively larger roles through effective consultation. The Zambian government established a development coordination committee (DCC) system at national, provincial, and district levels through which NSAs can participate in trade-related consultations (Figure 3). The DCC falls under the umbrella of the Ministry of Commerce, Trade and Industry (MCTI), which is responsible for drafting, implementing, and monitoring trade policy. The DCC aims to facilitate: (i) coordination between sector ministries and departments, donors, the private sector, NGOs, development actors, and the council; (ii) monitoring and reporting; (iii) and

the establishment of mechanisms to ensuring government responsiveness to local needs in service delivery.

Figure 3: Trade policy mechanisms in Zambia.



* Formerly Trade Expansion Working Group (TEWG)

Zambia also has in place an Enhanced Integrated Framework (EIF) National Steering Committee, which functions as a subset of the Sector Advisory Group on Trade and Industry (Figure 3). This Committee meets on a quarterly basis, and is an important avenue for NSA participation in trade policy. In early 2014, the EIF National Steering Committee organized a validation workshop for the private sector, CSOs, and other stakeholders to discuss Zambia's export promotion strategy, trade reforms, and products for prioritization.

Both the private sector and CSOs play a significant role in raising public awareness, sharing information, research, analysis, lobbying, advocacy, and capacity-building around trade and trade issues. Zambian private sector stakeholders partake in roundtable meetings and other consultation mechanisms, such as the National Working Group on Trade (NWGT). Outcomes of the NWGT contribute to the delineation of Zambia's negotiating positions and trade strategies developed

by the MCTI (Mukiibi, Debornes, & Jeyakumar, 2015).

Lao PDR

Despite its relatively young private sector, Lao PDR's economic growth is amongst one of the fastest growing in Asia (Central Intelligence Agency, 2016c). Lao PDR is characterized as an extractive economy dependent on the export of its natural resources, with an emerging focus in hydropower production (Central Intelligence Agency, 2016c; Ward & Reid, 2015).

Inaugurated in 1989, the Lao National Chamber of Commerce and Industry (LNCCI) is the largest representative body of the business community in Lao PDR. Representing over one thousand business associations and thirteen provincial chambers of commerce, the LNCCI is a key stakeholder in consultations. Of its many roles, the LNCCI primarily relays concerns and issues noted by the private sector to the government to inform the development of new and revision of existing policies and legislations to improve the business environment. In addition, the LNCCI engages business negotiations at regional and international levels to cultivate opportunities for trade and investment. The LNCCI is also dedicated to disseminate information and provide capacity- and skills-building to its members by hosting seminar, business meeting, and exhibition mechanisms.

Individual BSOs also take part in various consultation mechanisms, primarily through the provision of regulatory impact analysis and assessments of new laws and regulations. BSOs also act as a key intermediary between private sector stakeholders on the ground and representatives from working groups, circulating information, minutes, and newsletters to its members using an online platform.

In 2006, the government initiated the Lao Business Forum (LBF), under which they established formal mechanisms and procedures for consultation. This mechanism was subsequently reinforced by the Law on Legislation, mandating that stakeholder consultations be undertaken at all levels. The LBF is structured into six sector-specific working groups, with one group each dedicated to tourism, manufacturing, energy and mining, banking and insurance, services and trade, and cross-sectoral issues. Each working group is co-chaired by a senior government official and a designated representative of the private sector. The working groups are the engine of the LBF, facilitating open and participatory PPD consultation processes. The functioning of the LBF platform was designed to improve the business enabling environment and assist in the growth and development of the private sector. This is achieved through dialogue promoting consistent enforcement and non-discretionary interpretation of laws and regulations; the identification of market-entry and -exit barriers for businesses; and the provision of private sector feedback on draft laws and regulations, among others.

Lao PDR has been notably commended for the organizational effectiveness of its PPD mechanisms. In 2009, the World Bank conducted an assessment of thirty PPDs from around the world, in which Lao PDR was ranked as having the fourth most effective PPD mechanisms (Ward & Reid, 2015).

