JAMAICA

JAMAICA’S APPROACH TO THE DEVELOPMENT OF NON-TOURISM SERVICES EXPORTS

Port of Spain, Trinidad & Tobago – January 2004
1.0 Introduction

Figures of Jamaican goods exports demonstrate that a substantial portion is still commodity based. Jamaica has seen the virtues of shifting its emphasis in this regard, particularly in light of new global trends in the trade in services away from trade in goods. With the conclusion of the General Agreement on Trade in Services in the Uruguay Round of negotiations, trade in services such as tourism, music, etc is becoming increasingly important, particularly for developing countries with little productive capacity. As globalisation impacts on the competitiveness of traditional exports, the country has identified new areas of competitive advantage in the services export. Two services sub-sectors identified for export development are entertainment, which arguably represents one of the leading options for Jamaica’s economic survival given its creative abundance, and Information Technology (IT), which has already demonstrated significant potential.

The services sector has traditionally been a major revenue earner and employment creator in the Jamaican economy. However, Jamaica’s ability to generate growth, and particularly in exports, from this sector has not been maximised as services have been skewed to selected sub-sectors such as tourism, but there is increasing attention being paid to entertainment (music, film) and more recently telecommunications, and IT. The responses to opportunities in services have arisen at different periods and so the responses in different sub-sectors have not been coordinated under a broad services strategy umbrella, so that Jamaica has different programmes for each of the services sub-sectors.

It is important to note that the services sector now employs approximately 509,000 persons and consistently contributes over 50% to GDP. This achievement is notable for a number of reasons. Firstly, the services sector in a comprehensive sense is still underdeveloped and does not operate within a clear policy and strategic focus. Secondly, the statistical authorities do not capture some services data, particularly in the Entertainment sector.

The business services sector without the incentive and infrastructure support compares favorably with almost similar (177,000) employment and contribution to GDP (11%) compared to tourism with 200,000 employment and 6% of GDP. This signifies the higher value added in the business services sector which includes telecommunications contributing 6% to GDP with employment of only 15,000. However the telecommunication and tourism sub-sectors alone cannot significantly impact the 15% unemployment rate and as such focus has to be placed on the wider business services sector for economic growth and employment absorption.

Jamaica, being richly endowed in most service categories shows a readiness to be a major services exporter in the short run (3-5 years) with very low start up costs. Jamaica’s base of exportable services shown as the value of services exports per worker in the service sector is US$2,062 per person employed (in the sector). For Barbados, this value is US$11,089 while for Bahamas, this is US$13,678. In relation to both Barbados and Bahamas, Jamaica’s export earnings per person employed is five times less though Jamaica’s workforce in the services sector is six times greater. Jamaica’s negative position in the region lies in the fact that the services which dominate the export base are lower value-added employment generating services. Jamaica’s services export strategy should therefore embrace a wider spectrum of higher value added service areas such as some professional services like accounting, legal and medical services.

There will be opportunities for the export of some of these services to some CARICOM partners with the revision of the CARICOM Agreement under the
CARICOM Single Market and Economy. The current revision of the CARICOM Agreement through a series of protocols, presents an occasion for Jamaica to strengthen its services framework to fully exploit the benefits from the globalisation in services.

<table>
<thead>
<tr>
<th>Service Sectors</th>
<th>Emp. (98)</th>
<th>GDP (98)</th>
<th>Value ($)</th>
<th>Cont.</th>
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</thead>
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<tr>
<td>Business</td>
<td>162,000</td>
<td>12.4 bn</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Communication</td>
<td>15,000</td>
<td>14 bn</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>30,000</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Financial</td>
<td>20,000</td>
<td>17.7 bn</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td>25,000</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Tourism &amp; travel</td>
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<td>49 bn</td>
<td>20.7%</td>
<td></td>
</tr>
<tr>
<td>Transport</td>
<td>45,000</td>
<td>11.6 bn</td>
<td>5%</td>
<td></td>
</tr>
</tbody>
</table>

Source: 1998 ESSJ, PIOJ

A number of approaches to developing the export services sector in Jamaica immediately suggest themselves, and some are in fact being pursued.

