EXECUTIVE SUMMARY

1. Major Activities - Prior Year

A formative study on Florida’s services sector has recently been published: *Florida’s Services Sector: A Needs Assessment and Economic Impact Study*. This research documents the importance of services to Florida’s employment and trade and encourages the formulation of appropriate policies and programs to support the expansion of services. Moreover, it reflects one of the institute’s most important mandates: to generate new knowledge and research on services to assist policymakers and the business community in accelerating Florida services firms’ competitiveness in the global economy. *Florida’s Services Sector* represents an economic development plan, recommending programs that can assist the services industries to prosper. The study estimates that the services exported from Florida to foreign countries have had a major economic impact in Florida—as much as $40.2 billion in indirect and direct benefits in 2000. The report, based upon the findings of a statewide services survey conducted by IIPS which achieved a 31% participant response rate, documents the strong link between the expansion of exports of services and job creation, a tremendous opportunity for Florida, the fourth-largest and amongst the fastest-growing in the nation. Between 384,404 and 534,635 jobs were created in 2000 throughout the state as a result of exports of international services. Such exports generated between $10.3 billion and $14.4 billion in wages for Florida workers. It is important to acknowledge the support and collaboration provided by the GMCC, as well as a number of statewide leaders such as Dr. Tony Villamil, Mr. Tony Santos, and Dr. Fishe, an IIPS consultant and financial analyst. By means of the study, IIPS has accomplished the following:

- Determined the types of services exported from Florida and their dollar value in terms of sales
- Documented the link between expansion of services and job creation
- Identified barriers to trade in services
- Formulated recommendations and policy implications involving a marketing plan to guide and promote services activities abroad
- Aggregated, analyzed and reported service sector data, overcoming problems of data definition and measurement
- Provoked discussion on how to maximize Florida’s strengths as a hemispheric and global services center

Since April 2000, three issues of *Outlook* have been published. *Outlook*, the newsletter for Florida’s services sector, carries country profiles to identify market opportunities overseas for Florida’s service sectors, with the goal of generating employment opportunities at these service industries. Launched as an eight-page newsletter in April 2000, the last two issues have grown to 24 pages, consisting of columns on trends in services, commentaries, advancements in liberalization of trade in services within multilateral and regional trading systems, markets of opportunities, contacts and sources of exports leads abroad, web links and updates on exports assistance programs under the auspices of the GMCC and the Department of Commerce. National and international specialists on services have contributed articles for *Outlook*, recognizing its merits as an avant garde services publications. The newsletter is sent to 3,000 of the top GMCC services members, as well as IIPS contacts. Additionally, two updates featuring telecommunications opportunities in Argentina and
Chile have been prepared as addenda to the winter and summer issues of Outlook. These updates, in addition to the newsletters, were distributed in the July 2001 trade delegation led by Governor Bush in Chile and Argentina. IIPS assistant director was a member of the delegation.

The FIU inaugural services workshop series was launched in 2000 and featured J. Robert Vastine, president of the Coalition of Service Industries and Dr. Sherry M. Stephenson, deputy director for trade of the Organization of American States. The series continued on June 21, 2001 with an excellent roster of presenters. The workshop advanced FIU’s mission to educate faculty, students, the business community, policy makers and public opinion leaders on the critical role of services in our global, national and state economies. The workshop brought to the forefront the overriding argument that international trade in services leads to a mutually beneficial relationship between exporting and importing nations. Over 60 participants attended the second annual services workshop held at the Wyndham Hotel, in Miami, Florida. The event was organized in close collaboration with the American Council for Trade in Services, the GMCC, the Summit of the Americas Center of FIU, and the Commercial Service of the U.S. Department of Commerce.

The “Services at the Helm of Global and U.S. Economic Development” workshop was a unique opportunity to learn about services exports from some of the world’s leading services specialists and negotiators, such as Josephine Ludolph, director of the Office of Service Industries of the U.S. Department of Commerce’s International Trade Administration, Sara Hagigh, international trade specialist of the U.S. Department of Commerce’s Office of Service Industries and chief representative to the U.S. Delegation in Geneva, Jaime Nino of the London School of Economics and former executive director of the Coalition of Service Industries Research and Education Foundation, Shanker A. Singham, head of the international trade group of Steel Hector & Davis LLP and specialist in WTO and regional trade agreements and Dr. Claude Barfield, a resident scholar of the American Enterprise Institute and IIPS writer and international trade policy and U.S. competitiveness specialist. The program also provided a market outlook for Latin America, led by Dr. Antonio Villamil, CEO of the Washington Economics Group and chair of Governor Bush’s Council for Economic Advisors, as well as pragmatic tools and strategies to assist the conference participants to design strategies to become more competitive in the global economy. Walter Revell, chair of the Florida Services Exports Program and member of the GMCC board of governors and executive committee, moderated an informative session amongst successful service providers in Florida representing the legal, health, and information technology sectors. Dr. Joy Cherian, president and founder of the American Council for Trade in Services, elaborated on “The Private Sector’s Role in Exporting U.S. Services.” FIU Provost Mark B. Rosenberg traced the strong trajectory that led to the establishment of the vital partnership between FIU, the GMCC, Enterprise Florida and 40 other statewide economic development organizations. The American Council for Trade in Services (ACTS) June 2001 newsletter, disseminated to its members and U.S. government and WTO/Geneva contacts, carried a column on the successful IIPS’ services workshop (attached).

