

# CREATING COALITIONS OF SERVICES INDUSTRIES



October 2014  
Original: English

© International Trade Centre 2014

# CREATING COALITIONS OF SERVICES INDUSTRIES

## Abstract for trade information services

ID=43126

2014

S-15 CRE

International Trade Centre (ITC)

### **Creating Coalitions of Services Industries**

Geneva: ITC, 2014. v, 25 pages (Training Module)

Doc. No. DMD-14-267-E

Training module for small and medium sized services firms, trade support institutions and trade promotion organizations; provides an introduction and overview of Coalitions of Services Industries (CSIs), addressing fundamental questions about their purpose, structure and activities; the purpose of the training module is to help build and strengthen CSIs in developing and transition economies.

Descriptors: **Services, Trade in Services, Training, Trade Barriers, Trade Associations, Chambers of Commerce, SMEs, Partnership**

For further information on this document, contact Ms. Jane Drake-Brockman, Senior Officer, Trade in Services, [drake-brockman@intracen.org](mailto:drake-brockman@intracen.org)

---

Citation: ITC (2014). Creating Coalitions of Services Industries, Geneva.

English

The International Trade Centre (ITC) is the joint agency of the World Trade Organization and the United Nations.

ITC, Palais des Nations, 1211 Geneva 10, Switzerland ([www.intracen.org](http://www.intracen.org))

Views expressed in this paper are those of consultants and do not necessarily coincide with those of ITC, UN or WTO. The designations employed and the presentation of material in this paper do not imply the expression of any opinion whatsoever on the part of the International Trade Centre concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

Mention of firms, products and product brands does not imply the endorsement of ITC.

This paper has not been formally edited by the International Trade Centre.

Digital images on the cover: © Shutterstock.

© International Trade Centre 2014

ITC encourages the reprinting and translation of its publications to achieve wider dissemination. Short extracts of this technical paper may be freely reproduced, with due acknowledgement of the source. Permission should be requested for more extensive reproduction or translation. A copy of the reprinted or translated material should be sent to ITC.

## Acknowledgements

This paper was written by Linda Schmid, International Trade and Development Adviser at Trade in Services International. It was written for the International Trade Centre (ITC) under the direct supervision of Jane Drake-Brockman, Senior Officer, Trade in Services ITC. Assistance was provided by Quan Zhao and Max Thompson, ITC Trade in Services Unit. We wish to thank Phoebe Downing for editorial assistance.

We would also like to thank Natalie Domeisen who oversaw production and quality control, Yolande Zaahl who provided layout and proofing support, and Serge Adeagbo and Franco Iacovino who provided graphic and printing support.

## Contents

<b>Acknowledgements</b>	<b>iii</b>
<b>Acronyms</b>	<b>v</b>
<b>Introduction</b>	<b>1</b>
1. <b>Why coalitions?</b>	<b>2</b>
2. <b>How are coalitions structured?</b>	<b>5</b>
3. <b>What are the common features of coalitions?</b>	<b>7</b>
4. <b>How are coalitions formed?</b>	<b>9</b>
5. <b>What are the primary areas for coalition advocacy?</b>	<b>10</b>
6. <b>How do coalitions achieve domestic and international policy reform?</b>	<b>12</b>
7. <b>How do coalitions manage public relations?</b>	<b>15</b>
8. <b>How do coalitions benefit their members?</b>	<b>16</b>
9. <b>How do coalitions remain financially sustainable?</b>	<b>19</b>
<b>Conclusion</b>	<b>21</b>
<b>Bibliography</b>	<b>22</b>
Table 1. Coalitions of services industries online	6
Figure 1. Annual average % growth of merchandise and services exports, 2008-2013	2
Figure 2. Services value-added share of GDP in low-, middle- and high-income countries	3
Figure 3. Sample coalition structures	8
Figure 4. Coalition 'working groups'	9
Figure 5. Spectrum of coalition advocacy areas: domestic to international	11
Figure 6. Common roots of services policy issues and associated responses	13
Figure 7. Parties important to services growth and trade	14
Figure 8. Coalition benefits to members	17
Figure 9. Coalition finance models	19
Box 1. Services firms do international business differently from goods firms	4
Box 2. The case of China	10

## Acronyms

The following acronyms are used:

ABCSI	Antigua and Barbuda Coalition of Service Industries
ANDI	National Business Association of Colombia
ABAC	APEC Business Advisory Council
APEC	Asia Pacific Economic Cooperation
ASR	Australian Services Roundtable
BCSI	Barbados Coalition of Service Industries
BCSP	Belize Coalition of Service Providers
BRASSCOM	Brazilian Association of Information Technology and Communication Companies
Business NZ	Business New Zealand
CARICOM	Caribbean Community and Common Market
CARIFORUM	Forum of the Caribbean Group of African, Caribbean and Pacific (ACP) States
CATIS	China Association of Trade in Services
CBC	COMESA Business Council
CNSC	Caribbean Network of Service Coalitions
COMESA	Common Market for Eastern and Southern Africa
COSCO	China Ocean Shipping (Group) Company
CSC	Canadian Services Coalition
CSI	Coalition of Services Industries
CSIM	Coalition of Service Industries Malaysia
DCSI	Dominica Coalition of Service Industries
EAC	East African Community
ECOWAS	Economic Community of West African States
EPA	Economic Partnership Agreement
ESF	European Services Forum
EU	European Union
GCSP	Guyana Coalition of Service Providers
GDP	Gross Domestic Product
GSC	Global Services Coalition
GSN	Global Services Network
HKCSI	Hong Kong Coalition of Service Industries
ISD	Indonesia Services Dialogue
ITC	International Trade Centre
JCSI	Jamaica Coalition of Service Industries
JSN	Japan Services Network, Keidanren
LDC	Least Developed Countries
NASSCOM	National Association of Software & Service Companies
PSC	Philippine Services Coalition
PSI	Performance of Services Index
RSC	Rwanda Services Council
SADC	Southern Africa Development Community
SLCSI	Saint Lucia Coalition of Service Industries
SME	Small and medium-sized enterprise
TSP	Tanzanian Services Platform
TTCSI	Trinidad and Tobago Coalition of Services Industries
TWCSI	Taiwan Coalition of Service Industries
UNCTAD	United Nations Conference on Trade and Development
WAEMU	West African Economic and Monetary Union
WTO	World Trade Organization



## Introduction

**This overview addresses fundamental questions about the purpose, structure and activities of coalitions of services industries (CSIs).** Readers will gain an insight into the economic and policy trends of the global services economy that are prompting the growth of coalitions. The following overview presents common features of coalitions, including membership, organizational structures, the qualities of professional staff and operational approaches.

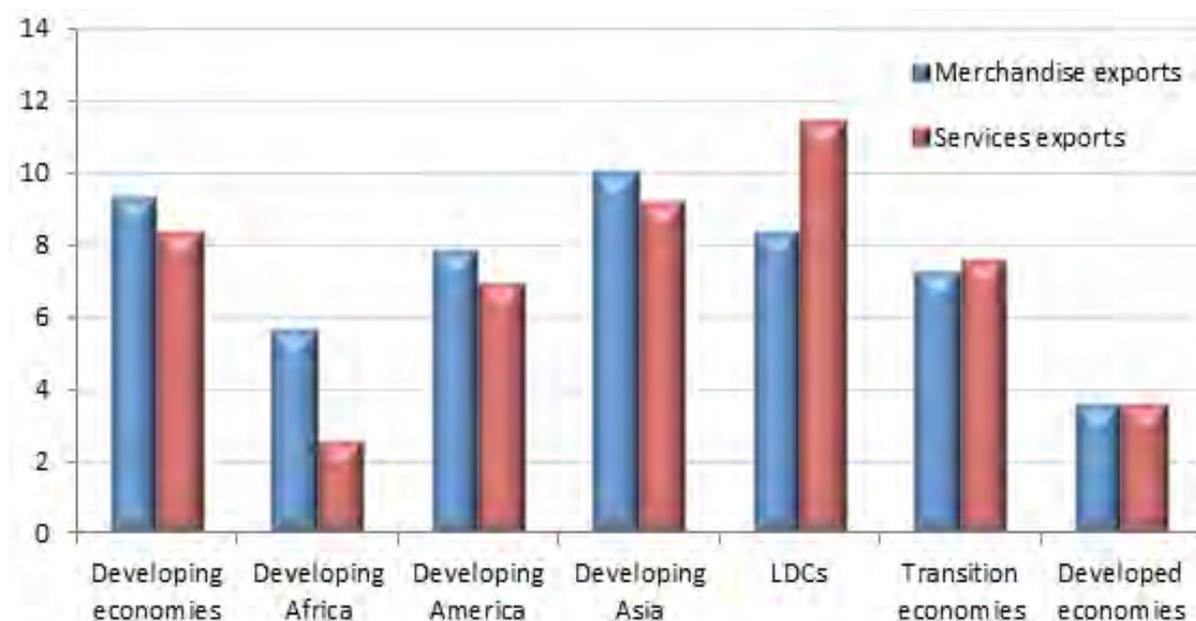
Coalitions are services industry advocates: the areas of coalition advocacy are therefore explored with reference to examples from different regions. This overview also considers the question of how coalitions achieve policy reform on commercial issues; presents a synopsis of how coalitions engage in the regulatory arena; and suggests tactics for public relations.

Readers will see how coalitions provide benefits for their members and remain financially sustainable. This introduction to CSIs is designed for services industry enterprises, trade support institutions and services sector associations seeking to improve the business climate for services entrepreneurs in developing and transition economies.

## 1. Why coalitions?

The enormous opportunities that the global services economy provides, and the practical and policy challenges impeding trade in services, are propelling the formation of coalitions of services industries. Services firms and associations have clustered into coalitions to educate policymakers about the services economy, to identify obstacles to industry growth and trade, and to propose the means to overcome such challenges. Services providers and services sector industry groups work together as coalitions to inform public officials about the need to examine and reduce obstacles to trade in services through unilateral policy reforms, trade negotiations and industry development. Coalitions address supply-side issues that limit the competitive position of services firms, as well as the practical challenges that restrict trade. Services industry associations work with their members to strengthen their competitiveness and expand exports. Figure 1 illustrates the growth of services exports in developing and transition economies.

