

PRIVATE-PUBLIC COLLABORATION FOR
PRODUCTIVE DEVELOPMENT:
ARGENTINA'S *MESAS SECTORIALES* (2016-19)

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- The origin of the *Mesas Sectoriales*
- Mesa process
- Main areas of action: simplification, internationalization and labor relations
- A few policy recommendations

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→ *Mesas Sectoriales* in broader context of PDPs

- The history of industrial policies (or PDPs) in Latin America and the Caribbean is a checkered one
- In East Asian countries, often industrial policies were geared to take advantage of opportunities afforded by globalization
- Industrial policies in the region took a more protectionist bent
- Rather than supporting global integration, they were used to isolate the region's economies, protecting uncompetitive firms from the challenges of international competition
- Rather than seeking to solve market failures, they were frequently enacted in response to rent-seeking activity

→ Classifying PDPs

- In 2014 IDB report “Rethinking Productive Development”, we classified PDPs along two dimensions
- Their *scope*: sector-specific (vertical policies) or broad based (horizontal policies)
- *Type of interventions*: Public inputs vs Market Interventions (like subsidies or protection)
- These two dimensions can be combined in a 2X2 matrix, dividing the universe of PDPs into four quadrants
- Why classify them along these dimensions? Because policy considerations relevant for each quadrant differs significantly, as does the risk associated with policy interventions

→ Classifying PDPs

	Horizontal Broad-based	Vertical Sector-specific
Public inputs Public goods, Improved Regulation, Resolution of coordination problems		
Market interventions Subsidies, tax breaks, protection		

→ Horizontal PDPs

- Horizontal public goods seek to improve productivity of the economy as a whole. Not very controversial.
 - Improve business climate by reducing number of steps needed to start a business
 - Improve logistics for international trade
- Horizontal market interventions seek to stimulate certain activities, such as investment in R&D, labor training or investment in machinery, through subsidies or tax breaks. Being horizontal, they do not discriminate across sectors
- In this quadrant, a key issue is to clearly identify the market failure that requires an intervention, and to design the instrument that can address it as precisely as possible
- Not all interventions in this quadrant are well-justified.

→ Vertical PDPs

- Vertical PDPs have been much more controversial
- Many have argued that policymakers should focus only on horizontal PDPs, stay away from “picking winners” and the rent seeking activity typically associated with vertical policies
- But our typology suggests that not all vertical PDPs are created equal
- Rent seeking and capture are particularly risky in the vertical market interventions quadrant.
- Sector specific subsidies, tax breaks and protection generate concentrated benefits that directly affect firm’s bottom lines.
- Those that benefit have incentives to organize and lobby for continued support; those that do not have incentives to lobby in order to obtain benefits

→ Vertical PDPs

- For a long time, PDPs in Latin America were dominated by policies in this quadrant. Examples abound:
 - In Brazil, a 1984 law specified that only Brazilian companies would be allowed to sell computer hardware in domestic market
 - In Costa Rica, the rice sector is heavily protected, favoring rice producers and processors at the expense of low-income consumers
 - In Argentina, a 1972 industrial promotion law combined protection and tax breaks to favor production of electronics in Tierra del Fuego.
- Interventions in this quadrant can sometimes be justified – when sectors with competitive potential face coordination problems, or generate clear positive externalities
- But for the most part, they have been used in industries lacking competitive potential, in response to lobby activity by sectors with the ability to exert pressure.

