

NAME: JHOVAN DANIEL

SCHOOL: MONTSERRAT SECONDARY SCHOOL

COUNTRY: MONTSERRAT

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 and the private sector contribute significantly to the Caribbean region's economy. The private sector fuels a country's economy through the employment opportunities it creates and this allows the government to tax individuals and gain revenue. The more people working in a country, the more revenue can be collected. The private sector has several roles, which include the introduction of new services and technology to a country. Digicel and LIME are two very large telecommunications service providers which serve most islands in the Caribbean. They employ many persons across the islands and collaborate with other private businesses in the islands. These other private businesses also gain revenue for providing services on behalf of the telecommunications service providers, for example from the sales of cell phones and top-up. A Dominican entrepreneur set up a service known as Marpin Communications. This communication service now provides the island of Dominica with cable television, telephone and internet services.

Private businesses also help to satisfy the population's demand for goods. In the Caribbean, the majority of stores and markets is privately owned. They import and produce their own goods.

In the Caribbean, much is being done to promote entrepreneurship and private sector growth. The government and other companies and organisations businesses make progress. Larger companies help smaller businesses to start investments and increase the likelihood of success. For example, the Montserrat Development Corporation (MDC) in Montserrat plays a role in private sector development on the island. The

organisation encourages and allows business owners, and persons who would like to become business owners, to invest in areas that are being developed in the island's new town. These areas will become available upon the town's completion. The Angel Investment Network branch in Trinidad and Tobago, assists entrepreneurs who are looking for an opportunity to start a business on the island. The investment company allows entrepreneurs to take advantage of the strong ties of its overseas branches in North and South America to access resources and further benefits.

In many places in the Caribbean tax plans have been made between the government and private businesses to allow the business to profit from its operations. In Anguilla, a local company is permitted to transact both internationally and within the island. By decision of the government, Anguilla has remained a tax free jurisdiction, where freedom from local taxation is generally dependent on using an international business company. The Anguilla Business Company is also exempt from many filing and reporting requirements of a public company and may also be designed to function with a trust created under a trust act.

Organisations share information and funds to boost private sectors in the Caribbean. In May, 2010 The Inter-American Development Bank (IDB) approved of a multi-faceted programme called 'Compete Caribbean.' This programme was a joint initiative of the IDB, the Canadian International Development Agency (CIDA), and the UK's Department for International Development (DFID).

Governments also develop programmes to encourage the youths to become entrepreneurs. The Government of Montserrat held an entrepreneurship seminar under the programme Helping Youth Prepare for Employment (HYPE). Presentations, business plans, and strategies were discussed at this seminar. The government provided up to \$20,000 for the youth as start-up for their business initiatives. The interest on these loans is significantly lower than commercial bank loans to give the youth a boost in their business venture.

Although much is being done to develop entrepreneurship and private sector areas, more can be done. Governments can make business taxes more flexible to accommodate private business growth. Government subsidies in the form of grants and low interest loans would help businesses with finances. Also, allowing smaller businesses to import equipment and products duty-free would reduce their start-up costs. Giving starting businesses a period of tax exemption would allow the business to reach a level of sustainability and profitability in a shorter time span. Banks can also make special plans to allow businesses to make more progress with less interest.

Students can be encouraged to start their own business ventures by learning more about entrepreneurship. Subjects such as Economics, Principles of Business and Accounts should be made available in schools which do not offer these subjects. In schools where these courses are available the subjects can be presented in a more appealing manner to increase the students' interest in entrepreneurship.

The progress of entrepreneurship and private sector areas is essential for the growth of the region's economy. The government and other organisations and companies play a role in the development of these areas by means of sharing information and funding. More can be done by closer co-operation with private businesses, and to encourage the youth to become more involved in entrepreneurship.

# Bibliography

Information was obtained at the following sites:

[www.caribbeaninvestmentnetwork.com](http://www.caribbeaninvestmentnetwork.com)

[www.lawyers-abogados.com](http://www.lawyers-abogados.com)

[www.marpin.dm](http://www.marpin.dm)

[www.MDC.ms](http://www.MDC.ms)

[www.newsmontserrat.com](http://www.newsmontserrat.com)