**Figure 1. Annual average % growth of merchandise and services exports, 2008-2013**



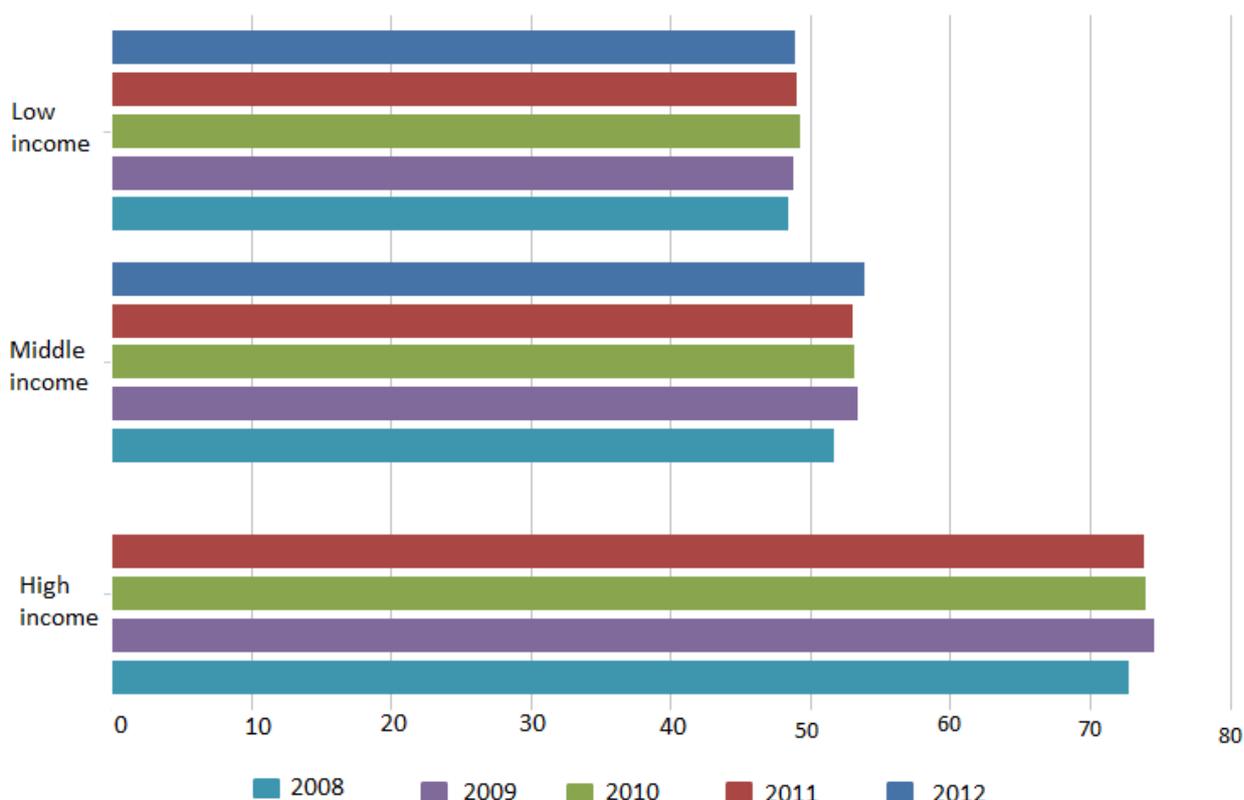
Source: United Nations Conference on Trade and Development (April 2014).<sup>1</sup>

**Coalitions are proliferating with the growth of the global services economy.** The expansion of services trade influences job growth, generates foreign currency and reduces overall export volatility.<sup>2</sup> In most economies, services represent a large share of Gross Domestic Product (GDP), employment and foreign direct investment.<sup>3</sup> Figure 2, for example, illustrates services as a percentage of GDP in low-, middle-, and high-income countries. Services industries also provide critical inputs to agricultural production and manufacturing. Moving food from the farm to the fork, for instance, requires a range of services including processing, transport and retail. As such, the cost and quality of services determine the competitive position of firms across industry sectors. Governments are among the biggest consumers of services: public spending is therefore influenced by the availability of economically priced and quality services in the marketplace. Services industry coalitions improve the climate for services industry growth and development.

<sup>1</sup> United Nations Conference on Trade and Development Statistics (2014). *Statistics at a Glance*. Geneva. Available from <http://unctad.org/en/Pages/Statistics.aspx>.

<sup>2</sup> Global exports of services reached US\$4.7 trillion in 2013, with a 5% annual growth rate. *Ibid*.

<sup>3</sup> Services include business, communications, construction, distribution, education, environment, finance, health, tourism and travel, recreation, transport, as well as cultural and sporting services. See World Trade Organization (July 1991). *Services Sectoral Classification List, MTN.GNS/W/120*. Geneva. Available from <http://www.wto.org>.

**Figure 2. Services value-added share of GDP in low-, middle- and high-income countries**

Source: The World Bank Development Indicators (2014).<sup>4</sup>

**The global services economy offers opportunities for competitive services firms.** Global trade in services has grown exponentially due to technological innovation and advanced communications. The Internet and online payment systems have created a technology-enabled, global trading environment open to small services enterprises. Services exporters may be any size, from a one-person office to a large conglomerate. Most small and medium-sized enterprises (SMEs) are services providers with fewer than 50 employees.<sup>5</sup> Services exporters can use various indicators to help identify potential export markets, such as, for example, markets with trade arrangements that facilitate movement of people, capital and services such as the East African Community (EAC).<sup>6</sup> Services exporters may consider markets with a high concentration of expatriates or where foreign investors originate.<sup>7</sup> Trade in services represents a potential boon for services enterprises prepared to compete.

<sup>4</sup> The World Bank (2014). *World Development Indicators 2014*. Available from <http://data.worldbank.org/indicator/NV.SRV.TETC.ZS>.

<sup>5</sup> Lejarraga, I. *et al.* (2014). *Small and Medium-Sized Enterprises in Global Markets: A Differential Approach for Services?* OECD Trade Policy Papers, No. 165. Available from [www.oecd.org](http://www.oecd.org).

<sup>6</sup> East African Community (2014). Available from <http://www.eac.int/>.

<sup>7</sup> The World Bank (2009). *Negotiating Trade in Services: A Practical Guide for Developing Countries*. Available from [http://siteresources.worldbank.org/INTRANETTRADE/Resources/239054-1248204247129/Negotiating\\_Trade\\_in\\_Services.pdf](http://siteresources.worldbank.org/INTRANETTRADE/Resources/239054-1248204247129/Negotiating_Trade_in_Services.pdf).

---

*Services firms often face severe trade impediments, such as:*

- *Nationality and residency restrictions*
- *Opaque regulatory environments*
- *Discriminatory licensing or qualification requirements*

*The Jamaica Coalition of Service Industries surveys services providers online to identify and eliminate such barriers.*

---

**Services firms face challenges engaging in the global services economy.** Services firms experiencing growth in the developing world often report a shortage of qualified services employees with the skills to compete in the global marketplace.<sup>8</sup> Unreliable electricity and limited broadband constrain trade. Services firms, although expert in their field, face hurdles in branding, marketing and quality assurance. They encounter obstacles expanding international commercial networks. Professional services providers find difficulties identifying commercial and public procurement opportunities in construction, building and engineering. Services providers do recognize the need to meet international standards in their own industry, for example, in real estate, elective health and wellness services, and fast developing, engineering and architectural services. Domestic regulatory impediments such as foreign exchange controls and double taxation impede export expansion. Services firms face trade obstacles, such as prohibitions on the provision of a service by a foreign firm, restrictions on foreign ownership and limitations on movement of persons across borders. Coalitions of services industries work to help firms identify these challenges and work to reduce and overcome obstacles to trade.<sup>9</sup>

### **Box 1. Services firms do international business differently from goods firms**

While precise definitions are a matter of debate, and the distinctions between goods and services firms are perhaps declining, several key differences may be observed in how essentially services firms do business at the international level:

1. Exporting services involves the performance of solutions to international customer problems. These problems are not static: building services export capacity is about building international relationships and a culture of customer focus and client confidence, as well as developing aptitudes for recognizing emerging opportunities and responding rapidly with new solutions.
2. Services exporters tend to have clients rather than geographic markets. These clients often take them to different geographic destinations.
3. Clients often require a long-term relationship. Given that services exports cannot be examined on the spot for quality, this lack of tangibility requires that mutual trust be built between buyers and sellers.
4. Services exporters tend to be project-based.
5. Each export project tends to require a nuanced services offering. This means services firms can rarely find new export markets without innovating, so they must promote their capacity to create innovative services offerings for new international clients.
6. Each export project is similarly likely to require a nuanced implementing team of talent and ideas. Services firms therefore often need to move people around quickly, including across borders.
7. Services exporters may need – or may be required by the client’s regulatory environment – to set up a commercial presence offshore. The process of setting up offshore, however, often looks like ‘investment’ rather than ‘export,’ and so rarely receives proper official export promotion assistance.

---

<sup>8</sup> Marshall School of Business, University of Southern California (2012). *Trade in Services in the APEC Region: Challenges and Opportunities for Improvement*. California. Available from <http://classic.marshall.usc.edu/assets/152/25033.pdf>.

<sup>9</sup> Jamaica Coalition of Service Industries survey exemplifies how coalitions help members identify problems. See Jamaica Service Sector Survey (2014). Available from <http://jamaicacsi.org/jamaica-service-sector-survey/>.

## 2. How are coalitions structured?

**Today, 26 coalitions of services industries have a presence on the World Wide Web, with more forming regularly.** Before 2000, for instance, Australia, Hong Kong (China), China, India, Japan, the European Union (EU), the United Kingdom of Great Britain and Northern Ireland (United Kingdom), and the United States of America had services industry coalitions. After 2000, coalitions with a web presence arose in almost every region of the world. Coalitions take a variety of forms, including independent trade associations, networks of services associations, chamber of commerce affiliates and ministry of commerce divisions. Two new coalitions in Indonesia and the Philippines are ‘tripartite’ organizations, which is to say they comprise industry, government and academic components. Services subsector-specific industry associations – such as India’s National Association of Software & Service Companies (NASSCOM) and the Brazilian Association of Information Technology and Communication Companies (BRASSCOM) – also voice industry concerns about services issues. Coalitions have a forty-year history, with the oldest operating since 1968 (see below), and the newest emerging in Colombia, Rwanda and Tanzania. Membership, staff size and annual turnover vary widely. CSIs generally use a combination of revenue streams for financing, including membership dues, conferences and sponsorship, donor funds, government subsidies and fees for registration services. CSIs around the world (and not only in developing countries) face the challenge of developing an effective business model that serves their clients’ interests and ensures sustainability.<sup>10</sup>

**Coalitions of services industries originated to expand trade opportunities.** The financial services industry was an early driver of coalitions. The Committee on Invisible Exports (CIE), for example, was founded in 1968 to promote financial services exports from the United Kingdom. CIE underwent several changes of organization, being reborn first as British Invisibles, and subsequently as International Financial Services London, before settling on its current form, The City UK.<sup>11</sup> Similarly, the Coalition of Service Industries in the United States was the initiative of a senior executive at American Express who recognized the need for industry to advise on financial services in the Uruguay Round.<sup>12</sup> Coalitions expanded beyond financial services with the growth of trade in other sectors such as accountancy, legal services, information communications technology, engineering services and express delivery. One of the earliest initiatives to establish coalitions of services industries in developing countries was initiated ‘as a means of enhancing [developing countries’] capacity, both in developing their own service industries and in creating export opportunities.’<sup>13</sup> Several Caribbean countries established services-industry coalitions due to significant engagement in trade in services, active participation in trade negotiations with the EU, and as a response to the services industry provisions under the CARICOM Single Market and Economy.<sup>14</sup> Table 1 identifies coalitions with a web presence.