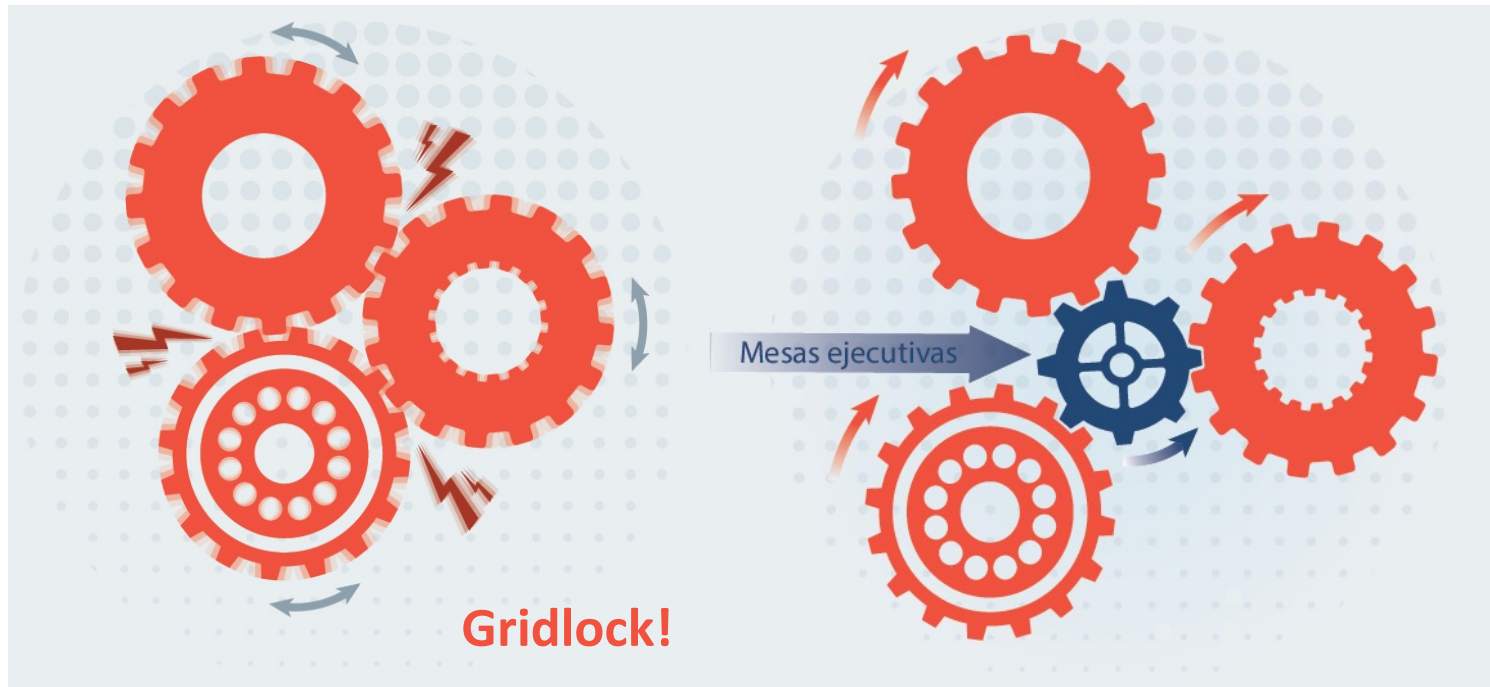
➔ Vertical PDPs

- While VMIs still dominate spending and top list of private sector demands, more fruitful vertical approaches are emerging
- Argentina's *mesas sectoriales* –or the Peruvian *mesas ejecutivas* that preceded them– are clear examples
- They are sector-level public-private fora whose objective is to improve productivity in sectors with competitive potential, identifying obstacles to their development –missing public goods, inadequate regulation, coordination problems– and implementing the required solutions
- While vertical in nature, most of the policy actions that emerge from these *mesas* take the form of public inputs
- Not as risky as VMIs

➔ Vertical public inputs

- The *mesas* recognize key element of policies in this quadrant:
- When it comes to the identification of the most important obstacles to the development of a sector and the best solutions to address them, the public sector does not have all the necessary information. Much of it resides in the private sector
- Thus, ***public-private collaboration*** is crucial
- But mere identification of obstacles and solutions not enough. Effective delivery typically requires ***coordination within public sector***. And coordination across ministries and public agencies is difficult. Silo mentality, scant information sharing
- *Mesas sectoriales* or *mesas ejecutivas* at once address these challenges of public-private collaboration and public-public coordination

Public-private collaboration, public-public coordination



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→ How did the *mesas sectoriales* emerge?

- I visited Ministry of Production in early 2016, brought to their attention the successful experience of Peru's *Mesas Ejecutivas*. Held meetings with Piero Ghezzi and his team.
- A first version (MS 1.0) emerged within Subsecretaria de Articulación Federal of the Secretaría de Transformación Productiva in early 2016. The undersecretary had been Minister of Industry of Córdoba and had prior experience with cluster policies and public-private dialogue.
- Peru's *ME* were important inspiration and point of reference. Yet first MS 1.0 adopted very different model

➔ *MS 1.0 vs Peru's mesas ejecutivas*

- In Peru's ME planning/diagnosis stage before launch was quite light. Main focus was rapid identification of a few problems and quick implementation of solutions.
- In MS1.0, much more emphasis on diagnosis and development of a vision for the sector before launching. Often launch delayed in order to refine diagnosis
- Peru's MEs: frequent meetings in which solutions to previously identified problems were provided, new obstacles identified. Planning and implementation part and parcel of the same iterative process.
- MS 1.0: "magic" launch moment in which agenda discussed with private sector during planning would be validated. No follow-up meeting scheduled from outset.

