



# **Innovation, Entrepreneurship & Growth in the Caribbean: *The Role of ICT***

October 25, 2005

- ◆ Consortium of 14 donors
  - European Commission, World Bank Group, Canada, Japan, UK and most other European bi-lateral donors
- ◆ Our mission:
  - To help developing countries and their partners to leverage ICT as powerful change enabler to combat poverty, promote sustainable economic growth and empower individuals and community to participate fully and creatively in their societies and economies
- ◆ Evolved from grant making mechanism to knowledge based services to donors and scalability projects
- ◆ Three themes:
  - Mainstreaming ICT
  - Access for All
  - Innovation, Entrepreneurship and Growth

# Innovation, Entrepreneurship & Growth

## *Core Activities*

- ◆ Building a Global ICT Innovator Network
  - Supporting 40+ business incubators
    - ◆ US\$2+ million new round of grants for business incubation
- ◆ Understanding the Constraints to Innovation and New business Creation
  - Analytical work linking *knowledge* to *action*
    - ◆ Scaling Up Innovation and Entrepreneurship in Developing Countries: the Role of Private Sector Finance
- ◆ ICT as Tools of Growth and Competitiveness
  - Regional and country studies
    - ◆ Improving Competitiveness and Increasing Economic Diversification in the Caribbean: The Role of ICT



# Improving Competitiveness & Economic Diversification in the Caribbean: *The Role of ICT*

## ◆ Objectives

- Contribute to the strategic thinking of our donors in the implementation and design of existing & future programs
- Provide a sober assessment of the role of ICT in economic development in the Caribbean
  - ◆ Caribbean experiences to date with harnessing ICT
  - ◆ Enabling environment for private sector development and utilization of ICT
- Provide concrete recommendations on how ICT can facilitate private sector development
  - ◆ Facilitate discussion and consensus building on recommendations and priorities for action among key stakeholders

# Caribbean Region

## Promise

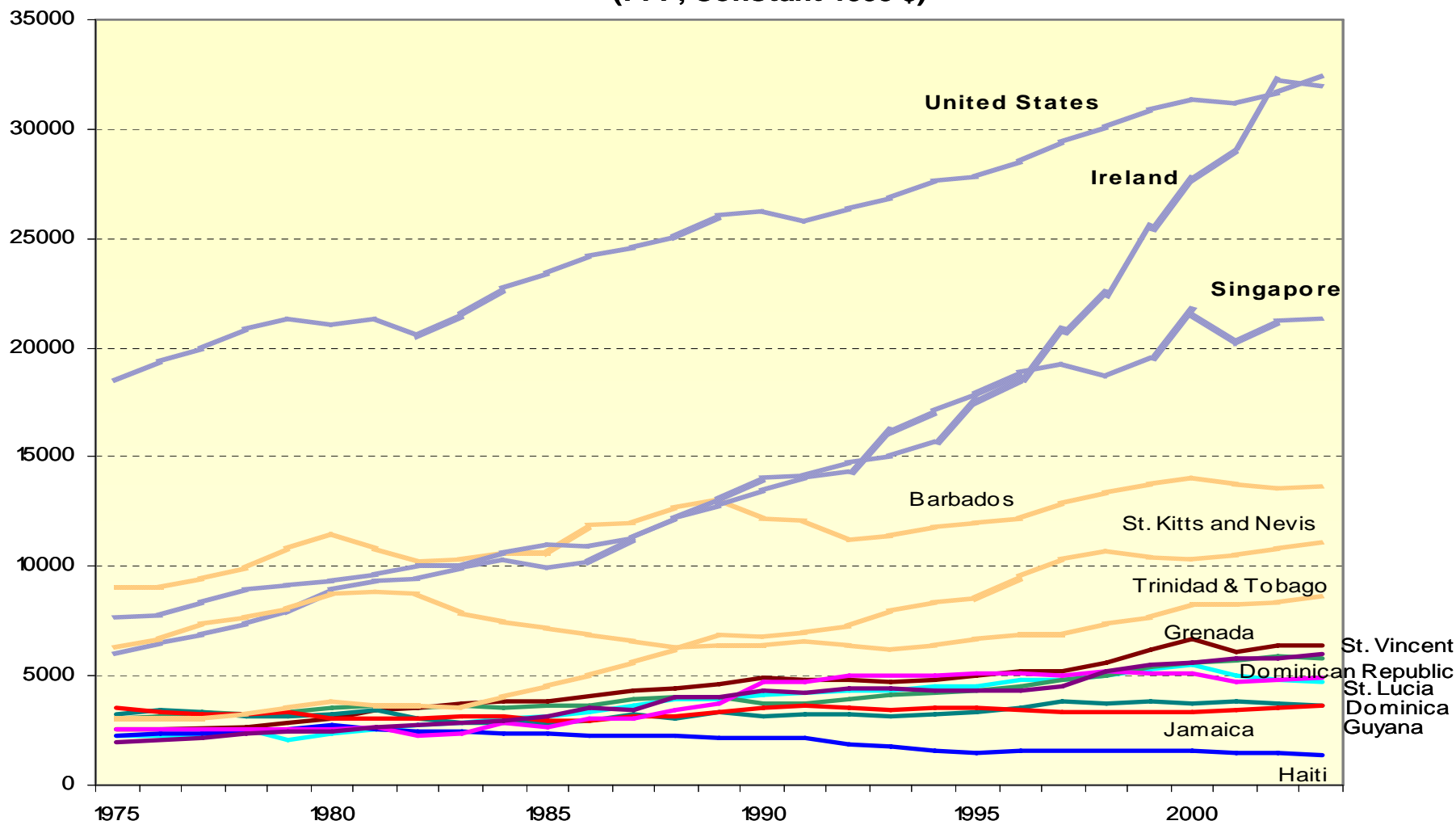
- ◆ Favorable location, excellent climate and convenient languages
- ◆ Universal education