An export strategy in services would allow for many cross-linkages within sectors. Tourism can be linked with other services sub-sectors; International Business and IT through hosting conferences, health through Tele-medicine and medical records management and specialised health care through retirement villages. Consultancy services such as R&D, marketing and graphic design can be enabled through E-commerce. An approach to creating linkages among the sub-sectors, could be the first step in bringing the sub-sectors together under a single services strategy.

While the benefits of the strategy will be seen through the medium to long term, a revision of the International Finance Corporation Act could bring immediate benefits, as there is a ready pool of professionals which can be mobilised with minimal capital input and training. Early benefits could be seen with minimal changes to the existing legislation, as there could be technology transfer and significant employment gains. The government would benefit directly through licensing fees, company registration and indirectly through statutory deductions.

A part of the strategy to develop services exports is to, under the GATS provisions of the WTO, bind a number of services (more than any other CARICOM member state), thus signalling *inter alia* the liberalisation of these sectors and the intention to attract investment.

Several other plans and programs recently announced, such as the Highway 2000, the IT thrust and the modernization of the court system, making use of technology, will also act as a catalyst in driving the services sector. A proposal for a representative group to be elevated to the status of Industry Advisory Council1 was approved by Cabinet giving service companies consistent access to the National Development Council, the highest policy making body second to Parliament.

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1 The Industry Advisory Council came out of the National Industrial Policy. Practitioners representing specific industries developed strategy for addressing the opportunities and constraints in their sector. The mandate of this group was limited to International Business Services, but the scope may be widened to include other services.
2.0 **Music**

2.1 Justification for music as focus sector

The Jamaican entertainment industry, defined in its widest sense, comprises artistes, producers, distributors, publishers and agents engaged in music, film, drama, dance, fashion, comedy and other forms of cultural and artistic expression. All segments of the industry have developed vibrant local markets and demonstrated the ability to compete on international markets. The most prominent segment of the industry, in terms of successful penetration of external markets, is the music segment.

Music is arguably Jamaica’s most recognized export and it continues to play an integral part in positioning the country in the international marketplace. The global nature of the music’s appeal is assisted by the variety of sounds that allow for the development of target markets based on varied consumer tastes. Music has distinguished the country in the global arena as a creative Mecca offering an unlimited supply of creative talent. Jamaica’s gift to the world of Reggae and Ska music have secured its place at the head table of popular international culture and this global recognition is a critical strength as the reputation of the brand will pave the way for the introduction of new products and services.

In recent times, Jamaica has seen a renewed thrust by the Jamaican government to focus on the development of cultural industries and to reposition the music industry as a premier growth pole. In its National Industrial Policy (NIP) for 1996 the Government of Jamaica formally recognized the entertainment sector, particularly music as an integral element of the national effort to promote growth and development of the Jamaican economy and society. The NIP identifies the unique opportunity that Jamaica possesses to maximise its competitive market advantage based on its unique culture and the global appeal of Reggae music, while providing Jamaicans with the impetus for increased appreciation and enjoyment of their culture.

The total market share of Reggae Sales worldwide is an estimated US$100 million, with the sector having an estimated potential value of US$2.25 billion. There are approximately 15,000 persons employed in the entertainment sector, so that a significant number of persons would benefit from improvement in the sector. With the country releasing more records daily per capita than any other in the world, the wide creative base, and the presence of supporting industries, there is no denying the capacity to meet the demands of the industry. By one estimate, Jamaica’s music industry has become one of the world’s most active industries, after the recording industries of the United States and the United Kingdom. The Jamaican industry has established a strong position in the markets of the United States, Canada, the United Kingdom, Japan, Germany, France, Brazil, Argentina and various countries in South East Asia.