Lessons Learned

The diversity of country case studies demonstrates that effective private sector consultation mechanisms can be successfully implemented in any range of country contexts. As Barbados, Brazil, Zambia, and Lao PDR each differed in terms of their economic structure, trade strategies, and

policy background, our recommended consultation mechanisms can be easily transferred and adapted to S&SEA contexts (Ward & Reid, 2015).

Stakeholder engagement through effective consultation and coordination facilitates better understandings of trade and its contributions to development, in addition to the bilateral communication and informing of trade policies, updates to regulation, and negotiations positions (CUTS International, n.d.). While consultation mechanisms with private sector representatives can provide policy-makers with insights regarding on-the-ground realities, the true test of their effectiveness can only be determined in the extent to which consultations are translated into meaningful policy reforms. A key factor of success necessitates that the government engage private sector stakeholders as a genuine partner, taking into account the range of interests to implement balanced and attainable policies. This should not be confused with implementing whatever one stakeholder group demands, but should instead be a democratic process (Ward & Reid, 2015).

The private sector in each of the four case studies had a well-developed framework of representative associations. To enhance the effectiveness and representation of private sector stakeholders, the government should encourage the formation of both sector-wide and sector-specific associations. It is important that these bodies are endowed with regular access to information and sufficient human and financial capital to undertake quality research, consultations, advocacy, and training activities. The government should also encourage inter-association collaboration and smart partnerships with development agencies, as the Barbados experience highlights how inter-BSO collaboration could be used as an effective tool to address increased technical demands. Both inter-association collaboration and smart partnerships

can help to reduce human, technical, and financial deficits. Governments can shape and encourage inter-association collaboration by providing financial assistance during the initial stages of association development; however, a clear plan for economic sustainability should be actively pursued. In addition, governments can facilitate the advocacy process for private sector associations by establishing a secretariat to host consultation mechanisms for the specific issue. Governments can also indirectly promote deeper levels of inter-association collaboration by identifying and targeting the avenues through which associations currently raise their concerns (Mukiibi, 2015; Ward & Reid, 2015).

Governments and the private sector should also aim to provide capacity-building to stakeholders on the ground in terms of skills development in technical trade issues and changing international regulations. This is particularly important for MSMEs, who are often unable to interpret the resulting outcomes of decisions made at the multilateral level and lack the human or financial capital to adapt to changing regulations (Mukiibi, 2015).

Decisions regarding which mechanisms to implement should be based on policy objectives; national strategic plans for trade; existing structures for consultation; willingness of stakeholders to participate; extent of government involvement; capabilities of the private sector or their associations; and the degree of trust between the private sector and the government. Zambia met with much success regarding the implementation of the DCC system. A similar structure could be of benefit in S&SEA, such that a consultation mechanism exists at district, provincial, national, and regional levels as part of one coherent coordinating consultation system. Consultation mechanisms can be conducted formally or

informally. Consultation mechanisms for both general and sector-specific consultations should be established in order to capture the breadth and specificities of stakeholder insight (Mukiibi, Debornes, & Jeyakumar, 2015; Ward & Reid, 2015).

Commitment to sustain effective consultation mechanisms in the long-term can be reinforced by law. The legal mandate of stakeholder consultation contributed to the effectiveness of PPD mechanisms in Lao PDR, and ensured inclusivity, accountability, and stability of the mechanism.

Overall, the effectiveness of consultation mechanisms can only be determined by the commitments and active participation of the government and stakeholders involved. As described in the case of Brazil, it is important to maintain active and regular participation of NSAs in consultation, otherwise stakeholders lose interest and are less inclined to participate in the future. Moreover, it is important to integrate means of feedback into each consultation mechanism regarding impacts and policy outcomes, as these function as an indication to stakeholders the utility of their participation in consultations. This will serve to ensure their continued and more effective consultation in the future (Alvarenga, 2015; CUTS International, n.d.; Ward & Reid, 2015).

Challenges

However, the implementation and functioning of consultation mechanisms are not without challenges. LDCs and LICs face a greater number of challenges than developed countries in this regard. Moreover, the characteristically resource-scarce operating environments of LDCs are likely to intensify these challenges (Ward & Reid, 2015). Three core categories of challenges have been identified: (i) limited human, technical, and financial capacities of private sector stakeholders; (ii) institutional and structural issues of the design

and functioning of consultation mechanisms; and (iii) internal challenges faced by private sector stakeholders (Kaukab, 2009).