➔ *MS 1.0 vs Peru's mesas ejecutivas*

- Peru's ME limited focus to public inputs. Subsidies, tax breaks and protection off the table.
 - Key condition for support by powerful MEF
- In MS 1.0, broader focus included public inputs but also MI's
 - First mesa (biotechnology) focused on regulating Biotechnology Law, which also included fiscal benefits.
- In recessionary context in which trade barriers were being reduced, focusing private sector's attention on public inputs proved very challenging.

➔ *MS 1.0 vs Peru's mesas ejecutivas*

- *Mesas* require high-level political support, particularly when you need agencies beyond your control to provide solutions
- In Peru's ME, while there was no presidential involvement, but MEF support and strong links with other ministries enabled Ghezzi to get things done.
- MS 1.0, high level support completely lacking. Not even Minister of Production was fully committed.
- Ministry's priority instead on "Plan Productivo", a collection of horizontal initiatives without any sectoral focus.
- In midst of recession and with meager results, MS 1.0 were abandoned. But some capabilities were created along the way.

→ Mesas agroindustria

- Mesas at Ministry of Production not only ones deployed early. Ministerio de Agro-industria had their own mesas (based on earlier private-public dialogue efforts in meat sector)
- More successful than MS 1.0: at least they were high in the agenda of the Minister
- Best at solving issues within Ministry's scope (opening export markets for specific products or phytosanitary issues). Not as good when solutions required action by outside agencies.
- But Macri participated in several mesa meetings and felt comfortable with the scheme.

→ Tripartite Sectoral Agreements

- Another precursor: sectoral agreements involving government, business and unions aimed at improving competitiveness
- Government provided financial/fiscal benefits; firms made investment commitments; labor would moderate salary demands or accept changes to collective bargaining agreements. Best example: Vaca Muerta (shale oil and gas)
- As with MS 1.0, focus was on magical moment of agreement, not on iterative and continuous improvement process.

→ Tripartite Sectoral Agreements

- Last sectoral agreement in chemical sector in Zarate-Campana. Firms were in difficulty, labor relations under severe stress.
- Minister Cabrera himself was involved, together with Ignacio Perez-Riba (chief of staff) and Gabriela Marcello (labor lawyer experienced in negotiating with unions).
- While agreement ultimately failed, Perez-Riba became aware of the potential benefits of sector-level private-public dialogue
- Knowing that Macri felt comfortable in a few Agroindustry mesas he had taken part in, Perez-Riba (who had a lot of sway within the Ministry) decided to launch MS 2.0.
- This time with full backing of the Minister.

→ *Mesas sectoriales 2.0*

- Perez-Riba assembled a dedicated management team led by Gabriela Marcello, which also included Sabina Trossero (with prior experience managing cluster programs) and Andres Michel (economist with knowledge of different key sectors)
- They developed a methodology which was validated by the Minister in February 2018
- The idea was to start with 9 sectors, and have plenary meetings every two months, with more frequent working group meetings and “submesas” around three main areas of action: simplification, internationalization, and labor issues.

→ *Mesas sectoriales 2.0*

- Labor axis natural continuation of sectoral agreements, took advantage of Marcello's skillset. It would involve both the Ministry of Production and the Ministry of Labor
- Simplification axis became the responsibility of Secretaria de Simplificacion Productiva, headed by Pedro Inchauspe
- Internationalization axis eventually fell on the Subsecretaria de Insercion Internacional, headed by Juan Carlos Hallak
- Compared to MS 1.0, less planning, more focus on implementation. They involved iterative process of sequential identification and resolution of problems, rather than the big moment of "agreement"
- Idea was that frequent meetings would progressively generate trust among the participants, and continued learning about how to better identify and solve problems together.
- In this regard, much closer to Peruvian model.

