

Coalition of Service Industries • Research and Education Foundation

WORLD SERVICES CONGRESS I

Services Will Dominate the 21st Century Global Economy

HYATT REGENCY
ATLANTA, GEORGIA
NOVEMBER 1-3, 1999

SPONSORED BY
COALITION OF SERVICE INDUSTRIES RESEARCH AND EDUCATION FOUNDATION

805 15TH STREET, NW ■ SUITE 1110 ■ WASHINGTON, DC 20005 ■ (202) 289-7460 FAX (202) 775-1726

Services Dominate the Global Economy

Service industries' $18 trillion output is the bulk of world production. Services account for close to 70% of GDP in industrialized nations, and close to 50% in developing ones. Employment in G7 countries accounts roughly for 70% of total employment. Trade in services now exceeds $2 trillion annually. It has grown faster than trade in goods and accounts for 20% of world trade. Services account for close to 60% of the world's foreign direct investment (FDI).

This growth is being driven by powerful forces, including the inexorable shift to knowledge-based services from goods production, the impact of electronic commerce on trade in services, the deregulation and privatization of service industries, and the reliance of global multinational corporations on services.

Despite its global dominance, our understanding of services is limited. The primacy of manufacturing has biased economic analysis, statistics and government policy. On the eve of the information age new attention must be focused on the services sector appropriate to its importance.

Purpose of the Congress

An overriding objective of the First World Services Congress is to create a new, heightened level of awareness of the commanding role of services in the 21st Century economy among leaders from government, academia, foundations, international organizations, media organizations and business.

More concretely, the Congress will be a catalyst for policy recommendations that contribute to the development of services markets. It will introduce new research by leading academics. It will provide a forum where businessmen can share their know-how on obtaining, and expanding, their access to difficult markets. It will help companies that want to market their services to governments. A key goal of the Congress is to provide guidance to governments as they prepare the Services 2000 negotiations in the World Trade Organization.

The Congress will bring together 1500 to 2000 diverse players in the service sector to share information, develop networks, identify new research, and explore the challenges and concerns facing services industries around the world.

Content of the Congress

The Congress will be organized into four tracks. In addition, an exhibition will showcase approximately 150 services-related exhibits and demonstrations.

Track I consists of plenary sessions that will address issues of wide interest to business leaders, senior government officials, representatives of international organizations, and well known experts. These sessions will address key policy shifts and major economic trends in world finance, trade including Services 2000 negotiations, and major developments in the global business climate.

Track II will appeal to business managers and executives. It will provide programs for smaller and medium size companies on how to access and develop foreign markets, and how to use the most advanced services in making their global efforts more profitable. It will offer programs on overcoming obstacles to electronic commerce, thus building on efforts now

underway in the European Commission and the new Global Business Dialogue. And it will provide experienced multinationals a forum to discuss global market access strategies, including the removal of trade barriers.

Track III will present the latest research on issues relating to measuring and classifying services, trade in services including sectoral trade patterns, the effectiveness of trade agreements such as the General Agreement on Trade in Services, and the effort to establish pro-competitive regulatory regimes in key sectors like telecommunications and financial services. Track III sessions will contribute to the analysis of some of the most relevant issues to be discussed in the WTO Services 2000 Negotiations. For this purpose, the CSI Research and Education Foundation, together with other research institutions, will commission from leading academics a series of papers presenting important developments in the field. A list of these papers, and their authors, appears at Annex A.

Track IV sessions will be devoted to improving the delivery of government services, including the application to government services of the most advanced information technology services. It will address the movement to privatize the delivery of services usually considered the exclusive domain of government.

Seminars and panel discussions relating to Tracks II, III, and IV will take place concurrently.

Presenters and Participants

The Congress is expected to attract presenters from the highest ranks of governments and international organizations, industry CEOs, and outstanding economists and academics. Participants will be drawn from businesses, trade associations, governmental and non-governmental organizations, and will include individuals concerned with service sector issues. Because a central purpose of the Congress is to provide information that will be useful in improving the profitability of participants, it will attract upper and middle managers from large and small corporations, consultants, and other industry professionals. Its emphasis on policy and expanding knowledge about the service sector and its issues should appeal to researchers, policy-makers, government representatives, the foundation community, and the media.

Events leading to the World Services Congress

Call for Papers

A global call for academic and policy papers will take place at the end of September 1998. Authors will be encouraged to present abstracts of papers by late December 1998. The Academic Committee of the Congress (see below) will select authors. Subjects on which papers will be requested appear at Annex B.

Accepted authors will be offered a discounted registration fee. In addition, the Planning Committee of the Congress is seeking, with foundation funding, to establish a scholarship program to help fund transportation and room costs for authors otherwise unable to participate. Selection criteria for both presenters and scholarships will be announced in the call for papers.