The staff of IIPS has also performed an advocacy role on behalf of the IIPS/GMCC/Enterprise Florida partnership that has given impetus to the Florida Services Exports Program. On April 10-11, 2001, IIPS Assistant Director Mercedes Martha Ponce and GMCC Senior Vice President Marisa Feito discussed the findings of the Florida’s Services Sector study with Florida state officials, among them Dr. Pamela Dana, director of the Executive Office of the Governor’s Office of Tourism, Trade, and Economic Development; Congressman Carlos Lacasa; and representatives of the Senate offices of Majority Leader Jim King, Daryl Jones, Ron Silver and Rudy Garcia. A parallel advocacy effort was also underway, involving IIPS in support of the advocacy initiatives of Dr. Tony
Villamil, Walter Revell and the GMCC executive leadership to secure additional funding for the Florida Services Export Program. We are pleased to have been part of this significant effort which has resulted in enhanced funding for the GMCC’s International Services Group via Enterprise Florida.

In strengthening the collaboration between IIPS and the GMCC, IIPS funded a research assistant to develop content specifically for the services website of the Florida Services Network, which was underwritten by IIPS in 1999-2000. IIPS also cosponsored the 2000 GMCC Americas Linkage Program, financially contributing to a program event, as well as organizing an on-site visit for 30 business executives to FIU and LACC.

In further fulfilling Florida International University’s commitment to **generate new knowledge and research on services**, IIPS has commissioned Dr. Claude Barfield, resident scholar and director of Science and Technology Policy Studies and Coordinator of Trade Policy Studies of the American Enterprise Institute, to research national and statewide services trends. The forthcoming publication “The New World of Services: Implications for the United States and Florida,” will be published in September 2001 to coincide with the World Services Congress. FIU Provost Mark B. Rosenberg has been invited to present the Florida’s exports promotion initiative at this distinguished forum. In support of FIU’s presence in the Hong Kong’s World Services Congress, the GMCC in collaboration with IIPS, will be organizing an information technology mission to Hong Kong during the Congress.

The Barfield services book, commissioned by IIPS and researched and written following guidelines developed by the IIPS assistant director, will receive the financial sponsorship of the Mark Twain Institute, a non-profit economic research think tank, devoted to improving the understanding and use of federal economic statistics, particularly in services. A grant of USD 7,500 will be sent by the Institute to LACC/IIPS by September 2001 to subsidize the cost of producing and distributing The New World of Services: Implications for the United States and Florida. At the invitation of Dr. Chan of the World Services Congress, this publication will be part of the official Congress conference kits, giving high-visibility to the services initiatives of FIU/IIPS.

In tandem with the generation of new research on services and the promotion of Florida’s services economy, IIPS has developed a **graduate certificate in international services** to educate students and professionals about international services and their economic impact. We can summarize the objectives of the certificate as follows:

- Train students and professionals to recognize the growing significance of international services in the world economy
- Generate new knowledge and research opportunities in the field of international services
- Provide the university’s external community with special educational programs to meet business needs
- Stimulate students and professionals to contribute to the growth of the international services business community by developing specialized skills in the services sector

This one-of-a-kind certificate program in the United States is multidisciplinary, allowing for flexibility and areas of concentration for participating students. Class options include the following FIU units: economics, international relations, Latin American studies, College of Business Administration, College of Engineering, School of Hospitality Management, College of Urban and Public Affairs, Center for Labor Research and Studies, Modern Languages and the Jerome Bain Real Estate Institute.
Since spring 2001, IIPS has been involved in **two economic development bilateral-type projects** that can serve as a model for future ventures to promote the exports of services, including Internet use and e-commerce opportunities between Florida and Latin America and the Caribbean. Argentine and U.S. technology companies, venture capitalists and software developers met at FIU in March to explore potential deals, exchanges of information and matchmaking opportunities. Program sponsoring partners and organizers included IIPS, the Ryder Center for Logistics at FIU’s College of Business, Commercial Service of the U.S. Department of Commerce, the InternetCoast, Enterprise Florida, the GMCC and the Argentine Consulate in Miami. The “**U.S./Argentina Strategic Partners Conference**” drew 135 participants from both countries. Thirty-six companies participated in the Argentine delegation. Matchmaking opportunities were arranged.