→ Political leadership

- The work of the mesas required active participation of all areas of the ministry, as well as other ministries.
- Problem: management team competent, but low hierarchy. Marcello, a *Directora Nacional*, had to deal with Secretaries and Ministers.
- Within ministry, full backing of chief of staff (in turn fully backed by Minister) was key. They made it clear that the issues that arose within the mesas process would be of the highest priority.
- In addition, Martin Etchegoyen, who had been Secretary of Industry and had good connections with private sector, was given a political leadership role (although management team had a lot of autonomy)

→ Political leadership

- Eventually, president Macri bought into the mesas concept, actively participating in many of the plenary meetings. And expressing satisfaction with their workings
- This boosted everyone's commitment to the mesas model, which became the main form of public-private interaction in Macri's administration
- Lots of changes ensued within the ministry
 - Minister Cabrera was replaced by Minister Sica
 - Etchegoyen left the Ministry of Production
 - Ministry of Production absorbed Ministry of Labor and Ministry of Agroindustry
 - Gabriela Marcello left for a position at Labor, was replaced by Sabina Trossero
- By then, the mesas had proved successful, were a well established mechanism, and if anything became stronger with time.

→ Political leadership

- Altogether 52 mesas sectoriales were created in 2016-19
 - More than half were housed in Agroindustria (extensive crops, biofuels, citrics, meat and livestock, apples and pears, etc);
 - 14 within the Secretary of Industry (auto, footwear, agricultural machinery, textiles and apparel, etc).
 - Other secretaries within the ministry of production also were in charge of leading mesas (like lithium within the Secretaria de Minería, knowledge economy within the Secretaria de Emprendedores y PYME)
 - A few were created in other ministries (like Vaca Muerta and renewable energy in the Secretary of Energy).
 - A few were not sectorial in nature, but rather addressed cross-cutting issues such as exports (led by the the Subsecretaria de Insercion Internacional) or logistics (co-led by Secretaria de Comercio and Ministerio de Transporte)
- Each had a political leader (typically the Secretary), and a technical leader, who interacted intensely with the central MS team. Central dedicated team grew from three to 12 by 2019

→ Mesa process

1. Sector selection
2. Planning/validation stage
3. Plenary meetings
4. Submesas and project monitoring

➔ 1. Sector selection

- Fact that there were 52 suggests not too selective! But initially they chose 9 following three criteria:
 - Growth potential, based on expected local and world demand growth and perceived actual or latent comparative advantages
 - Economic weight: potential for “moving the needle”, on the basis of share in GDP or employment, whether sector was key input for other sectors or impacted economy-wide productivity
 - Policy opportunity: whether MOP’s instruments provided right levers to have an impact.
- Original 9: agricultural machinery, commerce, renewable energies, Vaca Muerta, knowledge economy, differentiated food products, metalmeccanic, automotive, chemical and petrochemical products.
- Eventually criteria were relaxed, some were created to assist sectors under competitive stress, in response to sector/union demands

→ 2. Planning/validation stage

- This was led by the mesa central team, in close collaboration with the political leader (usually the Secretary) and his team. It involved:
 - preliminary diagnostic and strategic plan on the basis of reports and sector experts, identifying challenges and opportunities
 - identification of relevant private sector and union actors
 - construction of shared work agenda in consultation with these actors, based mostly on bilateral phone interviews, followed by one larger in-person meeting to refine list of issues and projects for the plenary
- Initial private sector demands more focused on MIs, particularly in sectors under competitive stress (like example footwear)
- These were not excluded (as in Peru) but MS team pushed back sometimes. Sectors sometimes segmented (like designer shoes)
- Whole planning stage took just a few weeks. Contrast with Chile and with MS 1.0 (up to 40 in person meetings)



→ 3. Plenary

- The organization of plenary meetings involved much preparatory work. The MS team with the political leader of the mesa would draft the list of participants, a report on the issues that would be discussed, including some contentious issues that might require resolution.
- For this, they had to engage with the different private and public sector participants to understand the positions they would take at the plenary.
- In addition to the mesa leaders, participants included high ranking officials (often the President and some ministers); agencies with responsibility over issues to be discussed at meeting; representatives of business associations (and some specific firms) and representatives from relevant unions.
- Initially, the political leader of the mesa acted as moderator. Later this responsibility shifted to the coordinator of mesa team –as in Peru- who could act as honest broker and not be perceived as both judge and interested party

→ 3. Plenary

- The mesa team presented the progress made since last meeting, and new issues and problems were raised. They always tried to show some progress, even in launching meeting, by discussing some identified issue that had already been resolved
- They also reported on unresolved issues, sometimes leading to their resolution by high-ranking officials, or the creation of a submesa or working group leading to solutions.
- Plenary created the commitment devise to ensure that public sector actors would provide timely solutions to the problems identified. Nobody wanted to be caught in non-compliance in front of the President or other high-ranking officials.