Preparatory Conferences

The CSI Research and Education Foundation is planning three preparatory meetings to be organized with the Brookings Institution, the American Enterprise Institute, the OAS Trade Unit, and the Economic Development Institute of the World Bank.

The first such meeting will be held in Washington in early June 1999. The purpose of the meeting is to focus on the content and structure of the Services 2000 negotiations. Government negotiators and businessmen will also be invited to discuss papers in progress.

In addition, the CSI Research and Education Foundation, the OAS Trade Unit and the Economic Development Institute (EDI) of the World Bank plan to hold two regional conferences that would focus on the trade-related academic work being done for the Congress. The purpose of the regional conferences is to engage participants from smaller and developing economies in the discussion and planning for Services 2000. The sites and dates of the regional conferences are to be determined.

Organization of the Congress

Conference Chair/Honorary Committee

The Conference Chair will be Dean O'Hare, Chairman and CEO of the Chubb Corporation, and Chairman of the Coalition of Services Industries. The members of the Honorary Committee will include leaders from Latin America and Asia.

Senior Program Advisory Committee

The Senior Program Advisory Committee consists of the Chairs of the Business, Academic and Government Services tracks and other distinguished scholars and policy makers. They will advise on the overall development of the Plenary Sessions.

Business Advisory Committee

Gautam Kaji, former Managing Director of the World Bank, is Chairman of the Business Committee of the Congress. Mr. Kaji's committee also includes the Hon. Jeffrey Lang, former United States Deputy Trade Representative, Dr. James Rollo, Chief Economist of the UK Foreign Office. Additional members are being invited. The Business Committee will define the content of the business track and select presenters.

Academic Advisory Committee

Dr. Robert M. Stern of the University of Michigan's Department of Economics is Chairman of the Academic Committee.

Dr. Stern will help to recruit other members of the Academic Community, looking for individuals with expertise in the various areas of concern to the academic and policy tracks.

Members of the Committee now include Aaditya Mattoo (World Trade Organization); Carlos Primo Braga (World Bank); Alan Deardorff (Department of Economics, School of Public Policy, University of Michigan); Joseph Francois (Faculty of Economics, Erasmus University at Rotterdam); Jonathan Gifford (George Mason University); Bernard Hoekman (World Bank); Patrick Low (World Trade Organization); Patrick Messerlin (Service d'Etude de l'Activite Economique, Science Politique, Paris); and Andre Sapir (Universite Libre de Bruxelles).

The Academic Committee will refine plans for the academic component of the Congress, will issue a Call for Papers, and will help screen presenters.

Government Services Advisory Committee

Dr. Everett Ehrlich, former Under Secretary for Economic Affairs of United States Department of Commerce, is Chairman of the Government Services Track of the Congress. He will help recruit other members for the Committee with expertise in the main areas of concern to the government services track.

Executive Committee

The World Congress is being organized by a highly experienced group of experts both in the content of the issues, and the organization of projects of the scope of this Congress. These individuals share an understanding of the challenges and opportunities facing service organizations internationally, and are combining their broad knowledge of the sector to ensure that the conference will be a rewarding experience for its attendees.

The Executive Committee consists of:

J. Robert Vastine, President of the Coalition of Service Industries
Harry L. Freeman, President, the Mark Twain Foundation
F. William Hawley, former Director of International Government Affairs, Citibank
Jaime Andres Nino, Executive Director, CSI Foundation
G. Russell Pipe, Corporate Advisor and Strategic Planner
Bonnie Jessup, Director of Conferences, CSI
Tamara Christian, Vice-president National Trade Productions
Laurie Tritsch, Conferon
Peter Turner, Vice-president of Fusion Productions
Jennifer Smith, President of Smith&Fairfield Co.

Conclusion

The proposed World Services Congress will be the first to convene all of the constituencies having an interest in the services industry and its future.

But the impact will go far beyond the participants and audience of the conference. The new research findings, which will be presented at the Congress, will be distributed to scholars and practitioners throughout the world, and directions for additional study will emerge as recommendations to the academic community. Policy-makers across the globe will benefit from the information that emerges from the Congress related to trends and anticipated outcomes of potential national and international regulations and agreements. Industry leaders and management will benefit from a heightened awareness and application of the latest services in business management. The media, and through them, a concerned public, will gain a better understanding of the importance and role of the services sector in the increasingly global economy.

