



# Regional Seminar on Entrepreneurial Competitiveness and SME's

## **Support Policies for SME'S**



# Approach to Presentation

- General Challenges for SME Development & Competitiveness
- Policy Framework
- Current Strategic Responses
- Conclusions



# Challenges to SME Development & Competitiveness

- Size & Scale of Operations
- Contribution to National Economy
- Management and Access to Skills & Knowledge
- Ownership and Access to Finance
- Location and Access to Physical Infrastructure, Raw Materials and Transportation Services
- Legal and Regulatory Framework and Access to Services



# Considerations in defining Policy Framework

- Global /Regional/ Domestic Macro Environment
- Physical and Social Infrastructure
- Legal and Regulatory Framework



# Global /Regional Macro-Economic Environment

- Open Trading Policy
- Access to Market Opportunities
- Transparent and Predictable Rules of Trade
- Open Exchange of Goods and Services
- Transfer of Appropriate Technology
- Transfer of Foreign Investment



# Domestic Macro/ Micro Environment

- Political Stability
- Predictable Transparent & Accountable Policy
- Integrated Macro Economic Policy



# Physical and Social Infrastructure

- Public / Private Sector Investments in Roads, Ports, Utilities & Telecoms
- Public Private Sector Investments in Health, Education and Culture
- Mechanisms for Affordable / Equitable Access



# Legal and Regulatory Framework

Streamlined Legal and Regulatory Procedures  
leading to:

- Reduction of Business Transaction Costs
- Improved Taxation Regimes and Incentives
- Property Ownership / Intellectual Property Rights
- Access to Government Services in Rural areas
- Access to Effective Dispute Settlement Mechanisms



# Critical Policy Responses Required

- Functional Business Regulatory Framework
- Access to Skills
- Access to Technology
- Access to Finance
- Access to Knowledge & Information



Current

Strategic Responses



# Global / International Responses

- Global / Hemispheric Trading Agreements (WTO, FTAA, etc.)
- International Institutional Agency Programs (UN, World Bank, etc.)
- International Industry Standards and Commodity Associations



# Regional Development Strategies

- Integration Strategies / Programs
  - CARICOM / CARFORUM
  - OECS
- Trading Arrangements
  - CSME / RNM
- Legal Framework
  - CCJ



# National Development Strategies

- Development Plan / Public Sector Investment Programs
- Public Sector Reform
- Legal Reform
- Domestic Competition Regime
- Public / Private Sector Dialog Mechanisms



# Conclusions



# OECS Experience; Remaining Issues

- Weak Information Systems and Flows
- Domination of Trade Related Strategies
- Insufficient Focus on Enterprise Development
- Weak Coordination and Integration of Strategies
- Limited Participation of SME's in Policy and Trade Negotiation Processes
- Slow Pace of Law Reform
- Preoccupation with Procedures and Institutional Territory



# OECS Experience; Remaining Issues contd

- Limited Business Services and Institutional Capacity
- Access to Skilled Labor and Impact of Migration
- Access to Appropriate Financial Services



# OECS Export Development Unit SME Support Strategy

- Building Institutional Capacity / Networking Capacity
- Building Private Sector Services Delivery Capacity
- Developing Sustainable, Successful Enterprises / Industry Champions
- Developing Best Practices Templates
- Developing Competitive Clusters
- Creation and use of Systems for Direct Enterprise Level Interventions
- Strengthening Advocacy Mechanisms