A striking feature of Jamaican Reggae music as an export product is that, unlike many non-traditional exports, it is not geared primarily to an ethnic market with the goal of “crossing over” to a mainstream market. Reggae music is a solidly mainstream product among its niche market of urban contemporary music in all the markets it has penetrated. There is no sign of any prospect of market saturation and growth potential continues to be high.

2.2 Challenges Faced in the Music Sector

Notwithstanding the wealth of potential that prove that Jamaica should capitalize on the export of its music in its comparative advantage in global trade in services, there
are still some challenges that Jamaica has to work through in developing and implementing a sustainable export strategy in this sub-sector.

The main constraints in Jamaica’s music export strategy which the country, through its renewed Private-Public Sector Partnership, has tried to address include:

**Development – Impact on social and economic development**

- Low global market share
- Low job creation
- Limited foreign exchange earnings
- Limited ability to propel others

**Border-In – Capacity and Competency Development**

- No industry leader
- Fragmentation [Marketing/Promotions/Distribution]
- Mindset of companies
- Informal sources of funding

**Border-Out – Market Access/Market Development**

- Work permits
- Improper payment methods
- Illegal filesharing; CD burning

**Border – Transaction Issues**

- Fiscal incentives (Waivers of customs duties - Tools of trade)
- Stigma of Rastafarians and illegal substances

In pinpointing the challenge, many marketers and policy makers point to industry features such as unprofessional work attitudes, underdeveloped industry structure and deficient musical endowments as seemingly insurmountable obstacles for sustainable exports of Jamaican music. However, Jamaican artistes are no less professional than other artistes in the urban music genres. Similarly, Jamaican artistes produce music of no less quality than urban artistes globally. In the past, the Jamaican entertainment industry has been unable to realise its full potential because of problems such as: illegal copying of recording Jamaican performers, replication of the creative style of Jamaican performers by foreign artistes, poor quality of production technology, lack of an international record label based in Jamaica, an inadequate supply of modern production and distribution companies, and the lack of an incentive programme that covers the entire sector.

One of the obstacles that strategies for the export of Music has sought to overcome in capturing its potential as a service export is the informality of the industry which makes it increasingly difficult for it to develop. As a consequence of weaknesses in the organisation of production, distribution and marketing of the product as well as pirating of the creative work of local artistes and producers, much of the revenue earned from success achieved in foreign markets does not flow back into local hands or accrue to the advantage of the country.

Coordination of the Services Delivery Agencies involved in the Public – Private Sector Partnership has also been an issue, as this comprises over 30 agencies (see Annex A).
In response to the challenges above, the Government of Jamaica in the past few years has embarked on a multi-dimensional programme to develop the music industry through Public – Private Sector Partnerships, involving some of the agencies mentioned. Unfortunately, there is no one concrete strategy that has been used by the public or private sector in its effort to propel the music industry as one of Jamaica’s key export sectors. Instead, at various times, various strategies have been adopted to this end. In light of the Government’s official recognition of the entertainment (music) industry, it has sought to adopt certain policies to assist the industry by: development of a defined national policy on entertainment; providing facilitatory services; and providing incentives for investment as well as for the development of artistic creativity.

Among the initiatives undertaken include the creation of the Midem Secretariat and the Entertainment Advisory Board, resident in the Ministry of Industry and Tourism. The Entertainment Advisory Board, which is the policy advisory body for the music sector, was appointed by the Cabinet in August 2000 and charged with the mandate of advising on issues regarding the formulation of an Entertainment Policy, which covers the development of human, intellectual and capital resources within the industry. One of the programmes within the Government’s strategy includes the establishment of the Jamaica Film, Music & Entertainment Commission within JAMPRO to coordinate official representation at international trade shows and missions such as Cannes, Midem, Locations Expo, Brazil.