→ 4. Submesas and project monitoring

- After the plenary, the political leader of the mesa and the central mesa team would draft an action plan for the following plenary.
- Much of the substantial work of the mesas happened in this phase. Follow-up of projects agreed upon in the plenary occurred through two channels.
- If they only involved the public sector, they would be handled through the liaisons that the mesa team (or the SSP) had in each relevant public agency. The team would adopt an active role, nudging the agency when necessary, or involving the minister if there was no adequate response.
- If they involved negotiation or joint work with private sector, they would be handled in submesas, technical working groups involving the relevant actors, tasked with coming up with solutions or strategic plans (as in the case of the quality and internationalization submesa to be discussed below)
- Progress of each project was monitored using a shared management tool called the Smartsheet, including information on priority level, agreed actions, deadlines, project status (using streetlights), and who was responsible for delivery.

→ Three priority thematic issues

- simplification
- internationalization
- labor issues

→ Simplification

- Under Secretaria de Simplificacion Productiva (Pedro Inchauspe)
- Reported to MOP, but quickly gained full backing from Macri
- Processes and bureaucratic hurdles to be simplified were outside SSP, in other ministries and public agencies such as Customs, AFIP, SENASA, ANMAT, state and local governments.
- Could not implement changes themselves, they had to assist others (who sometimes resisted) in making these changes. SSP had teams “in residence” in all of these for extended periods of time, working side by side with the staff, generating trust over time.
- Simplifying requires change of mindset, and questioning the rationality of each procedure, even if it has been done that way for years

→ Simplification

- It involved persuasion, expertise to help draft regulations and norms, and soft skills to let the agencies themselves take credit.
- When persuasion was not enough, the full backing of the President and the risk of appearing in the next plenary in front of everyone without the homework done contributed to ensure compliance
- Work of SSP complemented the mesas well. For the MS, SSP acted like a service area. For SSP, the MS were like antennas that allowed them to identify the main obstacles as perceived by the private sector, and thus to prioritize their simplification agenda.
- Early on, simplification was the most successful area of the mesas, generating countless quick wins, and helping create a mystique that MS were more than just dialogue, generating real solutions.
- By July 2019, the MS had identified 204 simplification projects, out of which 77 had been resolved.

→ Simplification: a few examples

- **Road safety certificates (*mesa Vaca Muerta*):** Large contractors in the oil and gas sector (such as Schlumberger) use large self-transported equipment, which required a license and a corresponding Road Safety Certificate to circulate between wells.
- This procedure required inspections and tests which, due to lack of resources of agencies in charge, took up to six months.
- To avoid delays, equipment was moved in special trailers pulled by tractors, requiring use of cranes to load and unload it at each well.
- SSP identified the existence of international agreements that gave validity to European certifications (with standards at least as demanding as those of Argentina) in the case of new vehicles, eliminating the need for inspection.
- For used vehicles, regulations were modified so that firms could present an affidavit and obtain the Road Safety Certificate in five days without prior inspections. Firms had one year to present the corresponding technical compliance certificates, otherwise the license would be withdrawn.
- These measures generated estimated savings of more than \$ 500 million pesos.

➔ Simplification: a few examples

- ***Elimination of the municipal fixed-point control for food supplies (mesas logistica y de comercio):*** Bringing food products into a municipality involved taking the merchandise to a control office in a fixed location within restrictive operating hours to perform required bromatological and documentary control.
- When control office was far from the point of sale, this significantly increased the logistics cost for the firms. Problem compounded when delivering to multiple municipalities.
- With the help of the SSP, the fixed-point control office was eliminated in eight municipalities and replaced with random controls on the road or at point of sale.
- This affected more than 1000 vehicles per day, generating savings that amounted to 30% of logistics costs, in addition to reducing traffic and the impact on the environment.

➔ Quality and Internationalization

- The main objective was to define an internationalization strategy for the sector agreed between the public and private sectors.
- Since 2019, under the responsibility of the Subsecretaria de Insercion Internacional (SSII), headed by Juan Carlos Hallak.
- SSII managed submesas in a number of sectors, including agricultural machinery, textiles and apparel, medical equipment and footwear, among others. Also managed horizontal Mesa Exportadora
- Were closely articulated to other public agencies such as INTI, the Investment and Export Promotion Agency, the Consejo Nacional de Calidad, the Secretaria de Industria, among others.

