The crucial importance of a new regional private sector organisation

The View from Europe
David Jessop

A little over a week ago, private sector associations from around the Caribbean agreed to establish by June of next year a new regional body able to represent their interests authoritatively to CARICOM.

The new organisation – a decision still has to be taken as to whether opt the name Caribbean Business Council (CBC) will be adopted - is an important step forward, creating something much needed in the region; a single strong private sector voice.

For years, the Caribbean private sector has been talking about the need for a better dialogue with CARICOM. However, for a variety of reasons it has failed to put in place a body worthy of the vital role the regional private sector has in delivering economic growth.

Now a new institution seems set to emerge, able to make representations on the issues that have all but stymied the potential of the Caribbean Single Market and Economy (CSME).

The new initiative aims to create a viable mechanism that bridges the public-private divide, enables business to raise formally issues of common concern at a regional level, and has the capacity to argue for change in ways that spurs regional growth.

As with so many issues in the Caribbean, the background to this is complicated.

In 2006 it was agreed that a body known as the CBC would be established to act as an interface with CARICOM and be formally recognised as an Associate Institution. However, the concept lacked substance or a wide buy-in from much of the regional private sector.

Consequently, virtually nothing happened until 2014 when a meeting of CARICOM’s Council for Trade and Economic Development (COTED) made clear that the establishment of a single private sector interlocutor should be pursued as a priority.

After extensive consultations, a detailed study, ‘CARICOM/CARIForum Public-Private Sector Dialogue: A road map for re-engagement’ was produced by James Moss-Solomon. This indicated that the regional private sector recognised the need for a strong regional private sector institution and was largely ready to move forward with a viable new body. Subsequently, a draft constitution and institutional framework was developed.

Then, crucially, in June this year, the leading private sector organisations of Jamaica and Trinidad met and agreed as a joint aspiration that a new well-supported regional business organisation should emerge, able to develop strategies and shared outcomes for the private sector.

Subsequently this led to the convening of the Kingston meeting facilitated by the Caribbean Export Development Agency (CEDA) and involving more than forty leading business organisations from around the region, plus representatives of CARICOM and interested parties.
There the participants signed off a document containing a ten-point plan which, in outline, agreed to establish a body that would ‘be open to the active and meaningful participation of all eligible representatives from the countries of CARIFORUM’ and would operate in such a way as to add value to its membership and wider Caribbean Society.

It also set out action points: The participating entities and those not able to attend would provide written feedback on the new body’s proposed mandate, governance structure, initial work programme, role and funding by the end of February; they would establish a working group which will develop a three-year work programme and budget; and a meeting will be convened by June 30, 2018 to launch a new representative body.

In addition, an offer by CEDA to support the development of the organisation in its first few years by providing accommodation was accepted.

The importance of the new body and its creation cannot be overemphasized at a time when governments have largely come to recognise that they alone are unable to deliver economic growth.

CEDA’s Executive Director, Pamela Coke Hamilton, believes that for this reason the decision is of strategic importance in a world in which isolationism and trade threats are growing.

Despite designing and implementing programmes to strengthen Caribbean enterprise, build capacity and facilitate access to markets, she says that CEDA has found that the governments of the region have been unable to collectively capitalise on the private sector’s strengths and insights. This is, she observed, because its members are not seated at the table when policies and trade-related matters are discussed.

At the Kingston meeting the former Prime Minister of Jamaica, Bruce Golding, the author of the still unpublished Jamaican CARICOM review commission report, spoke in a similar vein. Mr Golding said that there was a pressing need for all private sector interests to unite under one umbrella and speak authoritatively. Governments, he said “are very sensitive to points of power and influence. Where we get a free ride is when we see private sector fragmented”.

Providing an example of the type of frustration business wants addressed, the Chairman and CEO of the Musson Group in Jamaica, Peter Scott, pointed to the need to remedy at a regional level the problems associated with the free movement of labour.

Importantly the way in which the new organisation, has come about addresses the many concerns that the regional private sector has had in the past about the nature of a single representative body.

This is because it has the buy-in of sectoral organisations and both large and small chambers of commerce; it is being backed by some of the largest companies in the region; it is willing to embrace the wider non-English speaking Caribbean and the services coalitions; it has offers of institutional support; and CARICOM has recognised its importance.

As it progresses, it will be of course be necessary for it find ways to involve young people in business who often think differently about opportunity and entrepreneurship, but its institutional inclusiveness suggests that a much-changed regional private sector can develop a positive vision of the future.
Just as importantly, the new organisation will need to demonstrate publicly that Caribbean business can find new ways of engaging in a world in which globalisation is raising challenging issues and its economic centre of gravity is changing. This means it will have to make clear that the Caribbean Association of Industry and Commerce, which still exists, but largely as a virtual organisation, has served the region well, but that the time has come to move on.

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