<sup>10</sup> De Villiers, Div and Georg Villinger (2012). Sustainability of Coalitions of Service Industries (CSIs) in the Caribbean, 27 February. Available from [http://c-nsc.org/download/coalition\\_resources/CSI%20Sustainability.pdf](http://c-nsc.org/download/coalition_resources/CSI%20Sustainability.pdf).

<sup>11</sup> The City UK (2011). 30 Years of the LOTIS Committee, 22 December. Available from <http://www.thecityuk.com/media/latest-news-from-thecityuk/30-years-of-the-lotis-committee/>.

<sup>12</sup> US Census Bureau Press Release (2004). Service Industries Recognize Census Bureau for New Economic Indicator, October. Available from [www.directionsmag.com/pressreleases/P27105](http://www.directionsmag.com/pressreleases/P27105).

<sup>13</sup> Chan, Dr. W.K., Dr. Rodolfo Martinez and Mr. Roberto Alfaro (1997). Establishing Coalitions of Service Industries in Developing Countries, January. Available from <http://www.hkcsi.org.hk/old/papers/submit/un.html>.

<sup>14</sup> The EU Economic Partnership Agreement with CARIFORUM provides cooperation on services and investment concentrated on meeting EU standards; improving export capacity; facilitating dialogue; addressing quality standards; developing and implementing regulatory regimes for specific sectors; and establishing mechanisms for promoting investment. Available from European Commission (2008). *Economic Partnership Agreement between the CARIFORUM States and the European Community and Its Member States*. Available from <http://ec.europa.eu/world/agreements/prepareCreateTreatiesWorkspace/treatiesGeneralData>.

**Table 1. Coalitions of services industries online**

Coalitions of Services Industries Online	Year Founded	Years in operation as of 2014
Antigua and Barbuda Coalition of Service Industries (ABCSI)	2011	3
Australian Services Roundtable (ASR) <sup>15</sup>	2001	13
Barbados Coalition of Service Industries (BCSI)	2002	12
Belize Coalition of Service Providers (BCSP)	2013	1
Brazilian Association of IT and Comm. Association (BRASSCOM)	2004	10
Business NZ (New Zealand)	2001	13
Canadian Services Coalition (CSC)	2006	8
Caribbean Network of Service Coalitions (CNSC) <i>Regional</i>	2010	4
China Association of Trade in Services (CATIS)	2007	7
Coalition of Service Industries Malaysia (CSIM)	2007	7
Dominica Coalition of Service Industries (DCSI)	2009	5
European Services Forum (ESF) <i>Regional</i>	1999	15
Guyana Coalition of Service Providers (GCSP)	2013	1
Hong Kong Coalition of Service Industries (HKCSI)	1990	24
Indonesia Services Dialogue (ISD)	2014	
Jamaica Coalition of Service Industries (JCSI)	2011	3
Japan Services Network, Keidanren (JSN)	1999	15
National Business Association of Colombia	2014	
National Association of Software & Service Companies (NASSCOM)	1988	26
Philippine Services Coalition (PSC)	2014	
Pro Chile Chamber of Commerce of Santiago	*	*
Saint Lucia Coalition of Services Industries (SLCSI)	2005	9
Taiwan Coalition of Service Industries (TWCSI)	2007	7
The City UK (and forerunners)	1968	46
Trinidad and Tobago Coalition of Service Industries (TTCSI)	2006	8
United States Coalition of Service Industries	1982	32

**Sources:** Coalition websites (see bibliography for list of web addresses).

**While most coalitions operate at the national level, some have also clustered into regional coalitions.** The European Services Forum and the Caribbean Network of Service Coalitions (CNSC), for instance, are regional coalitions; they reflect regional integration arrangements such as the EU and the CARICOM Single Market and Economy, respectively. The CNSC exemplifies a regional effort to strengthen services economies. The CNSC is ‘a network of the existing, independent coalitions’ that works together to raise awareness on services issues, to undertake advocacy efforts, and to share best practices.<sup>16</sup> Where there is momentum for regional integration – in, for instance, the EAC, the Economic Community of West African States (ECOWAS) and the Southern Africa Development Community (SADC) – regional coalitions can advance trade in services. The Common Market for Eastern and Southern Africa

<sup>15</sup> In the decade prior to the Australian Services Roundtable, a forerunner existed called the Australian Coalition of Services Industries (ACSI).

<sup>16</sup> Caribbean Network of Service Coalitions (2014). *Op. Cit.*

(COMESA) Business Council and the Asia Pacific Economic Cooperation (APEC) Business Advisory Council (ABAC) are currently seeking to create coalitions of services industries at the regional level.<sup>17</sup>

**The road to establishing a coalition is challenging.** Some coalitions have effectively been dissolved or reincorporated, such as those in Canada and Australia. Uganda and the Philippines have also experienced coalitions that have waxed and waned. Creating and maintaining a sustainable coalition depends on leadership and a viable financial model. The proliferation of coalitions around the world is due to the need to focus policy attention on the services economy and to improve conditions for services industry growth with investment in education, communications infrastructure and the quality of regulatory institutions. As World Bank research has found, ‘cooperation by firms through an industry association can in some cases favourably influence policy at home and a country’s image abroad.’<sup>18</sup>

### 3. What are the common features of coalitions?

**Coalitions organize themselves in a variety of ways in terms of membership.** The membership of the coalition may include services firms from different sectors, other associations, academia, and services users and suppliers. In some instances, ministry representatives or export agency representatives are members. In addition to having a wide variety of members, coalitions generally have a few ‘champions.’ Such champions tend to have a solid record of international trade; are committed to removing barriers in the domestic market and abroad; and often interact with policymakers to explain the regulatory challenges services firms face operating at home and in export markets of interest.

**The scope and depth of the national services economy is the best predictor of potential coalition members.** India, for instance, has a thriving information technology sector with exports of computer and information services totalling US\$49.5 billion in 2013.<sup>19</sup> Consequently, India’s NASSCOM is active on trade in services issues. As a relatively small economy, Trinidad and Tobago has a broad scope of services industries engaged with the TTCSI including professional consulting, energy, and arts and entertainment services.<sup>20</sup> Belize provides a further example of a thriving real-estate sector with significant foreign direct investment from abroad. The foreign real-estate firms Century 21,<sup>21</sup> ReMax<sup>22</sup> and Coldwell Banker<sup>23</sup> operate in Belize and demonstrate real-estate demand from international buyers. As a consequence, as in many other countries, the real-estate industry has its own national association, but it also engages with the Belize Coalition of Service Providers. A review of the nature and scope of services firms active in the national economy is the best predictor of potential coalition members.

**While each coalition is unique in both structure and operation, they share common features.** Coalitions that take the form of independent trade associations generally have a board of directors drawn from their membership.<sup>24</sup> The board is responsible for selecting the leadership, overseeing policy priorities, and scrutinizing management initiatives and expenditures. The independent association may have a mix of members, including individual services firms and other services subsectoral associations. Such associations are organized according to local law governing the formation and management of business associations. Coalitions will often include services user groups and services suppliers. Coalitions that take the form of a network of services associations generally have a flexible structure that draws leadership from member associations, which share common interests in trade negotiations and promotion.<sup>25</sup> Chamber

<sup>17</sup> Parsons, D. (2014). Mobilizing Business for a New APEC Services Agenda. ITC Technical Paper, Geneva. Available from <http://www.intracen.org/>.

<sup>18</sup> Goswami, Arti Grover, Aaditya Mattoo and Sebastián Sáez (2012). *Exporting Services: A Developing Country Perspective*. Available from <https://openknowledge.worldbank.org/handle/10986/2379>.

<sup>19</sup> World Trade Organization (2014). International Trade and Market Access Database. Available from [www.wto.org](http://www.wto.org). Accessed November 2014.

<sup>20</sup> Trinidad and Tobago Coalition of Services Industries (2014). Video Profile. Available from [www.ttcsi.org](http://www.ttcsi.org).

<sup>21</sup> Century 21 Global (2013). Available from [www.century21global.com](http://www.century21global.com).

<sup>22</sup> Remax (2014). Available from [www.remax.com](http://www.remax.com).

<sup>23</sup> Coldwell Banker (2014). Available from [www.coldwellbanker.com](http://www.coldwellbanker.com).

<sup>24</sup> Barbados Coalition of Services Industries (2013). Press Release: BCSI Elects a New Board of Directors, 30 September. Available from <http://bcsi.org.bb>.

<sup>25</sup> European Services Forum (2014). ESF Structure and Management, January. Available from [www.esf.be](http://www.esf.be).

of commerce affiliates are an active part of the larger chamber of commerce, and concentrate on services issues.<sup>26</sup> Coalitions may also be a division of a ministry of commerce or a trade promotion organization.<sup>27</sup> Indonesia and the Philippines use a 'tripartite structure,' as is explored below as a case study. The wide variety of coalition structures and operational features reflects the diversity of the business culture, government and the services industry marketplace from which coalitions originate.

**Figure 3. Sample coalition structures**



Sources: Coalition websites.

**Services coalitions in Indonesia and the Philippines have evolved a new 'tripartite' structure.** The Philippine Services Coalition (PSC) comprises representatives both from the public sector and the think-tank community, including the Department of Labour, the Department of Foreign Affairs, the Department of Trade and Industry, the Board of Investments and the Philippine Institute of Development Studies. Private-sector members represent, for instance, the Makati Business Club, ABAC Philippines and the Chamber of Commerce.<sup>28</sup> The Indonesia Services Dialogue (ISD) similarly 'brings stakeholders from business, government and research together on a regular basis in public forums and research-based workshops to consider option[s] for reform to promote growth and greater efficiency in services.'<sup>29</sup> Coalitions continue to evolve with services stakeholders from both the public and private sectors. For instance, the Australian Services Roundtable also includes some public sector members.