Another public sector entity which has also been brought on board in the Government’s strategy to capitalize on the potential of the music industry as an export service is the Customs Department. Identified as one of the challenges facing the industry, access to the proper tools of the trade has been addressed by certain policy changes that have been undertaken by the Government to allow for smoother access through ports. It has been established that a successful strategy for exports of music from Jamaica must involve reduced opacity in these provisions.

JAMPRO continues to facilitate musicians and is now obtaining information as to the specific items of equipment that will be allowed duty preferences as tools of trade, however, there is a feeling that the list of approved items needs expansion. There currently exists a Motion Picture Encouragement Act (MPEA), which, Unfortunately, only provides incentives for the film industry. A new act is in the draft stages that will include music and other forms of entertainment, which will eventually replace the current MPEA. It is envisaged that this will address the Tools of Trade issues as one of the incentives for the local music industry.

One of the strategies employed is creating industry linkages which can foster the development of the music industry as a major export market. These offer huge opportunities for the sector as a major service export and include:

- Linkages with Tourism [Themed Entertainment Destination/ Attractions/ Promotions];
- Linkages with Merchandising & Fashion;
- Linkages with Information Technology [Internet/ Interactive Products];
- Linkages with Sports [Promotion/ Product Development/ Marketing];
- Linkages with Education and training programmes [Music Business/ Technique/ Theory/ Music History/ Finance/ Law/ Management/ Music Therapy/ Archives etc]
- Linkages with the international appeal of the “Jamaica” and “Reggae” Brand.
For example, the strategy for the music industry is to ‘piggy-back’ on the tourism industry and the attraction of tourists to this Caribbean haven. As a key player in the economy, and one of the major sectors identified, along with music, for attention in the National Industrial Policy (NIP), tourism allows the music industry to benefit from what one can call “derived demand”.

Another strategy adopted by the Government has been the use of various technical assistance programmes to develop capacity and encourage activity in the sector. Indeed, the Government has sought to foster access to financial resources for investment in the industry through its development banking institutions and through special funding mechanisms. As such, JAMPRO manages the Trade Development Project (TDP), which has components to support the music sector and boost competitiveness and performance at the firm level. In 2002, JAMPRO, through the TDP, in conjunction with private sector entities such as Carib Beat Entertainment, facilitated the annual Caribbean Music Expo. Funds have been distributed to a number of other companies in the sector and it is hoped this will increase national impact through exports. Unfortunately, no further public sector development programme for the sector has been formulated.

Opportunities for training in the special skills required for quality production and performance in the industry has even provided through special programmes designed in collaboration with educational/vocational institutions such as the HEART/NTA, the University of Technology and the University of the West Indies.

In order to address the common problems encountered by Jamaican artistes, musicians and performers in the area of intellectual property rights protection (lack of Copyright Enforcement and Copyright Registration System), the Jamaica Intellectual Property Office (JIPO) was established to attend to international copyright negotiations and public education. Since its inception JIPO has worked closely within the trade support network and provided many services in the area of intellectual property to stakeholders in the Jamaican music industry.

Comparatively speaking, the private sector has been less visible in the development of Jamaica’s comparative advantage in the music industry as a major service export pales in comparison to that undertaken by the Government. Nonetheless, more recently they have also recognized the importance of the music industry and the inherent potential that lies within for music exports on the Jamaican export market, albeit more recently. The Jamaica Exporters’ Association (JEA), with the funding from several agencies such as the United States Agency for International Development (USAID) and the Department for International Development (DFID) has spearheaded a programme, the Jamaica Cluster Competitiveness Project (JCCP) which looks at three main clusters within the Jamaican economy, including entertainment (music) with focus on product development and formalizing their contributions to overall exports. This cluster approach has grouped members of the Jamaican business community involved in the entertainment sector to develop strategies for developing and marketing their unique product in their major export markets. Part of the rationale behind the cluster approach of the JCCP is the collaboration of sector members to sell entertainment (music) as a collective product/service, thereby assuring relatively lower production/market costs and collective gains for the entire Jamaican music industry. By this approach, it has also sought to engender trust and confidence among players, all while coordinating the diverse interests of varying actors. This project is still in the embryonic stages and it is hoped that as it develops there will be knowledge transfer to local stakeholders to further develop this cluster after the project completion.
2.4 Lessons learned in current strategy and recommendations