Under the first category, many stakeholders in the private sector struggle with a dearth in their human, technical, and financial capacities to effectively engage in and contribute to consultations. Limited financial resources and the lack of skilled personnel to train stakeholder representatives on the technical specificities of trade negotiations issues can constrain their ability to make significant and meaningful contributions to the formulation of favourable trade policy (CUTS International, n.d.; Mukiibi, Debornes, & Jeyakumar, 2015; Ward & Reid, 2015). In addition to deficiencies in technical and analytical skills, poor or a lack of access to reliable up-to-date information and data negatively affects the accuracy of their contributions. This ultimately makes decision-making more difficult and less effective (CUTS International, n.d.; Ward & Reid, 2015).

In the second category, challenges relate to the structural design of the consultation mechanism that can affect its functionality. There are overlapping challenges to determine the optimal depth and breadth of consultations. One of the main issues pertains to the irregularity of consultations, as often consultation mechanisms occur on an *ad hoc* basis (CUTS International, n.d.; Kaukab, 2009). Insufficient interactions between government, private sector, and other stakeholders can significantly impede consultations and decision-making (Ward & Reid, 2015). The multiplicity of consultation mechanisms is another issue. With multiple sub-committees and working groups with overlapping mandates, at times the same issues dominate discussions within different fora, which may result in uncoordinated or redundant actions. Similarly, these different

consultation mechanisms may target the same stakeholders, making it difficult for them to regularly attend all consultations. Furthermore, the multitude of consultations occurring at the grassroots district level may not facilitate communication up to national or regional level consultations. Inversely, grassroots consultations may not be conducted at all, excluding the views of a wide base of stakeholders. Moreover, even if representatives of grassroots stakeholders are included in consultations, they may not be included in decision-making processes (Mukiibi, Debornes, & Juyakumar, 2015). Another issue relates to the lack of a feedback mechanism. Often participating stakeholders are not informed of whether their contributions were considered or included into policy decisions. The lack of feedback does not offer stakeholders an indication of their utility in consultations, which in response some stakeholders may be less inclined to participate in future consultations. A final set of challenges in this category relates to poor accountability, a lack of transparency, and a lack of trust in the governing

body. These challenges often face LDCs with a notable legacy of governance issues (CUTS International, n.d.).

The challenges in the third category are faced internally by representing stakeholder groups, such as apex bodies, private sector associations, or BSOs. Representation may not be fully inclusive or representative of all possible stakeholders (Mukiibi, Debornes, & Juyakumar, 2015). It is necessary to balance the varying interests of members, aiming to represent both sectoral and sub-sectoral interests of the private sector. At times, larger or more influential private sector actors may indirectly exclude MSMEs from the consultation process, as they tend to dominate discussions (Kaukab, 2009). Another issue relates to the tendency of BSOs to operate in ‘silos’, **limiting communication and coordination** between stakeholders to target common interests in consultations or share information and others resources (Ward & Reid, 2015).

Overcoming Challenges

The following is a list of general strategies to overcome challenges associated with the implementation or functioning of consultation mechanisms (CUTS International, n.d.; Mukiibi, 2015; Mukiibi, Debornes, & Jeyakumar, 2015; Ward & Reid, 2015).

- Spreading awareness and understanding of trade and its contributions to development
- Engaging and coordinating all stakeholders through consultation
- Establishing defined and attainable mandates and consultation agendas
- Communicating trade policy decisions and interpreting information for stakeholders
- Establishing concrete and accountable government commitment
- Enhancing the profile and credibility of trade institutions and different trade strategies
- Record-keeping
- Targeted research in knowledge gaps
- Providing stakeholder training and capacity-building
- Encouraging intra-association collaboration to cope with increased technical demands
- Encouraging intra-association collaboration and smart partnerships between private sector associations and international development actors to address resource deficiencies and financial constraints
- Implementing feedback mechanisms
- Ensuring mechanism transparency and the accountability of actions

Proposed Consultation Mechanisms

There are a variety of mechanisms that could be implemented for private sector consultation, including trade fora, working groups, advisory committees, and trade councils, among others. They may be categorized on the basis of their mandate (e.g., a subset of trade issues, general trade issues, or multiple issues that include trade) or by the composition of involved stakeholders (e.g., inter-ministerial coordination, PPD, all stakeholders, etc.) (Kaukab, 2009). All mechanisms are governed by a set of rules defining their formal structures and procedures (e.g., agenda setting, participation criteria, election of chairpersons, etc.).

