

Belize Chamber of Commerce & Industry

Advocating for Business Sustainability Agenda

BUSINESS MANIFESTO



2015

Belize Chamber of Commerce & Industry

“Change for Progress”

Advocating for Business Sustainability Agenda- 2015

The Belize Chamber of Commerce and Industry (BCCI) represents 1517 employers. The BCCI remains constant in its call for the progressive democratization of Belize. We take this opportunity to present our list of priority proposals to all the political parties and candidates in the upcoming national elections. We submit that these proposals are of paramount importance to bringing positive social, economic and improved governance to Belize. These proposals will benefit our Country and all its citizens.

Belize’s current social and economic situation calls for intervention, cooperation and involvement by all concerned stakeholders. To fuel the needed private sector growth required to increase employment opportunities for our Belizean people, we need to inspire confidence. In this regard, the BCCI continues to advocate for the expansion of the business sector and increase participation of our citizenry in the governance process, as promoted in our constitution.

We invite all political parties to review the proposals we put forth in this Business Sustainability Agenda – 2015, indicate which of them they will adopt and if elected, when and how they plan to execute those.

BCCI’S PRIORITY ITEMS ARE DIVIDED INTO FIVE PILLARS

PILLAR I: E-GOVERNMENT

I. E-Government:

- There is a need for the government to maximize the use of the electronic platform that is accessible worldwide. A movement by the government to fully employ an electronic means of doing business and governance will foster efficiency, lead to competitiveness and improve the climate for investments. A starting point in this regard, would be for the government to make all laws and policies of Belize readily available online and kept current.

II. The Development of a Public Procurement Website:

To reduce the level of information asymmetry between Government and the Belizean People there is a need to:

- Develop a publicly accessible website owned and operated by the Government to allow for **all** government’s procurements and disposal of asset to be publicized for

public interest and electronic auction. All grants or gifts disbursed or received over the value of \$100.00 by government employees and officials to be declared and published. The website will also serve as a public space for the invitation to tender, and the publication of all government contracts that will minimize concerns about costs, collusion, commercial secrecy and national security. Posting the information listed above on a public website will allow for transparency in the Government's operations and also give the public an opportunity to scrutinize and become active participants in the bidding processes.

PILLAR II: CORRUPTION

III. *Transparency on all Public Bodies:*

To allow for full transparency, the Government should allow for:

- The right of inclusion of BCCI Representatives on government boards, statutory bodies, and state owned private companies, to allow for the continued democratization of **all** our statutory institutions, including but not limited to the Central Bank of Belize and the Belize Tourism Board.
- The hosting of **National Budget Consultations** with the Private Sector and other entities before finalizing the annual National Budgets.
- The reactivation of the process for inviting the **Transparency International** to rate Belize.

IV. *Reactivate the Integrity Commission and enlarge its scope:*

For the Integrity Commission to serve its purpose it requires:

- An expansion of the scope to allow for scrutiny of the operations of the public service in an effort to combat and prevent corruption.
- The implementation of a whistle blower policy.

V. *Adoption of the UN charter on corruption and CARICOM charter on procurement:*

Adopting the above-mentioned guides will allow for:

- Enhancement of the governance process through the adoption of the **United Nations Convention against Corruption** policy document. The policy document serves a guide to mitigate corruption because it has a wide range of corrosive effects on societies. It undermines democracy and the rule of law, leads to violations of human rights, distorts markets, erodes the quality of life and allows organized crime, terrorism and other threats to human security. As it relates to public procurement, in the CARICOM region, business enterprises rely very heavily on public procurement contracts for their livelihood. The economic benefit of public procurement is far reaching given the employment generated and the many households that it supports through direct and indirect employment. In this regard, the government should reserve procurement contracts of a certain value for small to medium enterprises (SMEs).

VI. *Adoption of The Mechanism for Follow-Up on the Implementation of the Inter-American Convention against Corruption (MESICIC):*

- The Government signed on to The MESICIC in 2014 which is developed in the framework of the purposes established by the Charter of the OAS. The MESICIC takes into account the principles of sovereignty; non-intervention; and juridical equality of the states. Therefore, the Government should ensure compliance with the commitments of MESICIC made within the framework of the OAS.

