

No Globalization without SME Strengthening

The ongoing talks about Globalization and the Caribbean's role in that process have led to one definite statement: there can be no true globalization without sustaining and strengthening the already existent SMEs and help creating new ones. The scattered efforts of providing this aid, in terms of financial programs and funds from "Partners" or "Donors" such as the Commonwealth and the European Union, have proven that it is time for all countries in the region to individually as well as collectively recognize the importance of SMEs in the economy. In addition, they must consider this sector as a vital link for the stability and coherence of the social and economic climate of the region.

The regional implemented programs measured success varies from one destination to another, which depends on multiple factors. This may include the set of rules and regulations which comes with allocated funds that quite often differ according to the island's international status as OCT, CARICOM or UPT.

Nevertheless, the realities of the different islands with regards to the SME sector are the same and often face the same challenges. The major challenge is linking the multiple business opportunities our economies are offering with the collective responsibilities we all have to empower and promote our existing SMEs and to assist in creating new ones. The multiple incentive mechanisms we have in our legislations that favor Foreign Direct Investments (FDI), quite often do not help our existing or potential SME's; in contrast it creates the perception of an unfair competitiveness.

The promotion and implementation of the CSME dictate that all our SMEs have a good chance to extend their business opportunities in the region and share their acquired expertise with their neighbors. For that, a common approach to the strengthening of SMEs must be adopted and widely supported by all governments of the region who will translate this effort in a concept of an "SME Common Policy". This policy should consist of 3 main areas:

1. The Strengthening of the SME Units, such as Small Business Organizations for the implementation of business development services
2. The establishment of regional non-financial programs consisting of; Business Advice, Business Trainings and Business Information BDS
3. The tailoring of regional policies that favors financial support to SME's in the form of micro-lending and other incentives in their cost of doing business, (utilities, tax incentives, less bureaucracy etc.). To enhance the business enabling environment BEE

Hence, since the creation of a new portfolio with an assigned Vice President in charge of SME Relations, for the last 2 years the CAIC has been exploring different ways and means to enhance the economic climate and infrastructure for the sustainability and the creation of SMEs. The general consensus is presently dictating the urgent need to combine all efforts and experiences, past and present, in one single approach toward the sustainability and strengthening of our local SME sector. All the “Partners” or “Donors Agencies” are not only in agreement with this approach, but also puts it as a condition for the release of additional funds to the region.

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