→ Quality and Internationalization

- Submesas worked to develop internationalization strategy, including
 - Identification of sector segments with more export potential
 - Identification of priority target markets
 - Actions needed on the part of the public sector, business associations and firms
- SSII's highly qualified team would draft proposal, validate it with other public sector agencies, then work with private sector to generate consensus internationalization strategy. Actions included:
 - Identification of specific trade promotion activities aligned with strategy
 - Implementation of standardized quality questionnaire to identify sector needs in terms of certifications, tests and accreditations
 - Training programs to implement continuous improvement processes (Kaizen)
 - Informative meetings on current trade promotion schemes
 - Technical assistance for exporting.
 - Development of a sectoral brand.

→ Labor issues

- Natural continuation of work in labor-centered sectoral agreements
- Best example: 2017 Adenda of Vaca Muerta introduced significant changes to collective bargaining agreement:
 - productivity targets
 - ability to reassign workers across tasks
 - measures against absenteeism
 - changes in required number of workers per well
 - authorization to work under windy conditions
- With wholesale labor reform stuck in Congress, policymakers saw opportunity to introduce reforms at sectoral level. But Vaca Muerta's success was not replicated in MS, for different reasons.
 - Lack of commitment at Ministry of Labor (until merger)
 - Issues are complex and conflictive. Unions adopted defensive stance. Business leaders hesitant to demand changes that would lead to labor conflict
 - Missed opportunity: issues of common interest (labor training) not included

→ Cross-sectional actors

- Ministry of Transportation
- INTI
- Ministry of Interior
- Customs
- SENASA

→ Some concluding policy issues

- The role of planning vs. implementation
- The policy mix : public inputs vs. market interventions
- Funding for public inputs provision
- On the choice of priority issues
- The importance of high-level political support

➔ Balance between planning and implementation

- Peru's ME and CORFO's strategic programs in Chile very different models.
- In Chile, two distinct stages. Long diagnostic/planning stage generated technological roadmaps. Implementation stage followed. Plan not set in stone, but changes during implementation exception rather than rule.
- Peru adopted iterative process without clear separation between planning and implementation, and strong emphasis on the latter.
- No extensive prior diagnostic work or construction of shared long-term vision at outset.
- Very light planning, then on to identification of a few obstacles and their rapid resolution in the mesas. It was in the process of solving the problems identified that new problems were discovered.

➔ Balance between planning and implementation

- Argentine MS 2.0 in an intermediate position, closer to Peru
- Launch of each MS preceded by a brief period of diagnosis and definition of an agenda agreed with private sector.
- But “road map” was flexible and open to the incorporation of new topics that emerged from the working groups and plenary sessions.
- The "plan" emerged gradually as a result of the work of the MS, rather than being a starting point resulting from a long diagnostic process.
- We think that Argentina’s MS 2.0 adopted an appropriate balance between planning and implementation.

➔ Policy mix: public inputs vs market interventions

- In Peru, focus clearly on provision of public inputs: simplification of regulations, resolution of coordination failures within the public sector, etc.
- Used ingenious mechanism to convey scope or policies that were “off the table” distinguishing what they called “mi problema” from “tu problema”.
- The government’s problem involved addressing cases in which productivity was low because the public sector was not doing something it should be doing (lack of certain regulations or the provision of missing public goods) or doing something that it should not be doing (unnecessary administrative barriers or coordination problems within the public sector).
- Problems of competitiveness due to the lack of comparative advantages was seen as “tu problema”, not something to be remedied through subsidies or protection.

➔ Policy mix: public inputs vs market interventions

- In Argentina, policy mix included a larger dose of MI
 - sector specific reductions in income tax rates or employer SS contributions
 - sector inclusion in subsidized financing schemes to stimulate demand (Ahora 12)
- These MI coexisted with public input such as the procedures simplification or development of internationalization strategy
- In view of MS team, MI were necessary to attract private sector to the mesa, with the hope of gradually shifting policy mix towards public inputs
- Several factors can explain the differences in policy mix
 - weak macro situation combining recession with trade opening
 - sectors very used to obtain benefits in the form of protection and subsidies
- Gradual shift in mix towards public inputs did occur. And private sector came to realize there were benefits associated to public inputs. In our opinion, the policy mix should be even more focused on public inputs
- Leaving MI “on the table” boosts demand for these policies within the MS, attracts sectors without competitive potential. There are other more appropriate instruments to deal with these sectors.

