PRIVATE SECTOR DEVELOPMENT AND ECONOMIC GROWTH IN THE CARIBBEAN: THE ROLE OF THE UNIVERSITY OF THE WEST INDIES*

By

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STRUCTURE OF PRESENTATION:

- Economic Growth Landscape in the Caribbean
- Knowledge Process and Economic Growth: The Role of the UWI
- Way Forward for Private Sector Development in the Region
Caribbean countries have displayed an "economic growth slowdown" over the 1960 to 2010 period.

Per capita GDP growth ( %):
- 1960s  2.30
- 1970s  3.90
- 1980s  2.20
- 1990s  1.90
- 2000s  1.62

Associated with a possible "middle income trap" found with the move from low productivity sectors to high productivity sectors---inability to move to "high income status"

Declining labour and total factor productivity over the period which undermines international competitiveness and growth.
ECONOMIC GROWTH LANDSCAPE IN THE CARIBBEAN

- Countries in the region are said to be in the “factor-driven” or the “efficiency-driven” stages of development by World Economic Forum (WEF). Not yet in the “innovation-driven” stage.

- Private sector is the main driver of growth—accounting for 80-85% of total domestic production.

- “Long tail” distribution of enterprises—large number of informal, micro, small and medium enterprises and small number of larger enterprises (with strong export focus)

- Lack of uptake of provisions in trading agreements to drive export-led growth—competitiveness challenge.
Recent descriptions of Caribbean economic growth and development:

- "underachieving society" (Farrell on T&T)
- Existence of an "anti-growth coalition" of old established businesses and public sector bureaucracy (Persaud)

Are these headlines to call attention to our plight in a highly competitive economic environment????

Increasing calls for public sector reform, entrepreneurship, innovation, research and development, productivity growth, implementation (less talk and more action), HRD, finance etc
KNOWLEDGE PROCESS AND ECONOMIC GROWTH: THE ROLE OF UWI

- Econometric research has recognized the key role of human capital via knowledge development and ideas in economic growth and development.
- Higher education and training are critical to the “efficiency-driven” stage of development---WEF
- Universities are vital to the knowledge process:
  - Knowledge creation — research and innovation
  - Knowledge transfer — teaching, learning and training
  - Knowledge application — advisory services, consulting, advocacy
KNOWLEDGE PROCESS AND ECONOMIC GROWTH: THE ROLE OF UWI

- The UWI has been involved in all three areas via its faculties of *science and technology, food and agriculture, engineering, medicine, social sciences, humanities and education and law*

- **Knowledge Creation:**
  - Establishment of specialised institutes, centres, units and networks. Recent *Intellectual Property and Knowledge Transfer Unit* within the Office of Research and Innovation.
KNOWLEDGE PROCESS AND ECONOMIC GROWTH: THE ROLE OF UWI

- Work in such areas as **renewable energy, marine resources (fish stocks, pollution, turtle population), climate change, g-pan, cocoa and chocolate, peppers, natural products, green economy, bio-fuels, prostate cancer and chronic diseases, trade agreements, poverty, agricultural diseases, financial services, model law legislation, cultural services etc**

- Established **Research Days** on the Campuses and **Awards for Research**. Several ideas which can be used by the private sector in the interest of Caribbean development
KNOWLEDGE PROCESS AND ECONOMIC GROWTH: THE ROLE OF UWI

**Knowledge Transfer:**

- Certificate, diploma and degree programmes in several areas and professional training.
- Quality Assurance systems and Certificate in University Level Teaching—quality products.
- Institutional research to get feedback on graduates from employers and themselves.
- Student entrepreneurship and empowerment programs; co-curriculum program, student exchanges—enhanced student experience.
- Distance/online programming (proposed SVUS).
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Knowledge Application:

- Individual and institutional arrangements
- UWI Consulting, SALISES, Business Schools, Business Development Offices etc
- Caribbean Centre for Competitiveness (CCfC) established as part of Compete Caribbean project:
  - Hub for network of competitiveness institutions
  - Forum for discussion and research
  - Central repository for data/information on competitiveness
  - Provision of training and advisory services
WAY FORWARD-PARTNERSHIP MODEL

- Need for a *Regional Strategic Plan for Private Sector Development* to determine the nature of Government facilitation and HRD needs—note the demise of CAIC as an advocacy unit!!

- CARICOM has proposed a *Strategic Plan for Regional Development (SPRD)* with a focus on such sectors as agro-tourism, niche manufacturing, financial services, new exports, transportation inter alia.
Way Forward-Partnership Model

- **UWI** is currently in the first year of its Strategic Plan 2012-2017 with:
  - Key role for private sector in the areas of **finance** (equity capital, infrastructural development, scholarships, in house training); **student development** (internships, attachments); **research and innovation** (commercialization of research/patents, action research); **governance and institutional research** (feedback on graduates, membership of committees, promotion). **Private sector**—main recipient of UWI grads
  - Priority areas for capacity development—**agriculture and biotechnology, energy systems, tourism and hospitality, creative industries, ICT and human security**
WAY FORWARD-PARTNERSHIP MODEL

- Need for greater *UWI-Regional Private sector engagement* (internships, research and development, consulting, advisory work, scholarships and sponsorship)

- CCfC plans to focus on cluster, innovation and value chain aspects of competitiveness within the private sector.

- Need for establishment of a *UWI-CARICOM-Development Agencies-Private Sector Partnership* to drive growth and development in the region, overcome the challenges facing the region (finance, HR, regulation, innovation, productivity) and promote creativity and innovation.

- This Forum is a start but it needs to be sustained by an appropriate institutional arrangement.
THANK YOU