Recommended Formats of Effective Consultation Mechanisms of the Private Sector

PPD mechanisms can constitute either formal or informal structures and activities. The format of consultation mechanisms can vary depending on its purpose and audience (CUTS International, n.d.; Mukiiibi, Debornes, & Jeyakumar, 2015).

Focus Groups

An interactive group setting where participants are engaged by a facilitator to discuss their perceptions, opinions, and interests regarding trade issues and policy. Focus groups allow participants to interact and discuss more freely. Most effective focus groups are limited to a maximum of ten participants. Multiple focus groups of different private sector representatives can be held for one topic. Diversity of participants is key.

Workshops

Open public meetings that begin with seminars or

presentations, followed by small break-out working groups dividing up participants, and concluded with a large group discussion to consolidate outcomes. Day-long workshops are not always easily attended by the private sector, especially MSMEs, because of schedule responsibilities or the incapacity to send a representative. Alternatives to solicit private sector inputs include shorter workshops or in-person/telephone interviews.

Policy Dialogues

Meetings aimed to formulate solutions to politically controversial or complex technical issues through the exchange of information and the building of consensus between state and NSAs. Policy dialogues are well-suited to PPD.

Generally comprise three stages in building consensus: (i) issue focusing and convening; (ii) information exchange and discussion; and (iii) solution-seeking and consensus-building. Good practices include the engagement of an independent facilitator to organize and moderate the proceedings; downstream negotiations among participants regarding the agenda for discussion; and adherence to principles ensuring legitimate and inclusive representation of all stakeholders.

Roundtables

Informal discussions, where all participants are placed on equal footing, are used to brainstorm and enrich the debate regarding an issue. The purpose of roundtables is not aimed to reach consensus, but rather to circulate new ideas.

Steering Committees

Steering committees oversee, guide, direct, and control a project within an organization, sector, country, or region (McLeod, 2008). In the context

of the EIF of the WTO, national steering committees are the predominant PPD mechanism for LDCs (CUTS International, n.d.).

Communication Techniques

There are a number of communication techniques that can be employed within the aforementioned consultation mechanisms to facilitate information dissemination and effective consultation between the state and the private sector (CUTS International, n.d.).

E-mail

The creation and maintenance of an e-mail contact mailing list is an easy method to begin or improve existing communications with stakeholders. An effective way to share information and provide important updates on trade-related developments to which contacts may not have access. Excel and Outlook are the recommended software for building mailing lists. Should be frequently updated and expanded. Contacts should have the option to unsubscribe.

Outreach Materials

Short, simple, and reader-friendly resource materials are an effective means of providing information to new contacts as well as keeping existing contacts informed of new initiatives or research. Common formats include brochures, fact sheets, newsletters, update notes, and briefing papers, among others. Should be available in both electronic and print form.

Media

Information can also be disseminated through press releases on different media outlets, such as newspaper, radio, web, and social media platforms. The contracting of audio-visual programmes can

complement press releases.

SMS Alerts

Can be used for imminent broadcasts, to schedule informal meetings, or to rapidly relay critical information and new developments.

Websites

An easy way to increase visibility and share information. Websites are easily accessible by stakeholders via the Internet. Basic websites are easy to set up and maintain. The layout should be user-friendly, organized, regularly updated, and attractive by balancing text, imagery, and other media.

Business Fairs

Participation in business fairs is an easy way to spread awareness, share information, and network with new contacts.

Leveraging NGOs and CSOs

An approach to help promote and spread awareness amongst relevant stakeholders and the public. May reach unknown stakeholders at the small-scale.