FIU’s IIPS has also been hosting a **task force of business leaders from Florida and the Dominican Republic** to explore ways to promote economic cooperation and increased trade between the two regions. A “Building a Strategic Partnership” position paper was presented by IIPS at the June 20, 2001 task force meeting that will be used as a foundation to develop broader economic ties and linkages between Florida and the Dominican Republic. An action plan has been formulated to support the alliance and will involve the launching of missions and matchmaking workshops that specifically support Florida’s services economy. The Dominican Republic/Florida Task Force has met at FIU twice, first in March 15, 2001 and most recently on June 20, 2001.

The **GMCC/IIPS/Enterprise Florida partnership** has also conceptualized a future exports assistance program based upon identification of leads, market analysis and the development of strategies to guide clusters of Florida’s services providers. In May 2001, a **proposal** was submit to the U.S. Department of Commerce’s Market Cooperator Program to promote the exports of services by small- and medium-sized Florida companies in targeted markets in Latin America. The proposed activities involve: 1) organizing outbound missions and hosting incoming missions to promote and introduce Florida services providers to foreign prospective clients; 2) organizing workshops and briefings for outgoing and incoming missions by the staff of GMCC, IIPS, and the U.S. Commercial Service; 3) providing company-specific assistance with a) international marketing plans to guide exports strategies; b) answering inquiries from local and foreign companies; and c) making referrals to facilitate matchmaking; and 4) launching marketing campaigns to a) broaden and deepen participation in exporting by Florida service firms and b) raise awareness of prospective clients abroad about programs and services. News on the funding of this proposal will be received late summer or early fall 2001.

As an **educational service provider**, IIPS introduced a unique program in Spanish in the art of managing and leading political campaigns under the rubric of the “Training for Democracy Series.” Since November 1999, over 500 participants have participated in six educational programs sponsored and organized by IIPS, in collaboration with its private sector partner, the Centro Interamericano de Gerencia Politica. Four of these workshops/intensive weeklong programs were specifically held in FIU’s academic year of 2000-01, generating revenues in excess of USD 20,000 for LACC/IIPS programs. On November 1, 2000, LACC/IIPS drafted a declaration of intent to form a consortium that was signed by representatives of hemispheric educational and professional institutions. The voluntary working agreement details the objectives of a consortium, the structure of a future organization and proposed campaign management educational programs. The consortium’s web page was launched in May 2001 ([http://gerenciapolitica.fiu.edu](http://gerenciapolitica.fiu.edu)). It offers resources and links related to political campaign management and the consortium’s training programs.
To support these campaign management programs, in October 2000, IIPS prepared a proposal for the U.S. Department of State offering leadership and campaign management training to 5-10 Brazilian women. The proposed course of study (prepared through Sponsored Research) included two intensive weeks in Brazil and a two-week study program at FIU and Washington, D.C. to enhance the ability of Brazilian women to pursue and maintain public office positions. The estimated funding required for the program was over $170,000. LACC/IIPS proposed implementation of the program in collaboration with the Labor Research and Studies Center and Women Studies Center of FIU, as well as the private sector partner, the Centro Interamericano de Gerencia Politica. In addition, the program offered the theoretical and practical knowledge of a vast network of international management experts, professors and associations affiliated with LACC/IIPS. In February 2001, IIPS was notified that due to steep competition particularly for the Brazilian component of the Department of State’s request for proposals and limited funding, the program was not selected for funding. The State Department official encouraged IIPS to bid again for future funding.

In collaboration with FIU’s Labor Center, LACC/IIPS entered into a contractual relationship with the Worldwide Responsible Apparel Program (WRAP) and Sandler & Travis Trade Advisory Services on June 30, 2000, to develop training and materials for monitors, factory management and regulatory or association officials in connection with the delivery and implementation of WRAP’s labor certification and plant-assessment training programs. In January 2000, the Labor Center and IIPS submitted a proposal to WRAP to allow the successful application of the WRAP labor principles. Subsequently, a training curriculum manuscript was prepared (in close collaboration with the Labor Center) and submitted to WRAP in August 2000. This text, representing a specially designed and formatted curriculum, was later revised and restructured in January 2001 to reflect WRAP’s suggestions and comments. Due to the lack of close coordination and prompt and open communication with WRAP—which hampered the execution of the project—it has been brought to a halt with the mutual consent of the Labor Center. The Office of the General Counsel has been solicited to investigate formal channels to terminate the relationship, as well as to solicit payment for services rendered to WRAP in accordance with the contract and proposal delivery schedule.