One of the shortfalls of the existing support infrastructure which will need to be modified if Jamaica is to capitalize on its comparative advantage in its music exports is the lack of coordination between agencies and ministries involved in the Trade Support Network for the music industry. Notwithstanding the proliferation of associations such as the Recording Industry Association of Jamaica (RIAJ), the Songwriters Guild, the Jamaica Federation of Musicians, the Jamaica Association of Composers, Authors and Publishers (JACAP), Jamaica Music Industry Association, Jamaica Association of Vintage Artistes, inter alia, all established within the industry to represent the various stakeholders within the industry, there is still a great need for coordination among these bodies. While the number of sector organizations listed has grown beyond the initial Jamaica Federation of Musicians & Affiliated Artistes, virtually all the entities listed are in need of institutional strengthening and technical assistance to enable the provision of better service to their respective membership. Additionally, there is a marked lack of trust and a symbiotic relationship between niche associations that needs to be dealt with.

There exists a critical need to integrate existing activities in terms of policy and direction in an effort to maximize returns on existing investments and stimulate increased investments, standards, employment and foreign exchange earnings.

One of the gaps identified in the supply chain within the music industry is the absence of key players to promote artistes within and outside of Jamaica. There are small and fragmented studios and agents and there is no significant promotion entity to attract large music conglomerates, and promote artistes for the waiting export market. Similarly, there is a need for the proper type of international media linkages to promote Jamaican music internationally. JAMPRO, which has become the major marketing agent for the music industry, in recent times has instigated ventures to foster linkages between local and internationally-recognised music interests. Recently, the Corporation facilitated MTV base visiting the island to scout top class videos to be played on popular cable station MTV. This strategy is justified based on the deficiency in satellite space locally to project Jamaican music. Satellite space is seen as a contemporary necessity for stardom in as much the same manner as a US$500,000 music video. These two tools are certainly popular expressions of the contemporary marketing network required to propel stardom for Jamaican artistes, Sean Paul being a current example. Recently, there has been an increase in linkages made with major music companies, such as VP Records, Greensleeves, Jetstar and Heartbeat Records, all located in North America and London, who have increased their participation in the marketing of local music. JAMPRO’s approach will continue to focus on building these types of relationships with these companies to facilitate greater value added being done locally as currently there is severe value attrition.

One of the major Border-Out challenges concerns the ability to access overseas markets for live tours, which are the main source of revenue for Jamaican artistes. Work permit procedures remain a hindrance for artistes, particularly those of Rastafarian faith. The CARICOM Single Market and Economy (CSME), envisaged for 2005 has already made possible the free movement of musicians within the single economic space. Part of the country’s strategy to increase and develop music services exports globally should be to negotiate within the various international fora to which it is a part (WTO, FTAA, ACP-EU) for greater movement of its musicians and entertainment service providers. It is these markets that are undoubtedly the most lucrative and that will need to be infiltrated if the industry is to make serious progress.
The inability of the country to effectively manage and protect its collective creative wealth has resulted in minimal market share and value added profits for the music sector and the country. The private sector initiative through the JCCP will be very important in addressing some of the problem areas currently arising within the industry as a whole, from a company cluster perspective, rather than a broader policy/strategy perspective. This too, will undoubtedly be of much use as practitioners learn to market their own musical products and services and render themselves more competitive in the global services market.

The private sector will have to ensure that there are properly trained individuals in the business sector of the music industry such as managers, agents, publishers, lawyers, accountants, etc, who boast an understanding of the international music business and how it affects and relates to the Jamaican music industry and the path being charted in Jamaica’s national export strategy as regards this sub-sector. This will complement the Government’s thrust, through vocational institutes, to train persons in the art of music and music production.