Conclusion and Recommendations

The processes involved in the development of national trade policies differ for each country, owing to the context of their national endowments, prevailing conditions, and specific international obligations. The complexity of trade underpins the need for a broad, comprehensive set of policies. With no one-size-fits-all trade policy prescription, governments must determine the most appropriate

policies to benefit their economy and stakeholders on the ground. This is best informed by stakeholder consultation (Kaukab, 2009). Without effective dialogue and stakeholder involvement, poor communication and collaboration between private companies, institutions, and the public sector lead to the lack of synchronization between trade policy and sector activities (Said & Krantz, 2009).

The private sector is one of the many important stakeholders whose participation in consultations should be actively pursued. The private sector's on-the-ground experience in trade, as well as ownership of and implications within trade policy makes them a key stakeholder (Mukiibi, 2015). National, regional, and multilateral trade policies must be relevant to private sector stakeholders, especially MSMEs, particularly in terms of the constraints and opportunities that affect their capacities to produce goods or provide services (Said & Krantz, 2009). Their participation in various consultation mechanisms facilitates the implementation of more coherent and effective trade policies and can also better inform trade negotiation positions.

The case studies of Barbados, Brazil, Zambia, and Lao PDR offer insight into the real-world implementation of effective consultation mechanisms, and how they can be adapted to different economic and policy contexts. While the structure and type of consultation mechanisms differed between each case study, the objectives to improve private sector access to and participation in trade consultations with the government were achieved to some extent. Governments in S&SEA can use these case study experiences as a basis upon which they can build and develop consultation mechanisms and structures for private sector stakeholder engagement that best suits their specific objectives, needs, and capacities.

Key Principles to Ensure Effective Consultation of Private Sector Representatives

It is important that any consultation mechanism facilitates inclusive, accountable, and effective representation of all involved stakeholders. The following five principles will guide the implementation of effective consultation mechanisms:

Inclusivity

Consultation mechanisms should aim for the widest and most inclusive representation of stakeholders possible, such that the gamut of interests are balanced and represented. To ensure wider inclusivity at national and regional scale negotiations, private sector consultation mechanisms should facilitate linkages with local private actors, allowing grassroots participation to contribute to and inform decision-making (Kaukab, 2009; Mukiibi, 2015; Mukiibi, Debornes, & Jeyakumar, 2015). Inclusive mechanisms allow for the identification of synergies between local and national actors. More inclusive mechanisms also tend to cultivate more successful consultative processes in the long-term. Governments should encourage the formation of apex bodies and sector associations as well as promote membership to enhance stakeholder representation and access (Mukiibi, 2015).

Flexibility

Whilst some consultation mechanisms have limited membership, the provision of flexibility should allow for the short-term incorporation of sector representatives where an agenda issue is of direct concern to them (CUTS International, n.d.; Mukiibi, Debornes, & Jeyakumar, 2015).

Accountability

Private sector representatives should have adequate knowledge, expertise, and access to information regarding the mandate of their constituencies and related trade issues. These representatives must be accountable for their contributions and represent the full range of stakeholder concerns. It is crucial that there is both regular and up-to-date information flow between the government, private sector representatives, and stakeholders on-the-ground. Moreover, consultation mechanisms should aim to establish means for feedback within the private sector as well as between the private sector and the government for more transparent and effective consultations (CUTS International, n.d.; Mukiibi, Debornes, & Jeyakumar, 2015).

Develop Capabilities

The government and the private sector should provide capacity-building to on-the-ground stakeholders on trade issues on a regular basis, particularly for MSMEs. Analytical capabilities,

such as data collection and statistical analysis, should be targeted for improvement through **training**. Representatives' capacities to understand stakeholder needs and interests, as well as managerial and communication know-how, should be prioritized. Communication and capabilities in fostering collaboration can be further developed through smart partnerships (Mukiibi, 2015; Mukiibi, Debornes, & Jeyakumar, 2015).

Institutional Memory

It is important to maintain records of meetings, decisions, actions, and follow-up activities undertaken from consultation mechanisms. Proper record-keeping guarantees accurate information that is easily accessed for reference. It also ensures a smooth policy-making process. In addition, effective institutional memory facilitates the integration of new or changing representatives (CUTS International, n.d.; Mukiibi, 2015).

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