

**WORLD EXPORT DEVELOPMENT FORUM 2007**  
**Bringing Down the Barriers –**  
**Creating a Dynamic Export Development Agenda**

**Thursday, 11 October 2007**

**Business and Government – Dialogue for Export Development**

Parallel Working Sessions: From Agenda to Action

Anthony O’Sullivan, Head of Division, Private Sector Development, OECD  
Celina McLean, Project Director, Institute of International Strategy, Argentinean Chamber of Exporters (CERA),  
Argentina

M. Supperamaniam, Advisor, WTO / FTA Negotiations, Federation of Malaysian Manufactures, Malaysia  
Zodwa Mabuza, CEO, Federation of Swaziland Employers and Chamber of Commerce, Swaziland

Moderator: Rajesh Aggarwal, Senior Advisor, International Trading System, ITC

Opening the session, moderator ITC senior advisor Rajesh Aggarwal said the importance of private sector input in the formulation of government trade and general economic policies is widely accepted. But, he asked, how can the dialogue best be brought about from the business side and what has been the experience in countries represented by panellists and participants?

### **Shaping decisions**

Anthony O’Sullivan, head of the division of private sector development at the OECD, said that before it can begin to exert its influence, the private sector must first ensure that it is aware of how government policy is made and what the various steps of its formulation and implementation are so that input can be offered at every stage.

There are three approaches to trying to shape government decisions:

- directly, through publicized intervention with ministers and officials and the issuing of private-sector position papers;
- indirectly, through working with different organizations and umbrella groups to bring a wider range of pressure to bear; and
- again indirectly, feeding analysis to international organizations such as the OECD.

O’Sullivan had four recommendations:

- Use the international organizations that themselves have direct access to top levels of government.
- Ensure that business gathers a critical mass representing various productive sectors when approaching government – “You are not going to be successful if you look like a sectoral lobby.”
- Develop strong relations with the media to get your message out.
- Engage with governments and actively monitor policy formulation and design.

### **Shaken complacency**

M. Supperamaniam, advisor on trade negotiations to the Malaysian Federation of Manufacturers, said business advocacy with government in his country had had a difficult birth, partly because in earlier days manufacturers showed little interest in much more than the profitability of their own plants.

They were shaken out of this complacency by the Uruguay Round in which the government had signed agreements that either impacted them adversely or could not be implemented.

The experience also convinced the government that it could no longer negotiate international trade pacts in isolation from the private sector.

On both sides there was a stimulus to start dialogue, and the manufacturers' federation was set up with the aim of promoting business interests at the state, federal and international level. Task forces and focus groups were set up to work on specific issues, such as taxation, and produce reports that were put to the government.

The experience showed quickly that it is vital for the private sector to be able to articulate its views and concerns convincingly and back up its arguments with facts. This proved key in winning the confidence and trust of the government. "With both sides having learned hard lessons, we have now established a highly effective system of cooperation," said Supperamaniam. One result of this is that private sector representatives are now included in Malaysian international trade negotiation teams.

### **Adversaries no more**

In many African countries, said Zodwa Mabuza of the Federation of Swaziland Employers and Chamber of Commerce, relations between government and the private sector tends to be adversarial, with consultation only happening on an ad-hoc basis – generally when the government is facing a crisis.

That was the situation in Swaziland before 2003, and it was complicated by a public perception that business was in permanent opposition to the government. Mabuza, who came to the Federation from government, said she worked to change the situation by setting up a system of regular meetings between business leaders and the prime minister, by establishing good contacts with the media and ensuring that the private sector's views are reflected in newspapers, and by recruiting high-quality staff who are able to carry out research and provide backup for the private sector's arguments. Now the government comes to the Federation for advice without being pushed.

The Federation recognized early on that, to maintain a distance from the government and have space to criticise it, financial independence is key. Funding is supplied through membership subscriptions but also through providing consultancy services and issuing publications on trade and business issues sold right across the private and public sectors. The government has learned the value of cooperation, and now seeks constructive criticism as well as policy advice.

### **Self-sufficiency**

Celina McLean of the Argentine Chamber of Exporters (CERA) also underscored the need for business organizations to be self-sufficient with no dependence on any public sector financial support. One source of income it has acquired is the right, granted by the government, to issue certificates of origin. Founded in 1943, CERA has a long history of dealing with governments of different political colours. It is an umbrella group representing 24 sectoral organisations, which gives it genuine weight in talking to ministers. It comes to discussions as an objective actor which understands the government's needs and the various pressures it faces. "If you position yourself in that way, you can become well respected and even powerful," she told participants.

### **Three keys**

Summing up, Aggarwal said the following three elements had emerged as the keys to success for business organisations in ensuring that their voice is heard and their recommendations acted upon:

- independence
- technical competence and good organization
- ability to talk to government of a regular basis.