

The View from Europe
By David Jessop

Wanted: a powerful regional private sector voice

One of the strikingly different aspects of today's Caribbean to that of the late 1970s and early 1980s, is the near invisibility of the private sector as a vocal single entity at a regional level.

As with much else in the region the silence is an indicator that regional economic integration and a single direction of economic travel may no longer be achievable. It suggests that national and corporate self-interest have come to override a common commitment to a Caribbean business environment in which intra and extra regional trade can be facilitated and growth encouraged by commitment and consensus.

Whether it is the continuing problems associated with inter-island air and sea transport, the need to deepen trade relations with the Dominican Republic and the French islands of the Eastern Caribbean, or the implications of a potential banking crisis in parts of the region, there is no well constituted authoritative private sector voice able to represent the views of the private sector to CARICOM, Caribbean Heads of Government, or other regional bodies; let alone to external partners and multilateral agencies who would welcome a dialogue with business on regional competitiveness and growth.

Put bluntly, there is no longer any active and visible regional private sector entity; most of CARICOM's national and regional private sector organisations are in financial difficulties; and any pan-Caribbean public debate between the region's bigger companies about the economic and social problems that the region faces has all but dried up. As a consequence, the public sector is largely talking only to the public sector.

There are of course exceptions. There are a few large companies whose Chairmen and women argue publicly for a viable single market; there are some active and visible private sector bodies at a regional level such as the rum producers, the poultry breeders and the services industry coalition; and nations such as Martinique, Guadeloupe and the Dominican Republic, that have private sector bodies that perform a statutory role, continue to have a well funded debate and interaction with government on private sector led development.

That said, the sense now is that the initiatives undertaken on a regional basis in the past by the Caribbean Association of Industry and Commerce may have gone forever. Not only has the generation that developed many of CARICOM's family led businesses moved on, sold up, merged, or handed over to generations more likely to reflect the approach of business schools in the US or Europe, but the personal relationship that existed previously between those who ran such companies is weaker.

Moreover, the idea of Barbados' former Prime Minister, Owen Arthur, of a vibrant Business Council that would be a formal body of CARICOM has faded and the gulf in many parts of the region between the public and private sector has widened.

Who then should energise the private sector at a regional level and act to catalyse new business relationships?

It is sometimes suggested that this should be Caribbean Export. Established with European funding as an agency to promote exports, it became in 2011 the recipient of €32m (US\$40m) from the European Commission to help promote private sector competitiveness and innovation in the context of the Economic Partnership Agreement (EPA). Although it has recognised that if it is to achieve this, it has to play a greater role in changing private sector thinking about what is involved in generating exports and attracting investments and joint ventures, it remains a public sector body, and while well regarded by the private sector cannot speak with a totally independent or authentic voice.

That said, what it might be able to do is catalyse a new and vibrant body able to bring together some of the larger private sector entities and associations, if willing, to undertake the task of exploring whether there is an appetite for a new, vocal and well funded regional private sector institution.

However, in today's Caribbean even achieving this may prove difficult as it requires a small group of younger business leaders to recognise the need, identify a small platform of issues that might form the basis around which regional business support might develop and meet informally to catalyse thinking and relationships. Such a group would in today's world also have to be able to cross the region's language barriers and engage the Caribbean's larger corporations.

What seems to be lacking is the leadership to make this happen. Although there are strong and thoughtful individuals in the private sector, few seem willing to take on such a challenge.

What remains unresolved in the Caribbean but not so in most other parts of the world is the issue of identifying and selecting those who can achieve in business, then fostering and supporting them to the benefit of regional and national economic growth.

In all of this, what is missing is a strong, genuinely representative, counterpart business advocacy group able to advise Caribbean Export, CARIFORUM, appear before CARICOM Heads, or meet with external agencies and speak from a genuine private sector perspective; a body with a seat at the table in regional deliberations ensuring that what is decided is competitiveness led, private sector compatible and responds to demand.

At the heart of private sector led development are issues and characteristics that many development agencies within and beyond the Caribbean find difficult: picking winners, having profit as one of a number of measurable outcomes, and better understanding that a modern private sector rapidly develops efficiencies when faced with challenges.

In the end the issue, like so many others in the Caribbean, comes down to who will lead and challenge the status quo, break the mould of the way in which the region presents itself to the world, and consider new growth and business led approaches that look to the future.

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