**Coalitions maintain a small and nimble staff.** The executive of the coalition acts as a spokesperson on services policy and commercial issues. In some cases, the chairperson of the board undertakes this role. Often, the coalition leader is a former trade negotiator. Associates excel at research, communication and public relations. Coalition professionals are expert in writing, public speaking and fundraising. They study the evolving services economy, with a particular focus on industries and trends, regulatory processes and proposals, and legislative initiatives. Coalition professionals cultivate a close relationship with members. For instance, CSI professions consult with members to make recommendations to the board regarding:

- Annual goals and priorities
- Policy and commercial issues and objectives
- Advocacy and export initiatives

On a daily basis, they communicate with members to carry out initiatives in policy, export and innovation. Coalition professionals also reach out to new members, public officials and academics to improve conditions for services firms. To remain experts in their field, coalition professionals read financial and trade policy publications, speak with members about their business experience, and consult with public officials and legislative representatives on commercial and trade policy issues.

<sup>26</sup> The Taiwan Coalition of Service Industries, for instance, is the 'policy think tank' of the General Chamber of Commerce, through which it was founded in 2007. Available from <http://www.twcsi.org.tw/eng/index.php>.

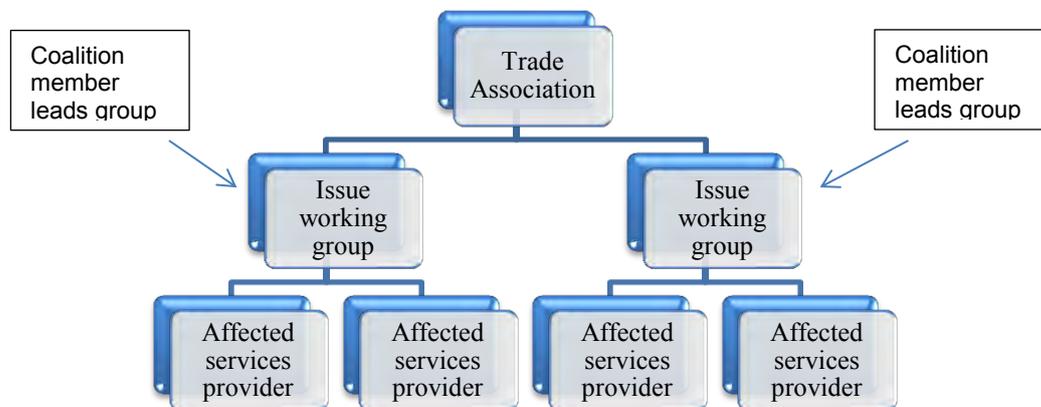
<sup>27</sup> See, for instance, China Association of Trade in Services. Available from [www.catis.org.cn/english/english/default.asp](http://www.catis.org.cn/english/english/default.asp).

<sup>28</sup> National Competitiveness Council, Philippines (2014). Available from [www.competitive.org.ph/philippine-services-coalition](http://www.competitive.org.ph/philippine-services-coalition).

<sup>29</sup> Indonesia Services Dialogue (2014). 'ISD: About.' Available from <http://indonesiaservicesdialogue.wordpress.com/about/>.

**Coalitions establish ‘working groups’ to solve problems.** ‘Working groups’ or committees provide a means for organizing initiatives with interested members. The coalition may have several working groups focused on different initiatives to achieve specific goals. For example, a coalition with accountants, attorneys, architects or engineers as members may organize a professional services working group. In such cases, a member of the coalition would lead the group and coalition staff would support it. The group would set out specific objectives and strategies to achieve specific policy results, whether unilateral reform, trade agreement provisions or new domestic legislation. The group may also have specific business objectives, such as identifying commercial counterparts. In the engineering field, for example, transnational engineering firms frequently partner with local engineers to execute effective infrastructure projects.<sup>30</sup> Foreign conglomerates partner with local firms due to their familiarity with local conditions, local expertise, specialized services and joint venture requirements.<sup>31</sup> As many engineering firms in developing countries are small or sole proprietors, they often work together to identify such foreign conglomerates executing infrastructure projects financed by foreign direct investment. Working groups will emerge and decline with services industry issues, following the lifecycle of policy and business concerns. The benefit of this organizational structure is its ability to adapt and respond to old and new member interests. Figure 4 illustrates the working group structure.

**Figure 4. Coalition ‘working groups’**



#### 4. How are coalitions formed?

**Each coalition is unique in how it is formed.** Coalitions can establish themselves by taking basic steps to shape the organization. Industry leaders can hold a ‘founders meeting’ and develop the founding documents consistent with local commercial law. The founders meeting would, for example, define the purpose of the association and determine association leadership criteria, including the president’s qualifications and qualities to ensure success. Founders would agree on matters such as governance, the role of the board, membership responsibilities and organizational structure. The initial meeting might also outline the priorities for the annual agenda. Industry leaders would develop the association’s founding documents, which might include:

- Articles of incorporation or a constitution
- A handbook for the board of directors
- A description of staff positions and responsibilities
- An initial budget
- An agenda for the first year

<sup>30</sup> Bechtel (2012). The Annual Bechtel Report. Available from <http://www.bechtel.com/annual-report-2012.html>.

<sup>31</sup> First Research (2012). Industry Profile Engineering Services, 9 July.

Developing an association is a challenge in any economy. With effective leadership, a commitment of service to members and an effective business model, however, an industry association can help shape the climate for services providers and enable them to compete in the global marketplace. The sustainability of the association will rest on the value it provides to members and its ability to improve conditions in the marketplace. Box 2 outlines the formation of the China Association of Trade in Services (CATIS) in November 2007.

### **Box 2. The case of China**

**The China Association of Trade in Service (CATIS) was founded in November 2007 under the auspices of the Ministry of Commerce.** CATIS is dedicated to building a national platform for coordinating and promoting trade in services.

The Association advises on legislation influencing services trade. CATIS enhances the international visibility of Chinese service brands worldwide. The Members' Congress is the highest decision-making body of the organization. The CATIS Executive Council is composed of 74 associations and enterprises – including foreign-owned companies – and provides guidance on business issues. The CATIS Advisory Committee includes 24 services-related ministries that provide policy advice and facilitate coordination among different sectors and regions. The CATIS Secretariat carries out routine operations associated with planning and development, member services, project management, international affairs and legal affairs.

Mr. Wei Jiafu, President of China Ocean Shipping Company (COSCO), currently serves as President of CATIS. China has dedicated both public and private resources to creating an association that can improve the policy and regulatory environment for trade in services

## **5. What are the primary areas for coalition advocacy?**

**Coalitions facilitate discussion with government officials on services issues priorities.** With one-on-one meetings, seminars, conferences, advocacy letters and policy papers, coalitions help ministry officials understand the challenges that services firms encounter. Formal, in-person briefings further help ministry officials understand the trajectory of services industry development, such as in the information technology sector, in the personal, cultural and recreational services, as well as in financial and insurance services. Coalitions urge policymakers to address the challenges in the domestic market that inhibit services industry growth. In the professional services arena, for example, this might involve suggesting legislative provisions to strengthen the institutional framework for education, examination and licensing. As a further illustration, given access to adequate insurance coverage presents a recurrent challenge for services providers, coalitions may meet with insurance regulators to discuss and examine how to attract a broader and deeper pool of insurance providers that can provide offerings for engineers, architects or construction firms. Every country is unique, and the advocacy priorities of services firms and associations will reflect the scope and depth of the services economy. Figure 5 below identifies common advocacy areas.

**Figure 5. Spectrum of coalition advocacy areas: domestic to international**

**Coalitions focus on trade negotiations and export expansion.** In bilateral, regional and multilateral trade negotiations, coalitions have helped public policy officials to understand where negotiating efforts should be focused. In June 2014, for instance, the Australian Services Roundtable expressed strong support for the Trade in Services Agreement negotiations.<sup>32</sup> Two further examples are the European Services Forum, which advised on key provisions for bilateral investment agreements in May 2014,<sup>33</sup> and the Japan Services Network, which developed a detailed Position Paper on WTO Negotiations for Liberalizing Trade in Services in 2000.<sup>34</sup> Coalitions collect information about trade obstacles in foreign markets. Coalitions identify specific laws, rules, regulations or institutional practices that inhibit services firms from supplying services abroad. The associations get this information by talking to representatives of services firms who manage business operations in neighbouring, regional or global markets. The Canadian Services Coalition, for instance, acts as a ‘forum for discussion of services-related issues for the Canadian services sector.’<sup>35</sup> CSI staff spend time talking with services firm managers to understand their experience in the marketplace and implications for trade policy. They then discuss these findings with other associations and firms, and develop a written narrative on the problem suggesting solutions. Coalition staff also communicate with public officials to help them develop an appropriate negotiating stance or domestic policy reform to alleviate the trade constraint and expand exports.

**Coalitions improve cooperation within and between ministries with trade-related responsibilities.** Coalitions are instrumental in helping ministries to clarify commercial rules, regulations and administrative procedures that have an impact on the export position of services firms. Coalitions work, for instance, with ministries of finance to clarify requirements and expedite procedures to access foreign exchange for business operations in regional markets. In the Caribbean, coalitions have pressed for:

- Statistical agencies to pursue the timely collection and publication of services industry data critical to services firms, investors and consumers;
- Transport ministries and municipalities to ensure transparency in the procurement of government contracts; and
- Ministries of foreign affairs to negotiate mutual recognition agreements for professional services providers.

<sup>32</sup> Australian Services Roundtable (2011). Press Release: ASR expresses strong support for the Trade in Services Agreement negotiations, 26 June. Available from [www.servicessaustralia.co/media-releases](http://www.servicessaustralia.co/media-releases).

<sup>33</sup> European Services Forum (2014). ESF Position Paper on Business Support for Key Principles in Bilateral Investment Agreements, 23 May. Available from [www.efg.be](http://www.efg.be)

<sup>34</sup> Japan Services Network (2000). Position Paper on WTO Negotiations for Liberalizing Trade in Services, November. Available from [www.keidanren.or.jp/english/policy/2000/066.html](http://www.keidanren.or.jp/english/policy/2000/066.html).

<sup>35</sup> Canadian Services Coalition (2014). CSC Brochure. Available from [www.chamber.ca/advocacy/canadian-services-coalition](http://www.chamber.ca/advocacy/canadian-services-coalition).