The private sector, in conjunction with public sector entities, such as JAMPRO, will need to explore existing tools for researching and accessing international markets, access to venture capital funds and marketing and distribution expertise. Currently, there is some level of collaboration, but which can still be increased.

3.0 Information Technology (IT)

3.1 Jamaica’s Proven Competitiveness in the ICT Sector

Jamaica recognized the opportunities presented by a new global sector and decided to enter the IT services sector. This differs from the development of other sectors and sub-sectors, which started out with the local opportunities. Having identified an opportunity, Jamaica responded by identifying our potential strengths/offerings for the sector and upon analysis moved to develop a strategy for the IT sub-sector.

Today, Jamaica is experiencing an explosion of interest from companies abroad as a preferred location for business process, customer contact and information technology outsourcing. In a very short period of three years, space utilized for ICT services has grown from 101,622 sq ft in 2001 to the current figure of 322,366 sq ft as at December 2003 (see Table 1 below). This explosion is primarily a result of a very deliberate government ICT strategy to develop capabilities in a wide range of services and to market and promote Jamaica as a premier location for offshore ICT services.

<table>
<thead>
<tr>
<th>Year</th>
<th>Factory space (sq.ft.)</th>
<th>Employees</th>
<th>Factory space (sq.ft.)</th>
<th>Employees</th>
<th>Factory space (sq.ft.)</th>
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<tr>
<td>2001</td>
<td>101,622</td>
<td>1,831</td>
<td>2002</td>
<td>126,622</td>
<td>2,095</td>
<td>2003</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td></td>
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Table 1: Factory space utilized and employment generated in the IT sector
Jamaica offers a full range of ICT services ranging from the low to the high end.

Mapping out outsourcing

Continued Market Opportunity

A number of recent studies undertaken by management consulting firms Deloitte & Touche (June 2003) and A.T. Kearney (May 2003) point to the growing practice of many US companies, particularly financial institutions, outsourcing their business processes to lower cost developing countries.

The main findings from the Deloitte study are:

- Competitive pressures are encouraging financial institutions to send work offshore. One-third of the globe's major financial institutions are already utilizing offshore outsourcing with 75 percent reporting they will be doing so in the next 24 months.
- IT processes are going offshore first. But Business Process Outsourcing (BPO) will soon follow.
- India is currently the back office of the world. However banks do not want all their processes in one location and are sending work to secondary locations, too.
- Respondents said cost savings averaged 39 percent. Some enjoyed savings over 50 percent.

Deloitte forecasts that $356 billion worth of transactions will shift offshore over the next 5 years. The A.T. Kearney study indicates “U.S. financial services firms are planning to relocate more than 500,000 jobs overseas-more than 8 percent of their workforce-over the next five years. Nine out of ten respondents cited cost reduction as a reason for moving jobs overseas. Other reasons cited were improved productivity, enhanced service, increased capacity and expanded skills.”

India is by far the country that dominates the offshore BPO market. However, while India dominates the BPO market, a number of issues have arisen with doing business there that are forcing companies to look elsewhere. The main issues include concern about a lack of...
cultural compatibility with North America. Recently computer manufacturer Dell moved its call centre from India back to the US citing quality issues.

Additionally, for many US based companies, the physical distance, time-zone differences and hassle of travelling to India as well as security concerns associated with the long-standing dispute with Pakistan have forced them to look elsewhere.

Most institutions do not want to place all their offshore work in one location and have chosen to diversify the risk by adopting a “portfolio of locations” strategy where they outsource to a number of countries and can easily transfer work from one location to another as circumstances dictate.