## Experience

- ◆ Average growth rate 1.2%
- ◆ Reliance on commodities
  - Protected agricultural commodities
  - All-inclusive-resorts

# Caribbean Region

**GDP Per Capita, PPP 1975-2003**  
 (PPP, Constant 1995 \$)



Source: World Development Indicators (WDI)

# Attempts to Harness ICT

- ◆ Call Centers, Free Trade Zones & Technology Parks
  - Employment generation (large scale)
  - Skill upgrading / training
  - Technology transfers and broader spillover
- ◆ Experience
  - Significant upfront investments
  - High employee turnover with limited skills development
  - Limited economic impact
  - Example:
    - ◆ Call Centers Antigua Limited
      - Government investment of EC\$3 million (40% stake)
      - Projected 850 jobs = 200 (average)

# Matching Resources with Economic Opportunities

## ◆ Resources

- Medium-skilled workforce
- Small and dispersed economies
- Proximity to the Americas
- Cultural-based products and services

## ◆ Opportunities

- Niche manufacturing and services
  - ◆ Require
    - Market research
    - Managerial expertise
    - Financing
    - Networking
    - Online point-of-contact

## ◆ Gale Force Windows

- Supply custom-made windows for hotels and the high-end home market
- Fully digitized equipment and online price quoting

## ◆ Jamaica Signature Beats

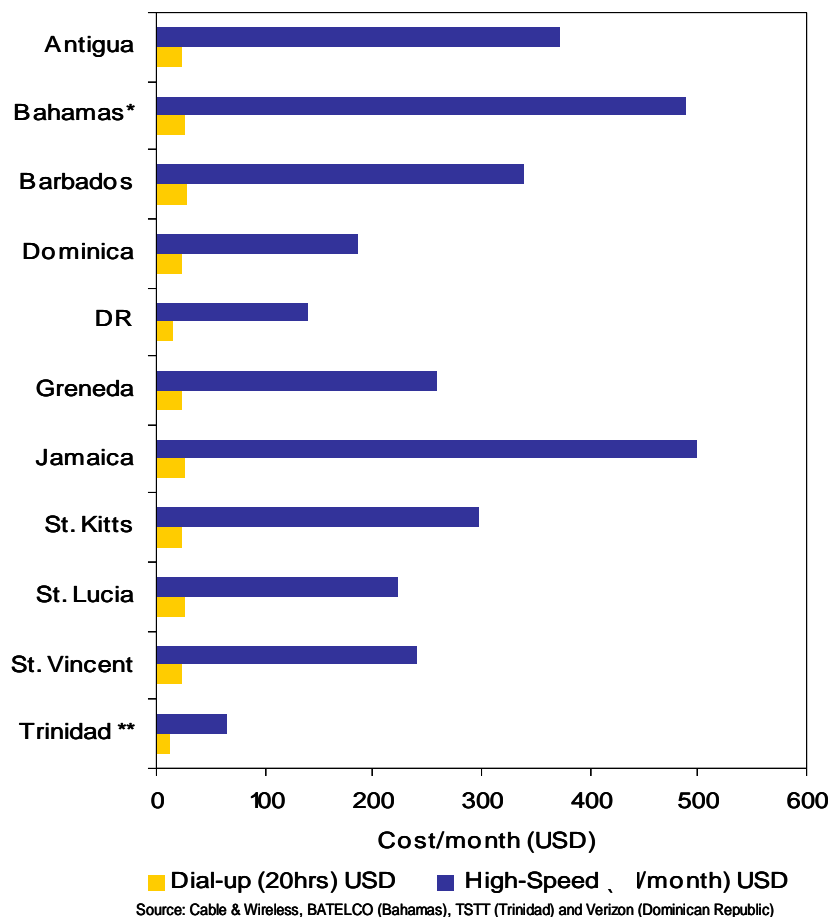
- Cluster of musicians, recording studios and technicians
- Market services collectively through online website