Empirical evidence suggests that such initiatives do expand trade. The International Growth Centre of the London School of Economics has found that improving cooperation between economic actors, increasing the availability of credit and simplifying regulation can boost exports.<sup>36</sup>

**Many governments establish advisory bodies to help public officials make informed policy decisions about the services economy.** Most governments do understand the value of a robust services economy and its relationship to agricultural production, manufacturing and the cost efficiency of the public sector. As a consequence, governments in certain countries have established advisory bodies to provide industry information on the services economy. The Government of Belize, for instance, established an office of public-private sector dialogue to improve the business environment.<sup>37</sup> In other countries, the legislature and executive agencies hold public hearings to learn about developments in the services economy from those acting in the marketplace. Coalitions can play an important role in providing testimony and educating public officials about specific services industries, and the services economy at large, to create a positive climate for growth and trade in services.

**Coalitions draw the attention of policymakers to the factors that drive competitiveness in the services arena.** One of these factors is innovation. The Australian Services Roundtable, for example, highlights how technology, research and development, and close relationships with services customers can spark innovation in products, processes and marketing.<sup>38</sup> The services industry and government are focusing on education in science, technology and mathematics to promote innovation. The African Economic Conference of 2014 highlights knowledge and innovation for sustainable growth.<sup>39</sup> The effective application of intellectual property rights is a close companion of innovation. Government and private-sector attention to policies promoting innovation can further strengthen services economies.

## 6. How do coalitions achieve domestic and international policy reform?

**Each coalition is unique in the way it approaches public policy due to differences in the marketplace and the government.** At a basic level, coalitions use empirical evidence to advocate changes in public policy in terms of law, rules, regulations and administrative practices. For example, coalitions use GDP statistics, employment data and trade statistics to support policy positions governing services industries. Coalitions distil the business experience of services firms in neighbouring, regional and global markets to help policymakers understand the conditions in the market and the need for specific changes or solutions at home or abroad. Often, coalitions undertake or commission research on important policy issues. For example, The City UK published *Infrastructure 2014* to emphasize the 'considerable demand for upgrading existing infrastructure' in an effort to strengthen the services economy in the United Kingdom.<sup>40</sup> Services advocates explain complex business issues through accessible language to legislative bodies and executive agencies, and urge specific steps to improve the climate for services industry growth. Coalitions bring industry leaders and public officials together at the domestic and international level, to consider and resolve trade and commercial challenges.

---

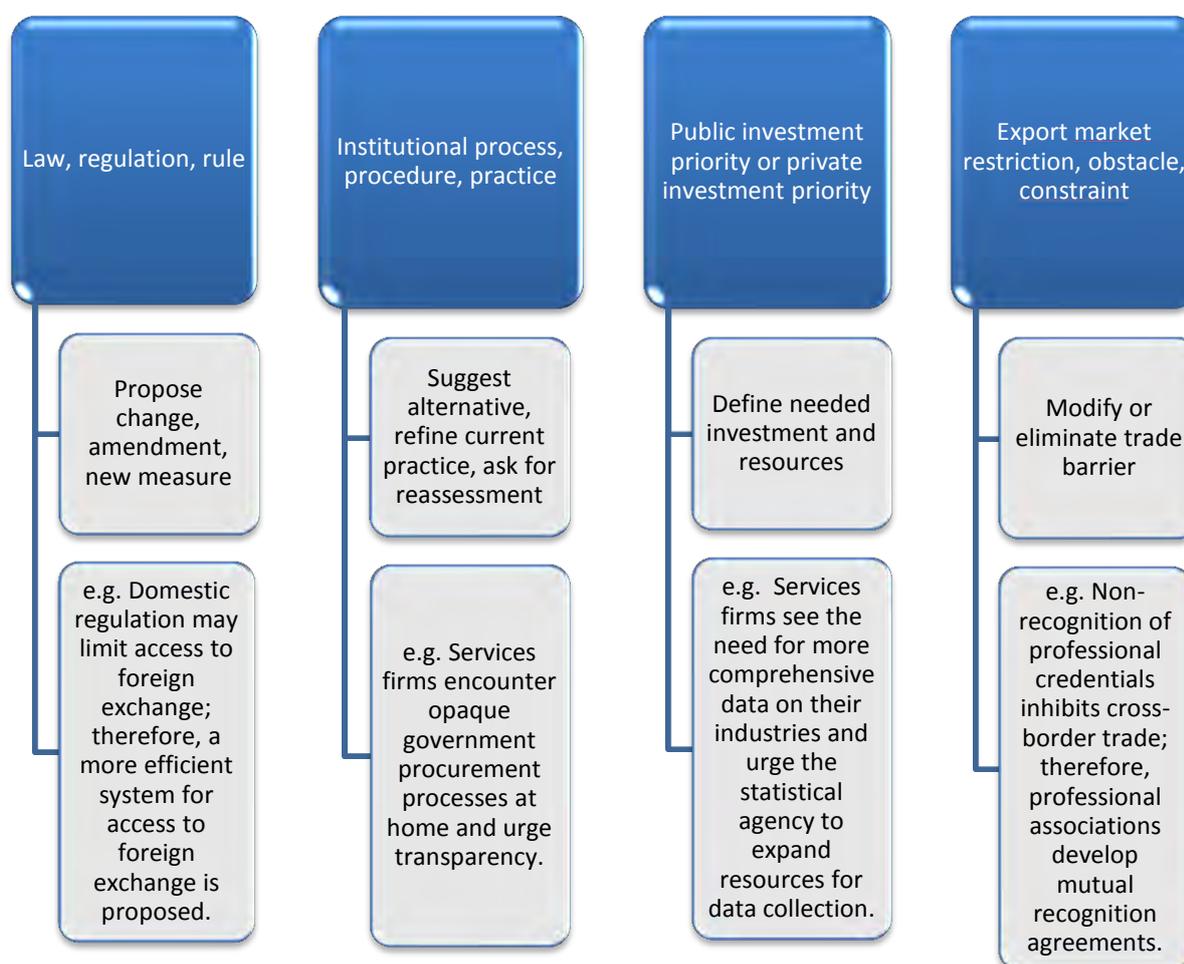
<sup>36</sup> Belloc, Marianna and Michele Di Maio (2011). Survey of the Literature on Successful Strategies and Practices for Export Promotion by Developing Countries. Working Paper 11/0248. London: International Growth Centre, London School of Economics. Available from [www.theigc.org/project/literature-survey-optimal-intervention-policies-for-export-promotion/#outputs](http://www.theigc.org/project/literature-survey-optimal-intervention-policies-for-export-promotion/#outputs).

<sup>37</sup> Humes, Aaron (2014). Prime Minister Hosts Business Forum with Private Sector, 17 July. Available from [www.patrickjonesbelize.com](http://www.patrickjonesbelize.com).

<sup>38</sup> McCredie, A., J. Söderbaum, J. Drake-Brockman, P. Kelly, Y. Chou, R. Taborda and R. Hodges (2010). The New Economic Challenge: Responding to the Rise of Services in the Australian Economy, September. Available from <http://www.tda.edu.au/resources/New%20Economic%20Challenge%20-%20Responding%20to%20the%20Rise%20of%20Services%20in%20the%20Australian%20Economy.pdf>.

<sup>39</sup> United Nations Economic Commission for Africa (2014). *African Economic Conference 2014: Knowledge and Innovation for Africa's Transformation*. Addis Ababa. Available from [www.uneca.org/aec2014](http://www.uneca.org/aec2014).

<sup>40</sup> The City UK (2014). *Infrastructure 2014: Trends, Demands and Challenges*, June. *Op. Cit.*

**Figure 6. Common roots of services policy issues and associated responses**

**Coalitions use a pragmatic approach to achieve policy reform.** As a first step, coalitions thoroughly examine the services issue by gathering data, surveying members and writing the business story based on their members' experience. With a clear understanding of the issue, coalitions consider what would be the appropriate policy response as illustrated in figure 6. Next, the association examines which actors are involved and what type of advocacy tools should be employed. When the coalition members have reached a consensus, they decide how to convey the message and solution. For example, the coalition may opt for informal communication, in-person consultation or the submission of formal communications (such as a written letter, white paper or formal report); they may request a formal hearing; or they may choose a range of media to convey the message and solution. Once the coalition has developed a case for a specific policy response, the coalition often reaches out to other business associations and political leaders who will support the coalition's position. The methods for achieving policy reform are as varied as the number of coalitions around the world and reflect the local culture, marketplace and government.

---

*Australian Services Roundtable (ASR) applauds appointment of Minister for Services*

*The ASR used a variety of policy tools to urge a public office on services. The Roundtable succeeded as a result of its advocacy efforts on the central role of services in the Australian economy.*

---

**Coalitions act in the regulatory arena according to the interests of their members.** National rules generally govern engagement with regulatory authorities. Often, a government maintains a federal register or gazette that publicly announces new rules, regulations or trade investigations. In some cases, the government calls for public comment and recommendations. Coalitions are adept at understanding the filing procedures for advising regulatory authorities. In consultation with members, coalitions may file comments and recommendations, or offer testimony. They may appear as parliamentary witnesses on the scope and content of rules, regulations and trade investigations. Coalitions engage on behalf of members from industries as diverse as banking, insurance, securities and telecommunications, to retail, health and education. For example, in 2009 the Coalition of Service Industries in the United States provided input for the International Trade Commission investigation of trade in property and casualty insurance services.<sup>41</sup> With regard to telecommunications, services firms in sub-Saharan Africa dependent on broadband infrastructure have an interest in effective regulation of cross-border communications deployment. The TeleGeography map of submarine cables landing in coastal African nations provides a dramatic illustration of how countries in the interior will have to ensure a regulatory environment that encourages cross-border broadband deployment.<sup>42</sup> In some instances, coalitions will also participate in regulatory proceedings of foreign governments where their members have an interest.

**Figure 7. Parties important to services growth and trade**



**Coalitions work with many types of officials depending on the issue.** For example, services exporters desire a level playing field with goods producers. Where government incentives exist, services advocates will therefore advocate for equal treatment before the relevant ministry. In those instances in which services exporters are frustrated by limited access to credit, double taxation and foreign exchange controls, they will work with the relevant ministry to improve conditions for credit, reduce double taxation and facilitate foreign exchange. As another example, services exporters use a variety of technical equipment in services production, such as hard and soft technology and audio-visual equipment. Services providers will therefore engage the customs authority to identify the appropriate procedures to apply for tariff waivers on industry inputs. Services firms recognize the need for more comprehensive data on their industries for consumers, foreign investors and services firms. Consequently, they work with statistical agencies to urge the comprehensive collection of services industry data.<sup>43</sup> A common challenge for

<sup>41</sup> United States International Trade Commission (2009). *Property and Casualty Insurance Services: Competitive Conditions in Foreign Markets Investigation*. Washington DC. Available from [www.usitc.gov/publications/332/pub4068.pdf](http://www.usitc.gov/publications/332/pub4068.pdf).