Annex A

Current List of Papers Commissioned for Track III of the World Congress I

- *Assessing the WTO General Agreement on Trade in Services and Improving GATS Architecture*
  Geza Feketekuty, Monterey Institute

- *The GATS and Regional Agreements on Services*
  Pierre Sauve, Kennedy School, Harvard University

- *Issues of Implementation and Surveillance of the GATS Agreements*
  Joseph Francois, Erasmus University, Rotterdam; Ian Wooton, Glasgow University

- *Case Studies of Developing Country Regulatory and Other Services Barriers and Implementation of Their GATS Commitments*
  Rajesh Chadha, National Council of Applied Economic Research, New Delhi
  Ms. Sahar Tohamy, Egyptian Center of Economic Studies, Cairo*

- *Assessing the Schedules of Commitments and Degree of Liberalization of The WTO Financial Services and Telecommunications Agreements**

- *Issues of Professional Services Liberalization and Labor Mobility*
  Andre Sapir, Universite Libre de Bruxelles

- *Trends in Domestic and International Transactions in Services*

- *Issues of Regulatory Principles for Service Industries*
  Roger Noll, Stanford University Business School*

- *Issues of Government Procurement in Services*
  Bernard Hoekman, World Bank
  Simon Evenett, Rutgers University/World Bank

- *Issues of E-Commerce*
  Cynthia Belz, American Enterprise Institute

- *Fragmentation and Outsourcing: Implications for the Location of Services Activities*
  Alan Deardorff, University of Michigan

- *Measurement of Service Sector Productivity*
  Jack Triplett, Brookings Institution

- *Issues of Measurement, Reporting, and Classification of Services Activities*
  Obie Whichard, U.S. Department of Commerce

- *Measurement and Modeling of the Economic Effects of Trade and Investment Barriers in Service Industries*
  Drusilla Brown, Tufts University
  Robert Stern, Dept. of Economics/Public Policy, University of Michigan

*** Not Confirmed**

Annex B

Topics to be considered in the Call for Papers

This list is illustrative of the range of topics on which proposals for papers may be submitted.

This list is illustrative of the range of topics on which proposals for papers may

- **Sectoral Issues**
  - Professional Services and Accreditation
  - Retail and Wholesale Distribution
  - Entertainment and Leisure Industries
  - Financial Services
  - Insurance Services
  - Telecommunications
  - Information Technology Services
  - Transportation
  - Energy and Environmental Services
  - Health and Related Services
  - Case Studies of the Effects of Liberalization in Given Sectors

2. **Assessing the WTO General Agreement on Trade in Services / Preparing for Services 2000**
   - The Impact of Regional Agreements on the GATS
   - Issues of Transparency
   - Services and Subsidies
   - Government Procurement of Services
   - Assessing the GATS and the Sectoral Agreements Reached to Date
   - Dispute Settlement Procedure in the GATS
   - Overhauling the GATS "Architecture"
   - What is the Most Efficient/Effective Structure for Future Services Negotiations?
   - Should Services Negotiations be Linked with Other WTO Negotiations?
   - Expanding Cross Border Services (Mode II Supply of Services)
   - Moving Beyond Standstill Agreements to Achieve New Liberalization
   - Impact of Financial Market Instability on Market Liberalization
   - Capital Controls and Financial Market Liberalization
   - Negotiating Priorities for Developing Countries
   - Integrating Comprehensive Investment and Rules in the WTO
   - Services and the WTO Trade Policy Review Mechanism
   - Alternative Approaches to Services Liberalization

- **Classification, Measurement and Economic Analysis of Service Sector Activity**
  - Measuring and Forecasting Domestic Services Production
  - Measuring and Forecasting Trade and Foreign Direct Investment in Services
  - Methodologies for Data Collection in Services Industries
  - Measuring Services Productivity
  - Classification System for Service Industries
  - Measurement and Modeling of Barriers to Trade and FDI in Services
  - Outsourcing and the location of Services Activities
- **Regulation of Service Industries**
  - Private Sector Self-Regulation vs. Government Intervention
  - Economically Efficient Regulation
  - Harmonizing Prudential Regulation for Financial Services
  - Harmonization of National Regulatory Regimes by Sector
  - Mutual Recognition Agreements and Services Liberalization

Negotiating "Pro-Competitive" Regulatory Systems
Effect of the Pro-Competitive Regulatory Principles in Basic Telecommunications

3. Services and Economic Growth

Services Infrastructure and Export Performance
Services and the Business Cycle
Service Sector's Contribution to Developing Economies

4. **Labor and Services**

Services and Job Creation: The Record
"Personal Service" and "Knowledge-Worker" Jobs
Skills Necessary for Service Economies
Government's Role in Worker Training
International Labor Mobility

5. **Electronic Commerce**

Choice of Laws/Jurisdiction in Consumer Electronic Commerce
Creating Trust in Business to Consumer Electronics Transactions
Personal Privacy in Electronic Transactions
The Role of the WTO in Electronic Commerce
Taxation of Electronic Transactions

- **Other**