



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**



ECONOMIC GROWTH LANDSCAPE IN THE CARIBBEAN

- 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*.



ECONOMIC GROWTH LANDSCAPE IN THE CARIBBEAN

- 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)



KNOWLEDGE PROCESS AND ECONOMIC GROWTH: THE ROLE OF UWI

■ 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.



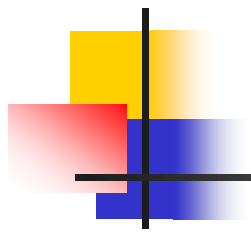
WAY FORWARD-PARTNERSHIP MODEL

- **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 of ***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