<sup>42</sup> TeleGeography (2014). Submarine Cable Map. Available from <http://www.telegeography.com/telecom-resources/submarine-cable-map/index.html>.

<sup>43</sup> Drake-Brockman, Jane (2001). The Importance of Measuring the Delivery of Services via Commercial Presence of Offshore Foreign Affiliates: Some Case Studies from Australian Business Experience. Asian Development Bank Institute Working Paper, No. 295. Available from [http://www.adbi.org/files/2011.07.12.wp295.measuring\\_delivery\\_service\\_australia.pdf](http://www.adbi.org/files/2011.07.12.wp295.measuring_delivery_service_australia.pdf).

services firm expansion is finding and retaining qualified employees. Services associations therefore work with academia to raise educational standards. Coalitions facilitate discussions with a variety of parties to resolve constraints to services industry growth, as illustrated in figure 7.

**Coalitions of services industries play a role in regional integration and multilateral trade diplomacy.**

At the national level, regional and global level, CSIs engage in ‘commercial diplomacy.’ The Canadian Services Coalition, for instance, advises its government on bilateral, regional and multilateral trade initiatives. Similarly, the European Services Forum works closely with the European Commission on services issues related to regional integration.

**Coalitions work together to amplify their interests in regional and international forums.** To deepen regional integration and to advance international trade in services, coalitions meet with public officials, hold press conferences and issue press releases to call attention to the economic benefits of a robust global services market. International conferences of coalitions held since the 1980s – in, for instance, Hong Kong (China), Buenos Aires, Auckland, Dublin, Geneva, Washington DC, Bogota and, more recently, Beijing – encouraged policymakers to undertake unilateral reform and commit to arrangements that facilitate trade in services.<sup>44</sup> The economic value of this unites coalitions at the regional and international level.

**Several coalitions of services industries work together in the Global Services Coalition (GSC). This informal grouping of CSIs** agrees on international policy statements and communications on a case-by-case basis.<sup>45</sup> The GSC gathers coalitions from around the world to consider multilateral services trade and investment issues periodically, and where possible to develop consensus statements in the form of press releases on trade and investment policy objectives. In its infancy, the GSC broadcast highlights about services online with a wide-ranging set of global services industry stakeholders. Today, the International Trade Centre (ITC) in Geneva manages this clearinghouse on services developments through the ITC Global Services Network.

## 7. How do coalitions manage public relations?

**Coalitions use culturally appropriate means to convey services industry priorities to the public.**

Public relations tactics vary by culture, economy and government. Many coalitions position themselves as thought leaders in the services policy arena by disseminating data and publications among decision makers. Services associations also draft letters for public officials, position papers, testimonies and letters-to-the-editor to outline their stance on services policy and commercial issues. Coalitions host symposiums, training events, annual summits and matchmaking forums to raise the profile of services industries in the local economy, and to create momentum among policymakers for solving difficult trade restrictions and business challenges. Coalitions use the Internet, specialized software such as ‘constant contact’ and social media to reach a broad audience. In those countries with a tradition of public witness or testimony before the legislature or executive agencies, coalitions develop and deliver testimony to advance their policy priorities and to create a public record. Coalitions also use traditional advocacy tools such as one-on-one meetings, press releases and media interviews to raise further public awareness about the value and challenges within the services economy.

**Coalitions structure their activities to attract media attention as a multiplier to their public relations initiatives.** For example, coalitions commission research, release reports, conduct symposiums and hold press conferences to highlight the challenges encountered by services firms, along with identifying specific recommendations to address business obstacles. Coalitions create ‘content’ for the media, including:

- Events with a high profile keynote speaker
- Research reports with economic and business analysis
- Awards for services industry innovations and policy achievements
- Services fairs<sup>46</sup>

For example, the Barbados Coalition of Service Industries is drawing attention to the services economy with an innovation competition to create a new ‘App.’<sup>47</sup> Services associations work to understand the

<sup>44</sup> Chan *et al.* *Op. Cit.*

<sup>45</sup> European Services Forum (2014). Available from [www.esf.be/new/links/global-services-coalitions/](http://www.esf.be/new/links/global-services-coalitions/).

<sup>46</sup> China Beijing International Fair for Trade in Services (2014). Introduction. Available from [www.ciftis.org/en/](http://www.ciftis.org/en/).

different types of media and the areas they cover. They cultivate press relations, and consider if services issues are ripe for feature articles, opinion pieces or specialist sections. In addition to direct media contacts, coalitions use an integrated online presence to advocate policy and commercial priorities. Each coalition's public relations approach reflects local political and cultural norms.

## 8. How do coalitions benefit their members?

**Coalitions improve the climate for services firms at home.** On the domestic front, coalitions bring attention to the importance of the services economy and create momentum for investment in services industries. For example, BusinessNZ's Performance of Services Index tracks services industry sales, employment, new orders, stocks and supplier deliveries to illustrate the scope and health of the services economy.<sup>48</sup> Coalitions focus on investment in infrastructure that promotes services industry growth. For example, Brazil's BRASSCOM supports the 'expansion of broadband nationwide.'<sup>49</sup> Coalitions advance the domestic concerns of their members.

---

*The Trinidad and Tobago Coalition of Service Industries (TTCSI) is developing a national strategy for professional services exporters with attention to quality and international standards.*

---

**Coalitions enhance the commercial environment for services firms abroad.** Working closely with members, coalitions prioritize key negotiating objectives in bilateral, regional or multilateral negotiations. For instance, they may seek an increased number of visas to export markets of interest: indeed, the services associations advising negotiators on the CARIFORUM-EU Economic Partnership Agreement in 2008 successfully secured this outcome.<sup>50</sup> Coalitions pursue increased transparency in the development of rules and regulations that govern services. This came to fruition, for instance, with the help of services firms advising negotiators on China's accession to the World Trade Organization (WTO).<sup>51</sup> China's subsequent WTO commitments on institutional transparency have significantly improved the overall business environment for foreign investors. Services exporters press for the opening-up of government procurement to a wide range of foreign services firms. Services advocates involved in the development of the Revised Agreement on Government Procurement under the WTO achieved such an end.<sup>52</sup> Coalitions reduce trade restrictions that inhibit members from competing abroad.

---

<sup>47</sup> Digicel. (2014). BCSI partner to launch mobile app contest, 7 July. Available from [www.barbadosadvocate.com](http://www.barbadosadvocate.com).

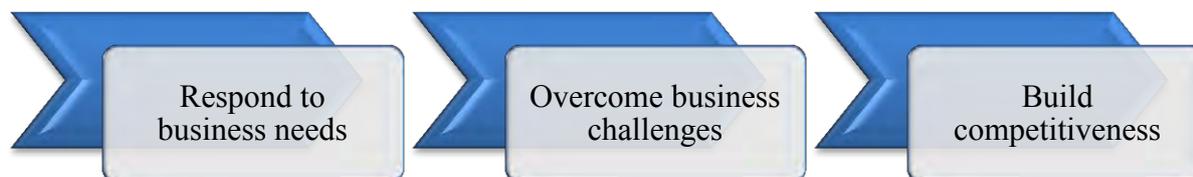
<sup>48</sup> BusinessNZ (2014). Jump in July: Performance of Services Index, 18 August. Available from [www.businessnz.org.nz/resources/surveys-and-statistics/psi/2014/jump-in-july-psi](http://www.businessnz.org.nz/resources/surveys-and-statistics/psi/2014/jump-in-july-psi).

<sup>49</sup> Brazilian Association of Information Technology and Communication Companies (2014). Available from <http://www.brasscomglobalforum.com>.

<sup>50</sup> European Commission (2014). Information Paper CARIFORUM-EU Economic Partnership Agreement: An Overview, July. Available from <http://ec.europa.eu>.

<sup>51</sup> 'As part of its WTO agreement, China now circulates draft laws and regulations for 30 days to collect comments.' *The Economist* (2010). China's Economy and the WTO All Change, 10 December. Available from <http://www.economist.com/node/21541448>.

<sup>52</sup> Mayer Brown (2014). Legal Update: Revisions to WTO Agreement on Government Procurement Enter into Force, 9 April. Available from <http://www.mayerbrown.com/Revisions-to-WTO-Agreement-on-Government-Procurement-Enter-into-Force-04-09-2014/>.

**Figure 8. Coalition benefits to members**

**Coalitions respond pragmatically to the business needs of members.** Coalitions help members improve their competitive position with commercial contracts, business strategy and market research. For example, services firms report difficulty formulating international contracts. The Saint Lucia Coalition of Services Industries (SLCSI) offers training on the use of commercial contracts.<sup>53</sup> Services firms experience erratic and seasonal business demand. Hoteliers and tour operators, for example, struggle with dramatic lulls in business off-season. SLCSI works with members to develop wellness tourism to make Saint Lucia 'a health and wellness destination' all year round.<sup>54</sup> Services providers bemoan the lack of market information about export markets of interests. An architectural firm in Belize, for instance, has difficulty finding procurement information in neighbouring and regional markets. The Belize Coalition of Service Providers organizes market research seminars to help members become familiar with industry resources, including data and digital publications.<sup>55</sup> Coalitions develop staff expertise in international commerce and industry to pragmatically respond to services firm needs.

### **Competitiveness Roadmaps**

*Coalitions contribute to competitiveness roadmaps by telling the business story about the services economy.*

*Firms advise on the pool of employees available for services industry employment.*

*Services providers gauge the availability of quality and economically priced energy, information communication technology and transportation services.*

*Services exporters reveal the quality of regulatory institutions with regard to administration of laws, rules and procedures.*

*Roadmaps target skills, infrastructure and institutional capacity to build competitiveness across the services economy.*

*The recently revitalized Philippines Services Coalition (PSC), for instance, is focused on preparing competitiveness roadmaps across all services sub-sectors, as an initial contribution to a national rethink on services export strategy.<sup>56</sup>*

**Coalitions help members to overcome business challenges.** Coalitions assist members with, for instance, export strategy, market analysis and cooperative seminars. In the developing world, for example, an audio-visual firm has a reliable, small group of foreign clients, yet lacks the skills to attract new ones. The coalition therefore offers the audio-visual firm an opportunity to develop an export strategy designed to expand its international client base. By way of further example, a music agent who manages a talented pool of performers has difficulty creating performance opportunities for them in export markets. The coalition commissions market analysis to identify commercial contacts in target export markets, and

<sup>53</sup> Saint Lucia Coalition of Services Industries (2014). Training Seminar for Construction Industry, 17 July. Available from <http://slcsi.org.lc>.