Jamaica’s Advantages

For US companies, which are the major clients for outsourcing, the Caribbean is the closest near shore location that offers comparable benefits to places like India. Jamaica is the leader in the Caribbean for the following reasons:

- Opportunity to achieve significant cost savings while maintaining quality
- Large pool of English speaking, educated work force
- Well developed telecommunication infrastructure and a liberalised sector
- Presence of well known global players
- Ease of access to/from most major US cities

3.2 The Strategic Response to the ICT Boom

In January 2001 the Government of Jamaica launched a Five-Year Strategic Information Technology Plan\(^2\) for Jamaica in response to the market opportunities. The Plan, which has as its pillars (i) human resource development; (ii) establishment of a modern and robust infrastructure platform for the IT industries - an emphasis on the primacy of the telecommunications sector and the intrinsic connection between this and IT sector development; and (iii) new legislation and policies to stimulate growth naturally required significant inter-agency coordination and the formation of alliances for its implementation. It is because of the effectiveness of these alliances, backed by full government support, at a high level, that Jamaica has already seen benefits from it.

The Ministry of Science, Commerce and Technology, the Cabinet Office Development Portfolio, the entrepreneurial sector in Jamaica and organizations such as Jamaica Promotions (JAMPRO) are required to implement the Plan such that the impact of these features is monitored, and that sustained development of the sector takes place. Negotiation issues will be the purview of the Ministry of Foreign Affairs and Foreign Trade, which must nevertheless work in tandem with those who have direct responsibility for information technology industries.

The role of the public sector has been focused on the three pillars, developing human resource capacity and competency, infrastructure development, and policy and legislation to support the strategy. JAMPRO as investment facilitation agency has been responsible for attracting and facilitating foreign investment in the sector.

The management of the strategy remains in the Ministry of Commerce Science and Technology, with stakeholders having responsibility for their separate programmes,

\(^2\) The Plan was a development on the mandate for the information technology sector from the National Industrial Policy, which had been set out in 1996 as a framework for economic growth and development over the medium to long term.
and projects. For example, the HEART/NTA manages implementation of the segment on human resource development, while JAMPRO is charged with attracting foreign investment in the sector. There is coordination among these agencies as they implement their programmes to ensure that constraints are addressed in an aligned manner. The mechanism for coordination is managed by the Ministry of Commerce Science and Technology. Strong relationships ensure that there is significant communication resulting in coordination at the operational level as well, for effective monitoring and evaluation.

3.3 Monitoring the Current Strategy and Recommendations

As has been demonstrated, the strategic plan for the IT sector and its implementation programmes have already resulted in social and economic benefits to Jamaica. Programme evaluations to date do not point to a need for any significant changes to be made to the current plan, though minor adjustments are to be made to existing projects in response to a changing environment.

As an example, changes may have to be made to the marketing approach in the US in response to increased protectionist attitudes. An initiative of openly lobbying will not take place, as support for taking jobs from Americans is highly unlikely, especially in an election year. Though a more aggressive marketing campaign is thought to be needed, putting this in motion will also have to be done with some care.

The five-year plan had recognized the issue of high telecommunications cost in the industry and in response had proposed legislation and policy for the liberalization of telecom in order to increase competition and to lower cost. The results are slow, and so there may be efforts to try to accelerate this project.

The investment promotion strategy’s implementation is closely linked to the other areas, so that the pace at which investment is sought is aligned to the pace at which constraints, such as space and labour availability, are addressed.

With significant government support, an effective network for the implementation of the plan, and growth in the industry, the few significant recommendations include:

- Increase the level of involvement of domestic firms in the sector, especially software developers;
- Increase the linkages to more domestic sectors, and
- Shift to attracting high-end services (BPO operations, rather than basic call centre operations), which will create greater balance in the sector.

4.0 Conclusions

As has been demonstrated, the approaches to creating strategies to develop non-tourism services exports have been taken on a sub-sector approach. The approach in each is different, and as a result, there are varying levels of success.

