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TOPIC: The role of entrepreneurship and private sector in the growth of the region's economy: What is being done and what more can be done to facilitate the growth of entrepreneurship and private sector development in the region?

Entrepreneurship can be defined as the starting of businesses and the organising of business deals which often include financial risks. The private sector may be defined as the industries and services in a country that are not owned and controlled by the government. The Longman Dictionary defines economy as, “the system by which a country’s money and goods are produced and used. Therefore, “the role of entrepreneurship and private sector development” can be described as the importance of risk taking in the advancement of business enterprises owned by the citizens of a country.

Entrepreneurship and private sector development play a pivotal role in the growth and development of the economies of the region. In fact, private enterprises account for the majority of economic activity in the region.

One of the most tangible contributions of entrepreneurship and private sector development in the region is the creation of employment opportunities for thousands of people. The St. Lucia 2009 Enterprise Census reveals that forty-two thousand (42,000) persons were employed in the private sector. This represents almost fifty per cent (50%) of the work force. Therefore, as the private sector develops and entrepreneurship flourishes, more employment opportunities are created. Employment provides individuals with the means to pay for goods and services, which in turn fuels economic activity, and promotes further development of the private sector. The creation of jobs by the private sector also indirectly stabilises the economy. Unemployment can give rise to a myriad of social ills which negatively impact the

economy. As recently as last year, after a barrage of attacks on Norwegian Cruise Line clients, the ship pulled out of St. Lucia, depriving the country of millions of dollars. Also in Antigua and Barbuda, after the brutal murder of a visiting couple, the tourism industry was severely battered. Such incidents can certainly have devastating repercussions on the economies of the OECS region. Therefore, entrepreneurship and the continuous growth and development of the private sector are crucial in meeting the employment needs of a growing nation.

Another significant role of entrepreneurship and private sector development is its contribution to a country's Gross Domestic Product. The Oxford English Dictionary defines Gross Domestic Product as, "the total value of goods produced and services provided within a country during one year". In Antigua and Barbuda, the Gross Domestic Product for 2007 was two billion, five hundred and fifty eight million, and six hundred and seventy thousand dollars (\$2,558,670,000), and for 2008, it was two billion, seven hundred and seventy six million, one hundred and eighty thousand dollars (\$2, 776,180,000). Understandably, the ongoing development of the private sector would have contributed significantly to those amounts, hence, the need for continuous growth in entrepreneurship and private sector development.

Additionally, as the private sector develops, businesses pay taxes, and these are used by the government to inject into the economy. Revenues collected are used to build and improve existing infrastructure, and to implement other capital projects. This in turn, has a multiplier effect on regional economic activities.

In recognition of the significant role of entrepreneurship and private sector development, governments across the region have established several agencies in an effort to provide a structural approach to business operation in their respective countries. For instance, in Saint Lucia, the Organization of Private Sector Relations (OPSR) was established to stimulate and promote business growth and development in the economy. Another agency that was set up was the Small Enterprise Development Unit (SEDU), with the mandate to facilitate the sustainable development of the micro and small business sector. The SEDU also provides technical assistance to existing and prospective entrepreneurs. Similar organisations can be found in many other countries in the Caribbean. Many governments in the region also provide skills training to individuals in order to make a skilled labour force available to the private sector. The National Skills Development Centre in St. Lucia is a typical example of an institution where such training is provided.

Caribbean governments have not only assisted with technical support, but also in the form of financial incentives to entrepreneurs and business owners. The establishment of development banks is testimony of such support. For example, the Dominica Agricultural Industrial and Development Bank (DAIDB), established in 1971, aims to promote and influence economic development, entrepreneurship and to provide funding to businesses. Development banks usually make loans available at a lower interest rate than commercial banks. Tax concessions are also being provided to the private sector in order to be more competitive on the global market. In St. Lucia, for instance, the

government provides over one hundred and fifty million dollars (\$150,000,000.) in tax concessions annually.

Some governments in the region have also enacted laws to facilitate the growth of the private sector. In St. Lucia, the Micro and Small Scale Business Enterprises Act was introduced to, “provide a legislative base for micro and small scale business enterprises...” This ensures the sustainability of the sector.

In spite of all the measures put in place by regional governments to aid in the development of entrepreneurship and the private sector, there is still a lot more that can be done. These can include the provision of proper infrastructure to businesses. A successful agricultural sector, for instance, depends largely on the availability of a good road network, a reliable water supply and electricity.

Governments can also grant greater tax concessions to the business sector, thereby increasing profit margins. Such profits can be used to expand businesses. Additionally, governments can make factory shells and warehouse space available to prospective and existing business owners, at reasonable rental rates. This can reduce production costs in the sector, thus making more funds available for further expansion.

It can be conclusively stated that entrepreneurship and private sector development are critical to the growth and stability of regional economies, since these serve as main drivers of economic activities. Governments have no doubt, implemented various plans

and strategies to encourage entrepreneurship and growth of the private sector within the region. However, a lot more can be done.

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