<sup>54</sup> SLCSI (2014). Newsletter, January. *Ibid.*

<sup>55</sup> Belize Coalition of Service Providers (2013). Developing Service Firms to Export, 11 October. Available from <http://bcsp.info/developing-service-firms-to-export/>.

<sup>56</sup> International Trade Centre (2014). ITC to Support Revitalisation of the Philippine Services Coalition, 5 June. Available from <http://www.intracen.org/news/ITC-to-support-revitalisation-of-the-Philippine-Services-Coalition/>.

facilitate business-to-business networking. As a third example, a real-estate firm has difficulty hiring and retaining qualified and reliable employees. The coalition convenes a seminar with academic institutions to review and improve local vocational and professional curricula. Coalitions work with their members over the long term to sustain sufficient growth, create commercial contacts and improve the pool of qualified services employees.

**Coalitions organize targeted assistance beneficial to members.** Often, coalitions facilitate training to expand exports. Take the case, for instance, of an information technology company in a developing country that has an excellent software product, but which is deficient in identifying its target market and effectively marketing to potential customers. In such a case, the coalition acquires donor-financed training in market research and promotion for the firm and other members. Consider, alternatively, a wellness firm that has a thriving business domestically, but faces challenges using the Internet to attract foreign clients from abroad who visit as tourists. The coalition organizes training to help this firm and other members to develop effective online platforms that are friendly to mobile computing. A third example might be an engineering firm that recognizes it is falling behind in both hard and soft technology. This is common in the fast-paced services marketplace. The coalition works with its members to acquire technology grants from international donors and local government. Relevant coalitions strive to understand and address the commercial needs of their members to boost competitiveness. As outlined above, one such strategy that coalitions can provide is to assist members in devising 'competitiveness roadmaps' tailored to meeting the specific demands of the services economy, both locally and globally.

**Coalitions provide specialised services export training.** Services providers can acquire certain business skills to expand exports. Micro-enterprises can expand exports with investment in branding, integrated online marketing and quality assurance management. Services providers can also improve their commercial use of the Internet and deepen international commercial networks to attain a competitive position in the marketplace and to increase exports. A major challenge for services providers in developing countries is finding qualified employees. Firms do reach out online to identify and to create strategic relationships with services professionals at home and regionally. Export training programmes in the Caribbean, for example, take place on both a regional and national basis to help services exporters. For example, 'SERVICES Go Global is a timely and comprehensive training program for services exporters,' that is managed by the Caribbean Network of Service Coalitions.<sup>57</sup>

**Coalitions enable services firms to become more competitive.** In the developing world, coalitions will often work to attract donor resources to finance capacity building for services firms in light of the commercial drivers in their industry and the intensity of competition in the global marketplace, with a view to services industry trends and evolution. As a first step, coalitions will ask services firms where they require assistance. Areas may include:

- Guidance on better commercial use of the Internet
- Instruction on industry and export market analysis
- Development of services export plans
- Introduction to trade contacts and potential commercial partners
- Management and marketing skills training
- Human-resource management
- Creation of quality-assurance systems
- Media profiles with interviews, newspaper articles and success stories

Coalitions then work with donors, corporate sponsors and other stakeholders to organize assistance. For developing countries, this may be achieved through direct discussions with donor agencies present domestically. Coalitions may apply for donor funds from regional or multilateral development banks under specific projects created to help finance the private sector. Often, donors will require a project proposal to access funds. Coalitions may also seek grants from international foundations. Whatever the vehicle, coalitions ensure they know which donors and other potential sponsors are present in the country, what projects are available to finance private sector activities, and what the procedures are for obtaining funds.

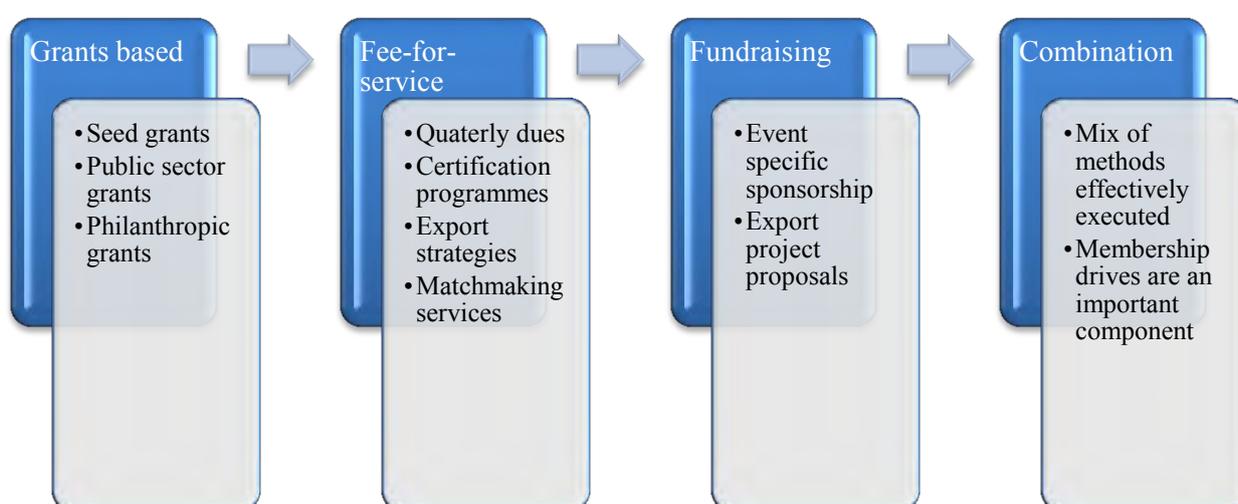
---

<sup>57</sup> Caribbean Export (2014). See [www.carib-export.com](http://www.carib-export.com).

## 9. How do coalitions remain financially sustainable?

**Remaining financially viable is a universal challenge for coalitions.** Sustainable coalitions employ a business model that is multifaceted and flexible. Coalitions may found the organization with seed grants from the government, international donors and leading services firms. At times, individual champions may underwrite coalitions. Coalitions may also be subsidized by in-kind donations, in the form of office space, office equipment or pro-bono contributions from professional services members. Coalitions may finance activities using a fee-for-service model for certification programmes, educational services or industry conferences. Some seek corporate sponsorship for activities. Most choose to collect quarterly dues from members, hold annual events to raise funds and bid for development grants. Some coalitions are partially subsidized by the government. Many use a mix of these methods to sustain the organization as illustrated in figure 9. Coalitions create value for their members by helping them surmount trade obstacles and commercial challenges on the horizon.

**Figure 9. Coalition finance models**



**Coalitions exercise astute financial management to remain viable.** Coalitions maintain the ability to write winning proposals for corporate sponsorship, grants and donor funds. Nimble use of the Internet, social media and membership software enable coalitions to streamline fundraising activities. Fundraising might include:

- Digital membership directories with space for advertising
- Services industry fairs and expositions
- Award dinners with sponsorship opportunities and silent auctions
- Distinguished speaker series
- Member donations to support specific policy or commercial initiatives

Attracting and sustaining financing is a board and management responsibility. The leadership of the coalition must work effectively with the board of directors, members and other financing entities to garner financial support for distinct initiatives, such as original research, policy accomplishments and services trade expansion that contribute to the stature of the organization and attract new members and supporters.

**Those working to build coalitions in the developing world can consider the small size of coalitions in the developed world.** Staff may be as small as one to three people, or as large as seven or eight. Coalitions face stiff competition from other trade and professional associations. They distinguish themselves from other industry groups with their ability to unite advocacy initiatives across all services industry sectors, and with deep knowledge of the services economy and business experience in the marketplace. Keen management and a passion for resolving policy challenges and overcoming practical trade hurdles sustain coalitions.

**Establishing a coalition requires a finance model tailored to the local marketplace.** Services industry enterprises and trade support institutions need to consider local finance models for trade associations, but also to take an innovative approach to attract firm membership. Often, the local economy will support an independent association for export and investment-ready services sectors, such as the information technology, business process outsourcing, finance and tourism industries. In some instances, donors finance business organizations. In other cases, legislation provides for the establishment of professional associations for accountants, lawyers, engineers and architects. Creating a viable financial model suited to the local marketplace is the first and hardest challenge of an effective coalition.

## Conclusion

**This overview can be used to help strengthen coalitions of services industries in developing and transition economies.** Services industry enterprises, trade support institutions and services sector associations can create an appropriate model for themselves tailored to the local environment with an understanding of why coalitions were formed and how they are structured, as well as some of their common features.

Working closely with services enterprises, services associations can identify and advance priorities for coalition advocacy on commercial and policy issues. They can use specific tools to achieve policy reform and improve the climate for services industry growth and development.

Services industry stakeholders can build on the experience of the 26 coalitions that have a web presence and are active in acquiring technical assistance for their members, improving local rules, regulations and administrative procedures, and working with each other to ameliorate trade restrictions. In so doing, stakeholders can help their members engage more deeply in the global services marketplace.

The global services economy offers a valuable opportunity for small and medium-sized enterprises to reach new clients and offer new services in neighbouring, regional and global markets. Powered by knowledge, by fast, reliable and economically priced digital infrastructure, and by business know-how, the global services economy offers job growth, generates foreign currency and reduces export volatility in developing and transition economies.

## Bibliography

Australian Services Roundtable (2014). Press Release: ASR expresses strong support for the Trade in Services Agreement negotiations, 26 June. Available from [www.servicesaustralia.co/media-releases](http://www.servicesaustralia.co/media-releases).

Barbados Coalition of Services Industries (2013). Press Release: BCSI Elects a New Board of Directors, 30 September. Available from <http://bcsi.org.bb>.

Bechtel (2012). The Annual Bechtel Report. Available from <http://www.bechtel.com/annual-report-2012.html>.

Belize Coalition of Service Providers (2013). Developing Service Firms to Export, 11 October. Available from <http://bcsp.info/developing-service-firms-to-export/>.

Belloc, Marianna and Michele Di Maio (2011). Survey of the Literature on Successful Strategies and Practices for Export Promotion by Developing Countries. Working Paper 11/0248. London: International Growth Centre, London School of Economics. Available from [www.theigc.org/project/literature-survey-optimal-intervention-policies-for-export-promotion/#outputs](http://www.theigc.org/project/literature-survey-optimal-intervention-policies-for-export-promotion/#outputs).

Brazilian Association of Information Technology and Communication Companies (2014). Available from <http://www.brasscomglobalitforum.com>.

BusinessNZ (2014). Jump in July: Performance of Services Index, 18 August. Available from [www.businessnz.org.nz/resources/surveys-and-statistics/psi/2014/jump-in-july-psi](http://www.businessnz.org.nz/resources/surveys-and-statistics/psi/2014/jump-in-july-psi).