## ◆ Chef Pepper

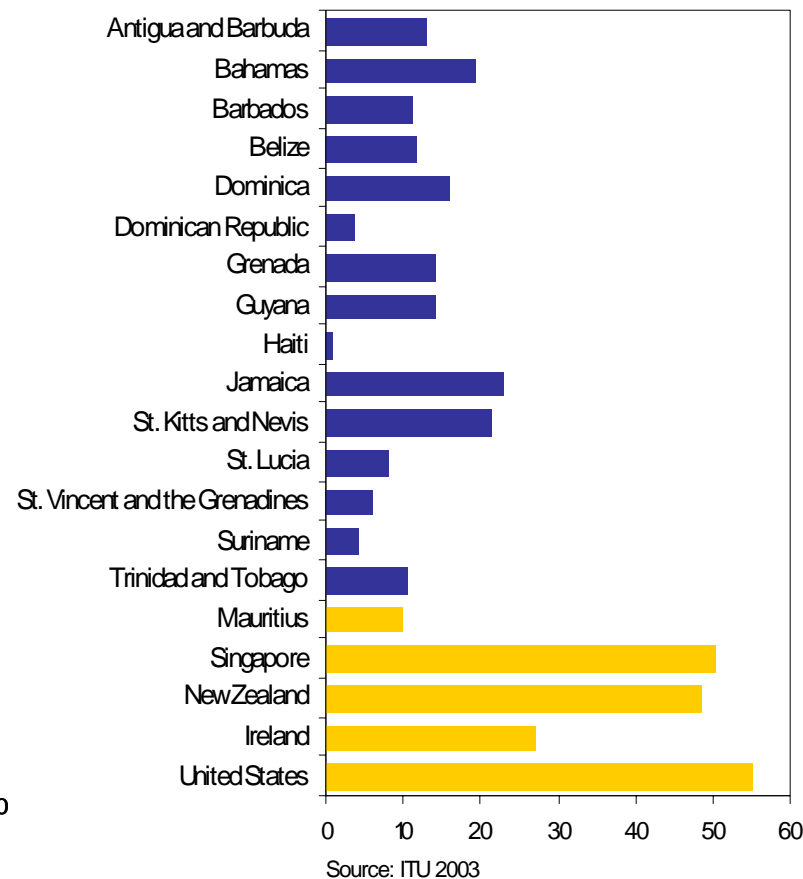
- Supplies hotels, restaurants and households with imported high quality meat products
- Uses ICT for business logistics to ensure service and quality
  - ◆ 1-2 days to 45 minutes

# Challenges to Improving Competitiveness – Access

**Dial-Up and High Speed Internet Monthly Costs in the Caribbean**



**Internet users per 100 Inhabitants (1997-2002)**



# Challenges to Improving Competitiveness

- ◆ Access
  - Extremely high connectivity rates (Internet)
    - ◆ Continued liberalization
- ◆ Skill Gap
  - Limited tertiary enrollment
    - ◆ Demand driven training programs (trade associations)
- ◆ Support services and financing for entrepreneurs
  - Limited support services and access to growth capital
    - ◆ Business incubators, trade associations, business networks
- ◆ Harmonization
  - Plans for CSME (competition laws, IPR, labor movement)
    - ◆ Support for CSME and country-level

# Partnering with the European Commission in the OECS

- ◆ Business incubation
  - Design and implement national business incubation facilities
    - ◆ Dominica, St. Lucia and St. Vincent
    - ◆ Regional networking facility
- ◆ Support ICT-enabled entrepreneurs and SMEs
  - Support services
    - ◆ Managerial assistance
    - ◆ Networking
    - ◆ Financing opportunities
- ◆ Leverage the *infoDev* incubator network



**Thank You**

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