

NOVA TECH



Investment Conference on Information and Communication Technologies



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EU/CARICOM Regional Policy

Moving the ICT in Development and Competitiveness Agenda Forward in the Caribbean

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Setting the Stage

“Less than fifty years after the attainment of political independence; under-achievement, a loss of confidence, cynicism and the willingness to accept the second best across a wide field of social, economic, cultural and political activity are fast becoming attributes that enjoy widespread currency in our region.”

Prime Minister of Barbados, The Rt. Hon. Owen Arthur
Thirtieth Anniversary Distinguished Lecture of the Caribbean Community (CARICOM)

Setting the Stage

Global Changes

- A rapidly changing global trade and economic environment.
- Multilateral economic partnerships and liberalised markets.
- Competitiveness becoming the key differentiator between states.

Setting the Stage

Caribbean Challenges

- Increasing unemployment, especially by youth.
- An overall drop in productivity but with an increase in costs.
- Maturing focal economic sectors, such as tourism.
- Withering trade preferences, in particular sugar and bananas; slow integration, resulting in small and fragmented markets.
- Generally non-harmonised regulatory frameworks, amongst others.
- These challenges contribute to gradually worsening fiscal stances leading to often unsustainable public debts and declining economic activity.

Rising to the Challenge

- Need for harmonisation and coordination of social, economic and trade policies amongst Caribbean States.
- Caribbean Single Market and Economy (CSME).
- Region must be capable of effectively competing internationally through the development of a skilled citizenry capable of developing new and innovative products and services.

Role of Information and Communication Technology

- As an effective “catalyst” in transforming the Caribbean economy.
- Change in the way the Caribbean does business with the rest of the world.
- Important to recognise that ICT policies put in place must be dynamic to respond to the dynamics of the economy and the changing nature of ICT itself.

Feasibility of ICT in Development

- Two significant studies have laid the groundwork for this new developmental thrust.
- *infoDev* workshop on “Improving Competitiveness and Increasing Economic Diversification in the Caribbean: the Role of ICT” held in February 2005 in Barbados.
- Competitiveness study of the World Bank in 2005 “A Time to Choose”.

Feasibility of ICT in Development

- *infoDev Study* identified a number of critical weaknesses in the enabling environment for effective application of ICTs in the Windward Islands, particularly in rural areas and in the application of ICTs to business development.
- Collectively, Studies underlined that countries have to address broader competitiveness issues (private sector development, fiscal consolidation, trade liberalisation, skills development) and in that context identify how best ICT can assist.

Role of the European Commission

- The European Commission (EC) is actively present in the sub-region as a donor
 - Increasing the competitiveness of the agricultural sector,
 - Diversifying into other more competitive sectors.
- EC is making available approximately €20million in Special Framework of Assistance (SFA) funding to four of the Windward Islands (Dominica, St. Lucia, St. Vincent and the Grenadines and Grenada), through its SFA 2005 programme.
- This funding is designed to facilitate economic adjustment and appropriate economic diversification during the final days of the protected banana regime.
- 2005 initiative builds on a 2004 initiative which focused on Private Sector Development.

ICT and Competitiveness Initiative

Activity area 1: ICT and e-Business Strategy Development:

- Development and implementation of cohesive policies for ICT application in government and business
- Contribution to the efficiency, productivity and competitiveness of the economy of the four states.
- Helps to bring about a positive and lasting multistakeholder framework for policy development and application of ICTs
- Enable states to establish a productive role in the developing global knowledge economy.

ICT and Competitiveness Initiative

Activity area 2: Business skills development and e-business incubators:

- Establishment of a supportive framework for the development of a growing ICT services sector.
- Provision of high-quality services to businesses within the four states.
- Application of ICTs by businesses, particularly small and medium sized enterprises as the economy diversifies.
- Improved business performance and competitiveness.

ICT and Competitiveness Initiative

Activity area 3: Capacity-building- Enhancing Skills Base of Work force:

- Increasing the quantity and quality of human capacity in the ICT sector and in the use of ICTs, particularly for business purposes.
- Provision of basic and advanced ICT training for schoolchildren, in a manner which transcends any barriers to access and supports gender equity.

ICT and Competitiveness Initiative

Activity area 4: Legislative and Regulatory Framework:

- Enable the early enactment of comprehensive enabling legislation for e-business and e-commerce.
- Securing a supportive business regulation and financial services framework for businesses.
- Making use of ICTs, including electronic transactions.

ICT and Competitiveness Initiative

Activity area 5: Business-oriented e-government initiatives:

- Facilitate improvements, through the use of ICTs (e-government) of government services which have a direct bearing on the efficiency, productivity and competitiveness of business, both in general and in the rural sector,
- Focus on activities which facilitate employment, economic growth and export development.

ICT and Competitiveness Initiative

Beneficiaries

- Private sector entrepreneurs, particularly small and medium sized businesses including those currently and formerly dependent on banana production.
- Non-state actors outside of the business sector, such as civil society groups.
- The entire population should benefit either directly or indirectly from improvements to the legislative and regulatory environments
- Generally improved employment opportunities, more efficient business services and improvements in government administration.

Other EC ICT-related Initiatives

- Caribbean Knowledge and Learning Network (CKLN)
- Caribbean Information Society (Carib-IS) Project
- Information Technology Based Training and management project in St. Kitts and Nevis
- Education Support Programme in St. Vincent and Grenadines
- Assistance to other Caribbean countries in context of Cotonou Partnership through National Indicative Programs, e.g. Jamaica which has ICT as and area for support in context of private sector development
- EU key player in: World Summit on Information Society (WSIS); UN Information Technology Technical Facility; Latin America @LIS.

Summary – The Way Forward

- Role of ICT in Development is widely acknowledged.
- Should not merely be a case of “New wine in old wine skins”, i.e. new technologies for old processes.
- 3 R’s for the ICT in Development and Competitiveness Agenda
- Rethinking of national and regional policy framework
 - Need now to strengthen relevant policies.
 - Rationalisation of ICT related conference.
- Re-engineering of Processes
 - Need for improved collaboration and information dissemination.
 - Need for improved knowledge management.
- Retooling of Citizens
 - Improved curricula and training at all levels*

The challenges are many, but the actions taken now can have the profound and fundamental change in Prime Minister Arthur's vision.

“If the Caribbean region improves productivity and competitiveness, it can reposition itself as an emerging trading bloc for goods and services. But without such action, the region risks increased "economic marginalisation and erosion of many of the social gains of the last three decades.”

World Bank 2005 A Time to Choose: Caribbean Development in the 21st Century

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