In the entertainment industry, strategy was developed based on the existence of an industry, borne from the creativity of the people. The enormous challenge of formalizing the industry and of organizing it remains, as this is not sufficiently being addressed by the strategy. While the government has sought to address the issues within the industry with the formation of relevant specialized groups, these groups are fragmented and a new challenge of networking these in the sector has emerged. The separate strategies being undertaken by groups in both public and private sector, and some of which are through coordination, may address some issues and realize benefits, but serious growth in the sector will depend on a much more coordinated approach to the strategy, where all stakeholders and industry members have a common vision.
An additional challenge to the music industry is that a very broad strategy is being developed that will address a significant number of issues on the local market, as well as overseas, so that it is not export focused. However, at least two strategies are export focused, the JCCP and to some extent that addressing intellectual property issues.

It is clear that the private sector has not played an active role in the development of an export strategy for the music industry. However, a mobilized and engaged private sector is undoubtedly necessary for Jamaica to realize its comparative advantage in this sector. Albeit, private sector is indeed the engine of growth, best practices have shown that it takes intimate collaboration between the public and private sector in the formulation of a sustainable export strategy. Traditionally, music in Jamaica has not been considered as a service export, and has been restricted primarily to goods. However, private sector trade and exporters associations are now recognizing that entertainers, musicians, artistes, and others who play a role in the music industry are also their constituents and will also need to be catered to in a similar way that other exporters, particularly services exporters, are addressed. While this may be considered a Border-In issue, it is also about a paradigm shift that needs to take place within the private sector arm of our trade support network.

In contrast, the development of a strategy for export growth in IT has come from government, involved private sector and has seen steady, well-managed implementation. Developing as strategy at the very beginning, which may have even given rise to the creation of the sector, was a definite advantage. Through the monitoring of its implementation there is constant evaluation and amendments to respond to new opportunities and challenges. Further, the strategy is very focused as it arose from a specific opportunity that required a targeted response.

With regards to developing an overall services export strategy, the formation of an industry Advisory Council, may assist with that. Though the IAC was originally formed with the responsibility of developing a strategy for the International business sub-sector, the newly formed group already realizes the benefits from having a broad programme for the entire sector, because many of the issues are common, rather than developing a separate sub-sector strategy. The model in developing the strategy is one that may prove to be successful because of the following characteristics:

- Derived from a cabinet decision and so has government commitment
- Will be demand driven because of the private sector involvement
- It is a partnership between public and private sectors.

Additionally, as a starting point, the group will do a thorough assessment of the capacity in the services sector, so that any strategy developed will be sound.
Annex A

List of Service Delivery Agencies on the Music Sector

- Ministry of Commerce, Science and Technology
- Jamaica Intellectual Property Office (JIPO)
- The Copyright Unit/Copyright Tribunal
- Intellectual Property Service Centre
- Ministry of Industry and Tourism – Entertainment Advisory Board
- Ministry of Finance and Planning
- Ministry of Development
- Ministry of Culture
- JAMPRO – Jamaica /Music and Entertainment Commission
- Jamaica Customs
- Planning Institute of Jamaica (PIOJ)
- Jamaica Business Development Centre (JBDC)
- Jamaica Exporters’ Association (JEA)/Private Sector Organisation of Jamaica (PSOJ)
- Jamaica Federation of Musicians & Affiliated Artistes
- Entertainment Industry Advisory Council
- Media Association of Jamaica
- Jamaica Association of Composers, Authors & Publishers (JACAP)
- Jamaica Broadcasting Association
- National Performing Arts Foundation (NPAFJ)
- UWI Reggae Studies Unit
- Jamaica Association of Female Artistes (JAFA)
- Jamaica Association of Vintage Artistes
- Recording Industry Association of Jamaica (RIAJ)
- Jamaica Musical Hall of Fame
- Jamaica Music Industry Association (JMIA)
- Sound System Association
- The Songwriters’ Guild
- Intellectual Property Centre (IPC)
- Jamaica Performing Administration Society (JPAS)
- Jamaica Musical Rights Administration (JMRAS)