→ Funding for public inputs provision

- Many public inputs - regulatory improvement or stronger coordination between public agencies – do not require fiscal resources. But others do.
- Example: participants in the medical equipment mesa identified a shortage of semi-anechoic chambers. Electro-medical equipment emit electromagnetic waves that can interfere with nearby devices (unwittingly altering the temperature of an incubator, or the frequency of a pacemaker).
- Semi-anechoic chambers can measure waves emitted by a device. They can also test the electromagnetic immunity of medical equipment, that is, the type of radiation to which it may be exposed without modifying its normal operation.
- Exporting medical equipment to the EU requires semi-anechoic chamber testing to ensure compliance with EU standards. INTI has a chamber, but it is insufficient to meet growing demand, resulting in long delays.
- Obvious solution: build more chambers. But each costs US \$ 1 million.
- What is the use of identifying missing public goods if they will not be able to be provided due to lack of resources?

→ Funding for public inputs provision

- It is desirable for public actors in the MS to have access to budgetary resources to (at least partially) fund costly public goods identified in the MS process.
- This is what Chile did with its Strategic Investment Fund (FIE), a competitive fund created in 2015 with approximately US \$ 160 million, in order to finance public goods identified within the framework of CORFO's Strategic Programs (PE)
- To receive FIE funding, projects had to be part of the sectoral roadmaps associated with the PEs. Project selection (which required partial funding by private sector) was in charge of a committee chaired by the Minister of Economy, including other ministries and private sector representatives.
- There may be other ways of financing public goods identified within the MS. But budget requirements are not known ex-ante, so resources cannot always be assigned in the regular budget process.
- Mechanisms like the FIE would be a great complement to MS schemes. Moreover, the private sector might be more willing to focus on public inputs if it knew that these would be funded and delivered.

➔ On the choice of priority issues

- While simplification, quality and internationalization and labor issues were not the only ones tackled at the MS, work did focus primarily on those three axes.
- In the first two cases, very significant progress was made. If current government decided to resume the work with the MS, it would need to recreate the effective teams that managed these axes, which have been dismantled.
- Progress in the labor area very modest. Focus mainly on collective bargaining issues, where union interests are often at odds with those of business.
- Why not include issues in which there is commonality of interests between unions and business? One such issue could be labor training.
- This issue is prominent in CORFO's strategic programs --for example in mining, with the definition of qualifications framework and the customization of labor and professional training to industry needs.
- In Argentina, unions play an important role in vocational training, would probably be interested in incorporating these issues. Being less contentious than those related to collective bargaining, they may even help generate trust between the parties, leading to subsequent progress in more contentious issues.

➔ On the choice of issue axes

- Another topic worth considering relates to technology.
- In MS this topic was limited to quality-related actions by INTI, a decentralized agency under the purview of the Ministry of Production.
- However, the Ministry of Science, Technology and Innovation, or the National Agency for Scientific and Technological Promotion did not play a significant role.
- This contrasts clearly with the case of CORFO's strategic programs, where technological issues were central. Strategic programs began with technological roadmaps, focused on identifying technology gaps and projects that could contribute to close them.
- In Argentina's MS, sector-level scientific and technological issues were practically absent, probably due to lack of coordination between the ministry of production and that of science, technology and innovation.
- Strengthening the technological dimension would be an essential step in the right direction.

➔ The importance of high-level political support

- Effective coordination across public sector agencies and the provision of the solutions to the problems identified in the MS requires high-level political support.
- Contrast between the results of MS 1.0 and 2.0 is clear indication of the importance of this factor. MS 1.0 flew under the radar, without clear support from the Minister of Production himself, much less from the President, with very modest results.
- MS 2.0 had strong support from both the Minister and the President -- who participated actively and frequently discussed the MS with the press--and quickly became the preferred technology for public-private dialogue and action.
- Support led to creation of small but highly qualified management team that was clearly empowered by the Minister. The direct participation of the President, meanwhile, contributed to increase the quality of the participation of the public and private sectors
- In the case of the former, the fear of being exposed in front of the President in a situation of non-compliance with the agreed measures clearly contributed to align the different actors and ensuring that solutions would materialize.

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