IIPS provided staff support to the International Health Summit which took place in Bal Harbour, Florida, on December 3-6, 2000 and coordinated efforts to provide additional staffing via FIU’s Aging and Public Health departments. Other representation of LACC/IIPS in conferences and workshops included the meeting held by the Center for Quality Assurance in International Education, in Washington, D.C. in September 20, 2000; the American Council for Trade in Services meeting of September 21, 2001; the Department of Commerce’s Services 2000 seminar; and International Week in Tallahassee starting February 19, 2001. In addition, the IIPS assistant director participated in program committee meetings organized by the International Services Group of the GMCC.

2. Major Activities - Coming Year

➢ July 16-21, 2001: Provide IIPS representation at the Argentina and Chile Team Florida Trade Delegation. Collaborate with the Summit of the Americas Center to encourage linkages and the drafting of agreements amongst LACC entities and Argentine and Chilean educational and governmental entities promoting economic and educational integration. Market IIPS services initiatives during the five-day Governor-led delegation.
September 2001: **Represent IIPS at World Services Congress in Hong Kong.** This world forum is scheduled for September 19-21, 2001. IIPS will coordinate all efforts to market FIU/IIPS services programs at the Congress, as well as prepare the Congress presentation for Provost Rosenberg on FIU’s services initiatives and strategies to promote services trade and investments. In support of FIU’s presence at the Congress, the Greater Miami Chamber of Commerce (GMCC) is preparing a trade delegation to Hong Kong. IIPS will provide support to this delegation, as well as provide FIU representation. The IIPS ‘Barfield services book’ will be published in time for the Congress and disseminated within official Congress channels.

**Enhance research capabilities of IIPS** to include more coverage on national and international services trends and strategic markets of opportunities. Publish two issues of *Outlook* (December 2001 and June 2002), further making inroads into identifying strategic markets.

Develop **Markets of Opportunities Updates** to assist the GMCC in its missions abroad.

Provide further **support and advocacy of the GMCC’s Florida’s Services Exports Program** in Tallahassee and within the Florida business community.

Continue **steering dialogue** amongst academia, business and legislative communities based on findings of *Florida’s Services Sector: A Needs Assessment and Economic Impact Study.*” Disseminate the results of the study to a greater constituency.

**Organized an annual services workshop.**

Constitute a **services steering committee** with statewide and national representation to broaden support base of the FIU/GMCC/Enterprise Florida services initiative. Convene two-three meetings per year to follow progress of services programs and to solidly statewide support of services-related leaders for IIPS programs. Steering Committee would be responsible for providing guidance on projects involving the conceptualization of new surveys or quantitative tools to gather, aggregate and analyze trends in services.

Provide impetus to movement to **conceptualize economic model** to represent FIU/IIPS’ services initiatives with the support of economists, financial analysts, and business leaders. The model would be a means to “brand” FIU/GMCC services model which, according to DOC representatives, is worthy of replication in other states. Business/community leader Tony Santos of Greenberg Traurig has indicated an interest in working with IIPS staff to provide the leadership to launch the development of such a model.

**Publish a study on pros and cons of foreign direct investment (fdi) in Florida’s services industries and FDI-in Latin America by Florida’s services firms.**

Support services trade initiatives of the GMCC and Enterprise Florida via Outlook and other marketing tools.

**Develop strategy to work closer with Enterprise Florida and the GMCC by drafting a Florida Position Paper on Services** to be incorporated into Enterprise Florida’s *Florida Strategic Plan for 2002-07.*
- **Implement the graduate certificate program in services**, working with Dr. Theodore Young, graduate director of LACC.

- **Identify long-term funding sources** for IIPS/LACC.

- Continue **training of four-five graduate students** on services issues and trends.

- Promote strategic partnerships between Florida and economic development organizations overseas to strengthen services trade and economic linkages. Focus on **bilateral economic development-type projects**, such as the Dominican Republic/Florida task force, involving prominent economists, political and governmental leaders and business representatives.

- Strengthen the collaboration with the GMCC via the possible future funding of a statewide program to expand exports services under the auspices of the Market Development Cooperator Program of the Department of Commerce. IIPS will be responsible for **preparing briefings and corresponding literature on methods to improve the export services behavior of Florida firms**.

- Continue serving as an **educational services provider**, enhancing the success of the political campaign management programs and focusing on the development of educational programs, such as a Master’s track in campaign management to support initiative.