Canadian Services Coalition (2014). CSC Brochure. Available from [www.chamber.ca/advocacy/canadian-services-coalition](http://www.chamber.ca/advocacy/canadian-services-coalition).

Caribbean Export (2014). Available from [www.carib-export.com](http://www.carib-export.com).

Caribbean Network of Service Coalitions (2014). Available from <http://c-nsc.org/>.

Century 21 Global (2013). Available from [www.century21global.com](http://www.century21global.com).

Chan, Dr. W.K., Dr. Rodolfo Martinez and Mr. Roberto Alfaro (1997). Establishing Coalitions of Service Industries in Developing Countries, January. Available from <http://www.hkcsi.org.hk/old/papers/submit/un.html>.

China Association of Trade in Services. Available from [www.catis.org.cn/english/english/default.asp](http://www.catis.org.cn/english/english/default.asp).

China Beijing International Fair for Trade in Services (2014). Introduction. Available from [www.ciftis.org/en/](http://www.ciftis.org/en/).

The City UK (2011). 30 Years of the LOTIS Committee, 22 December. Available from <http://www.thecityuk.com/media/latest-news-from-thecityuk/30-years-of-the-lotis-committee/>.

Coldwell Banker (2014). Available from [www.coldwellbanker.com](http://www.coldwellbanker.com).

De Villiers, Div and Georg Villinger (2012). Sustainability of Coalitions of Service Industries (CSIs) in the Caribbean, 27 February. Available from [http://c-nsc.org/download/coalition\\_resources/CSI%20Sustainability.pdf](http://c-nsc.org/download/coalition_resources/CSI%20Sustainability.pdf).

Digicel. (2014). BCSI partner to launch mobile app contest, 7 July. Available from [www.barbadosadvocate.com](http://www.barbadosadvocate.com).

Drake-Brockman, Jane (2001). The Importance of Measuring the Delivery of Services via Commercial Presence of Offshore Foreign Affiliates: Some Case Studies from Australian Business Experience. Asian Development Bank Institute Working Paper, No. 295. Available from <http://www.adbi.org/files/2011.07.12.wp295.measuring.delivery.service.australia.pdf>.

East African Community (2014). Available from <http://www.eac.int/>.

*The Economist* (2010). China's Economy and the WTO All Change, 10 December. Available from <http://www.economist.com/node/21541448>.

European Commission (2008). *Economic Partnership Agreement between the CARIFORUM States and the European Community and its Member States*. Available from <http://ec.europa.eu/world/agreements/prepareCreateTreatiesWorkspace/treatiesGeneralData>.

--. (2014). Information Paper CARIFORUM-EU Economic Partnership Agreement: An Overview, July. Available from <http://ec.europa.eu>.

European Services Forum (2014). ESF Position Paper on Business Support for Key Principles in Bilateral Investment Agreements, 23 May. Available from [www.efg.be](http://www.efg.be)

--. (2014). ESF Structure and Management, January. Available from [www.esf.be](http://www.esf.be).

First Research (2012). Industry Profile Engineering Services, 9 July.

Goswami, Arti Grover, Aaditya Mattoo and Sebastián Sáez (2012). *Exporting Services: A Developing Country Perspective*. Available from <https://openknowledge.worldbank.org/handle/10986/2379>.

Humes, Aaron (2014). Prime Minister Hosts Business Forum with Private Sector, 17 July. Available from [www.patrickjonesbelize.com](http://www.patrickjonesbelize.com).

Indonesia Services Dialogue (2014). 'ISD: About.' Available from <http://indonesiaservicesdialogue.wordpress.com/about/>.

International Trade Centre (2014). ITC to Support Revitalisation of the Philippine Services Coalition, 5 June. Available from <http://www.intracen.org/news/ITC-to-support-revitalisation-of-the-Philippine-Services-Coalition/>.

Jamaica Coalition of Service Industries survey exemplifies how coalitions help members identify problems. See Jamaica, Service Sector Survey (2014). Available from <http://jamaicacsi.org/jamaica-service-sector-survey/>.

Japan Services Network (2000). Position Paper on WTO Negotiations for Liberalizing Trade in Services, November. Available from [www.keidanren.or.jp/english/policy/2000/066.html](http://www.keidanren.or.jp/english/policy/2000/066.html).

Lejarraga, I. *et al.* (2014). Small and Medium-Sized Enterprises in Global Markets: A Differential Approach for Services? OECD Trade Policy Papers, No. 165. Available from [www.oecd.org](http://www.oecd.org).

Marshall School of Business, University of Southern California (2012). *Trade in Services in the APEC Region: Challenges and Opportunities for Improvement*. California. Available from <http://classic.marshall.usc.edu/assets/152/25033.pdf>.

Mayer Brown (2014). Legal Update: Revisions to WTO Agreement on Government Procurement Enter into Force, 9 April. Available from <http://www.mayerbrown.com/Revisions-to-WTO-Agreement-on-Government-Procurement-Enter-into-Force-04-09-2014/>.

McCredie, A., J. Söderbaum, J. Drake-Brockman, P. Kelly, Y. Chou, R. Taborda and R. Hodges (2010). The New Economic Challenge: Responding to the Rise of Services in the Australian Economy, September. Available from <http://www.tda.edu.au/resources/New%20Economic%20Challenge%20-%20Responding%20to%20the%20Rise%20of%20Services%20in%20the%20Australian%20Economy.pdf>.

National Competitiveness Council, Philippines (2014). Available from [www.competitive.org.ph/philippine-services-coalition](http://www.competitive.org.ph/philippine-services-coalition).

Parsons, D. (2014). Mobilizing Business for a New APEC Services Agenda. ITC Technical Paper, Geneva. Available from <http://www.intracen.org/>.

Saint Lucia Coalition of Services Industries (2014). Training Seminar for Construction Industry, 17 July. Available from <http://slcsi.org.lc>.

Remax (2014). Available from [www.remax.com](http://www.remax.com).

Taiwan Coalition of Service Industries, for instance, is the 'policy think tank' of the General Chamber of Commerce, through which it was founded in 2007. See <http://www.twcsi.org.tw/eng/index.php>.

TeleGeography (2014). Submarine Cable Map. Available from <http://www.telegeography.com/telecom-resources/submarine-cable-map/index.html>.

Trinidad and Tobago Coalition of Services Industries (2014). Video Profile. Available from [www.ttcsi.org](http://www.ttcsi.org).

United Nations Economic Commission for Africa (2014). *African Economic Conference 2014: Knowledge and Innovation for Africa's Transformation*. Addis Ababa. Available from [www.uneca.org/aec2014](http://www.uneca.org/aec2014).

United Nations Conference on Trade and Development Statistics (2014). *Statistics at a Glance*. Geneva. Available from <http://unctad.org/en/Pages/Statistics.aspx>.

United States Census Bureau Press Release (2004). Service Industries Recognize Census Bureau for New Economic Indicator, October. Available from [www.directionsmag.com/pressreleases/P27105](http://www.directionsmag.com/pressreleases/P27105).

United States International Trade Commission (2009). *Property and Casualty Insurance Services: Competitive Conditions in Foreign Markets Investigation*. Washington DC. Available from [www.usitc.gov/publications/332/pub4068.pdf](http://www.usitc.gov/publications/332/pub4068.pdf).

World Bank (2014). *World Development Indicators 2014*. Available from <http://data.worldbank.org/products/wdi>.

World Bank (2009). *Negotiating Trade in Services: A Practical Guide for Developing Countries*. Available from [http://siteresources.worldbank.org/INTRANETTRADE/Resources/239054-1248204247129/Negotiating\\_Trade\\_in\\_Services.pdf](http://siteresources.worldbank.org/INTRANETTRADE/Resources/239054-1248204247129/Negotiating_Trade_in_Services.pdf).

World Trade Organization (2014). International Trade and Market Access Database. Available from [www.wto.org](http://www.wto.org). Accessed November 2014.

--. (July 1991). *Services Sectoral Classification List, MTN.GNS/W/120*. Geneva. Available from <http://www.wto.org>.

## Useful websites

Australian Services Roundtable. Available from <http://www.servicesaustralia.org.au/>

Barbados Coalition of Services Industries. Available from <http://bcsi.org.bb/>.

Brazil Association of Information Technology and Communications Companies. Available from <http://www.brasscomglobalitforum.com/>.

Business New Zealand. Available from <http://www.businessnz.org.nz/>.

Canadian Services Coalition. Available from <http://www.chamber.ca/advocacy/canadian-services-coalition/>.

China Association of Trade in Services. Available from [www.catis.org.cn/english/english/default.asp](http://www.catis.org.cn/english/english/default.asp).

Coalition of Service Industries Malaysia. Available from <http://csim.com.my>.

Coalition of Service Industries. Available from <https://servicescoalition.org>.

Dominica Coalition of Service Industries. Available from <http://www.dominicacoalition.org/>.

European Services Forum. Available from <http://www.esf.be/>

Hong Kong Coalition of Service Industries. Available from <http://www.hkcsi.org.hk/>

Indonesia Service Dialogue. Available from <http://indonesiaservicesdialogue.wordpress.com>

Jamaica Coalition of Service Industries. Available from <http://jamaicacsi.org/>

Japan Business Federation. Available from <http://www.keidanren.or.jp/en>

Nasscom. Available from <http://www.nasscom.in/>

Philippine Services Coalition. Available from <http://www.competitive.org.ph/philippine-services-coalition>

Taiwan Coalition of Service Industries. Available from <http://www.twcsi.org.tw>

The Caribbean Network of Service Coalitions. Available from <http://c-nsc.org/>

The City UK. Available from <http://www.thecityuk.com>

Trinidad and Tobago Coalition of Services Industries. Available from <http://www.tcsi.org/>





FSC is an independent, non-governmental, not for profit organization established to promote the responsible management of the world's forests.

Printed by ITC Reprographic Service on FSC paper, which is environmentally-friendly paper (without chlorine) using vegetable-based inks. The printed matter is recyclable.

A free pdf is available on ITC's website at:  
[www.intracen.org/publications](http://www.intracen.org/publications)



**Street address**  
International Trade Centre  
54-56 Rue de Montbrillant  
1202 Geneva, Switzerland

**P:** +41 22 730 0111  
**F:** +41 22 733 4439  
**E:** [itcreg@intracen.org](mailto:itcreg@intracen.org)  
[www.intracen.org](http://www.intracen.org)

**Postal address**  
International Trade Centre  
Palais des Nations  
1211 Geneva 10, Switzerland