PILLAR III: POLITICAL AND PUBLIC SECTOR REFORM

VII. *Conduct Public Sector Reform:*

The specific areas that require reform are as follows:

- **Campaign-Finance Reform**, limiting the amount of money candidates can spend on a campaign and also limiting the amount an individual or company can contribute.
- **Legal Reform**, to amend existing laws to include provisions for penalties where non-existent. Purge the system of all laws that are solely designed to absolve ministerial misconduct.
- **Electoral Reform** conduct an audit to clear up any uncertainties as it relates to the legitimacy and legality of the voters on the current voters' list and ensure periodic audits be conducted to maintain the integrity of the voters' list.
- **Establish a fixed date for General Elections** to ensure that a level playing field is established among all relevant parties.
- **Lands and Survey Department Reform**, to bring legitimacy and transparency to the real estate sector. Removing ministerial control and making the application for land transparent will allow all Belizeans, regardless of social and economic status, to have access to the ownership of land.

VIII. *Empower the Senate to fulfill its obligations as per the Constitution:*

Empowering the Senate will require:

- Full Compliance with the constitution, appointing the 13th Senator, and to facilitate for public enquiries or hearings, into matters of public interest, mismanagement or corruption.
- Removal of the current need for executive appointed senators to sanction all motions for public enquiries or hearings.

IX. *Correct the structural flaw in the composition of the Public Accounts Committee (PAC):*

To correct the structural flaw:

- The PAC will have to include **two** members of the opposition, (they would also hold the chair); **three** social partner senators, **four** Government representatives. The PAC must also be responsible for the drafting of minority reports that will accompany any findings.

X. *Expand the power and scope of the Auditor General:*

There is a need to increase the role of the AG by:

- Allowing for his/her inspection of **all** government owned assets, boards, companies and statutory bodies.

- Giving him/her the power to enforce recommendations in regards to the safeguard of Government finances and financial management and reporting practices.
- Making the AG independent of the Government control in relation to staffing and adequate budgeting.
- Allowing him/her to implement an annual internal audit policy to cover all relevant departments.

PILLAR IV: ECONOMIC, SOCIAL AND FINANCIAL REFORM

XI. *Development of a National Credit Reporting System:*

There is a need to conform to an effective way of assessing credit by:

- Instituting a proper mechanism that will assess and rate the creditworthiness of individuals in order to increase confidence and stimulate lending.
- Establishing a **Collateral Registry** to record all ownership of assets that will allow borrowers to prove their creditworthiness.

XII. *Reduce the Crime Rate*

The crime situation in Belize has become chronic in every part of the country and as such, detrimentally affects business both in terms of actual and opportunity cost. In this regard the Government should:

- Commit more financial resources and technical support to the police and the judiciary, requiring and enabling both to do an effective job, resulting in increases in successful prosecution and stronger law enforcement.

XIII. *Reduce Taxes/Cost of Doing Business*

Pricing of goods within the Belize customs territory is handicapped (i.e. increased) by taxes and duties, fuel prices and utility rates. To address this prevailing problem the Government should:

- Begin to reduce direct pricing via reductions in duties, as was originally intended when GST was introduced. Require utilities to broaden the standard industrial/commercial classification.
- Provide equitable Business Tax treatment for the fuel wholesalers and distributors; clarify which taxes need to be included to form the revenue base.

XIV. *Strengthening of Financial Services Sector:*

Strengthening of the International Financial Services Commission (IFSC)

- The IFSC has operated in a vacuum and lacks the innovation required to transcend the industry to the next level. In order to be competitive and successful in the IFS industry, the IFS needs to update laws and regulations, to mirror those of successful jurisdictions such as the BVI, Jersey, and others to name a few. Institutional strengthening of the IFSC is vital as well and the need to train and retain staff with the necessary experience and expertise.

With regard to domestic banking:

- Explore the possibilities of creating an alternate investment market to make the excess liquidity held by banks more productive to enable business development;

Strengthen Government and Public Accounting Laws and Regulations

- Government should forge ahead the legislation of Accountancy Law to align. Governmental Accounting standards with International Public Sector Accounting Standards (IPSAS). This is a requirement of the CARICOM region as all other territories have set a target for adoption and implementation.
- With regard to general accounting standards, Government assistance is required to update the 1984 Accountancy Law and align with the region.

PILLAR V: IMMIGRATION AND ENHANCED LEGISLATIVE REFORM

XV. *Increase Human Capital Employment Pool*

- Develop an accurate labor market information system which will guide immigration and education policy.
- Where fitting, the Government should amend immigrations policies to allow for skilled persons to enter the country to seek employment only on a needs basis.

Conclusion

The BCCI continues to stand firm in its positions, which contribute positively to Belize's economic and social development. To achieve such objectives, public and private sector bodies must work together to foster change. The BCCI has recognized there is a vital need to rebalance and safeguard the Belizean economy through the democratization and strengthening of our oversight bodies and the aim is to commence the process to do so with these priority items that have been presented. There is no greater opportunity than now to build the momentum and grow a movement that makes these priority items nationally important.