Caribbean E-Business: Challenges and Opportunities

Presentation by
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This presentation discusses opportunities and challenges for developing ICT enabled businesses in the Caribbean.

It briefly reviews the context in which ICT strategies are implemented.

It will also identify some opportunities for e-business in the Caribbean; and

It will make some recommendations for an approach to capacity building that aligns ICT strategies with development needs.
Caribbean Development Challenges

- HIV/AIDS
- vulnerability
- environmental degradation
- small population and migration
- unfriendly geopolitical climate
- poverty
- competitiveness
- education and social services
- debt burden
The Caribbean Islands Sit Within Global Developments

- Deregulation & liberalisation
- Rapid technology and expenditure shifts
- Strong demand for data and internet services
- The rising level of customer service needs, and growth in choice
Local Conditions Matter!

- Small land mass and declining populations due to migration
- ICTs are relatively affordable for mass population despite high levels of monopoly
- Sluggish implementation of new technologies and low levels of innovation in deployment of applications
- High levels of unmet demand for regional infrastructural (interregional networks) and content (regional broadcasting and networking) projects
- Great potential for applications in social sectors (education, health, political participation)
- Dynamic competitive advantage in cultural production, leisure and entertainment services
What has been done?

- Caribbean Technology Policy Studies research series completed (1970s and 1980s)
- Establishment of national science councils 1970s
- National microelectronic based development strategies (1980s)
- Technology transfer policies (UNCTC, UNCTAD) (1980s)
- Sector studies and preparation for GATS service round negotiations (early 1990s)
- Telecommunication Sector reform studies 1990s
- E-government studies 2000 onwards
- E-commerce studies 2000 onwards
- National ICT policy processes 2000 onwards
1990s a decade of regional stagnation

- Slow pace of privatization
- Sluggish liberalization and increased competition
- With few exceptions, few new operators have been licensed
- Slow rate of institutional capacity building
- Very little innovation in financing of telecommunications expansion (bilateral and multilateral financing) rather than capital market financing strategies.
- Little or no coordination of efforts to support ICT enabled businesses
Assessment

- Lack of awareness of ICTs as a plank of development
- Lack of conviction that proactive ICT strategy can assist with trade, knowledge acquisition, poverty alleviation etc.
- Insufficient analysis of how Caribbean can benefit from proactive ICT sector development and application of ICTs in other sectors
- Insufficient implementation mechanisms
- Limited institutional capability
- No central “home-grown” strategy
- Overly influenced by international partners and external bodies
- Limited involvement of civil society, particularly regional academic institutions
Recommended Regional ICT Strategy

- Expand access to basic and advanced information and communications services (voice, data, Internet)
- Promote and popularize ICT use
- Encourage use of ICT for enhancing competitiveness in tourism, entertainment, cultural and leisure services and agriculture
- Promote effective use of ICTs for productivity enhancement and increased quality in education, health, trade facilitation, E-government, Manufacturing and Finance
- Promote growth of niche ICT production segments based on assessment of dynamic competitive advantage
- Develop local content and implement appropriate protection for Intellectual Property
- Support innovation in ICT applications and facilities
- Human capacity development strategy to support these efforts
Elements of an Enabling Environment

- Sector reform
- Infrastructure development
- Institutional strengthening
- Human capacity building
- Enabling policy, legislation, and regulations
  - Payment protocols and standards
- Facilitate market access for developing country exporters
- Intellectual Property Regime
Key Milestones

Enabling Environment

- Office of Utility Regulation, Jamaica
- Establishment of ECTEL (OECS)
- Summit of the Americas 2001,
- Georgetown Declaration of Ministers responsible for ICT Development (Feb 2003)
- CARICOM Connectivity Strategy approved July 2003
- CARICOM considering action oriented flagship programmes, October 2004

Applications

- University teaching and research networks
- UWI MONA supercomputer and MONA Informatics
- Jamaica Digiport
- Barbados Information Services strategy
- Barbados e-education strategy
- Multimedia communication centres pilot projects (UNESCO)
- Regional Distance learning projects
- Telecentres
Creating E-Business Opportunities

The development of a vibrant e-business sector will require efforts to:

- Promote risk assessment and evaluation in financial service industry
- Work in collaborative modes, for example through industry associations and
- Behavioural change in regulatory bodies so that they undertake regular consultations with e-business firms and engage as facilitators
- Design and implement appropriate IPR regime with competent legal and policy professionals
E-Business Value Chains

- ICT sector promotion should develop niche strategies where maximum value can be created
- Minimise outflows from the region
- Encourage an innovation and experimentation culture so that Caribbean increases production activity, particularly in design
- This strategy will require formal tertiary education and vocational training for technologists and engineers as well as social science related disciplines for e-business ventures
- Knowledge production centres e.g. regional and national universities linking with private sector and industry bodies
IPR Issues for the Information Age

- Digital commons and efforts to license non-commercial content to maximise opportunities for free distribution and open access (Creative Commons)
- Wide scale piracy
- Efforts to protect rights of Caribbean cultural producers who have not been able to adequately penetrate or exploit global markets with unique
- Efforts to generate commercially viable electronic goods and service businesses
e- Trade and e-Commerce

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Best opportunities
- Tourism
- Entertainment
- Professional services
- ICT and IT-enabled Services
- Education and training

Common barriers
- Legal and regulatory environment
- Infrastructure and costs
- Cumbersome bureaucratic procedures
- Small size of countries and small regional markets
- Inadequate promotional thrust to attract investment
- Insufficient attention to Intellectual Property Protection
Cultural Services, Leisure and Entertainment

- Digital music production and the use of ICT in making music with technology.
- Caribbean culture services were showcased at WSIS, Geneva; UNCTAD XI, Brazil.

MultiCast producers Makonnen Blake Hannah and Eric Dixon.
Flagship Programmes

ICC Cricket World Cup 2007

- Collaborative tools that improve the efficiency of the WICBC planning team
- E-commerce and E-tourism services linked to the World Cup to maximise the revenue generating and developmental opportunities.
- Provide a large-scale technical experimentation for Caribbean content developers, systems designers and project managers.
ICT and ICC Cricket World Cup 2007

Application of ICT in all administrative procedures across the entire value-chain associated with preparation and execution of the ICC Cricket World Cup has the potential to reap these benefits:

- more cost-effective
- more customer oriented,
- extend the market across geographic boundaries
- living laboratory for Caribbean innovation
Virtual Information Space (VIS)
New channel to display & access company products & services-related information
(marketing, advertising, etc.)

Virtual Transaction Space (VTS)
New channel to initiate & execute business-related transactions
(orders, payments, etc.)

Virtual Communication Space (VCS)
New channel to engage in relationship, ideas & opinion-building activities
(lobbying, negotiations,)

Virtual Distribution Space (VDS)
New channel to distribute products & services
(digital goods & content, software, tele-consulting services, etc.)
Resources


5. Identifying Barriers Encountered by Women in the Use of Information and Communications Technologies (ICTs) for Open and Distance Learning in the Caribbean, Sponsored by The Commonwealth of Learning, November 24, 1999 Bridgetown, Barbados.


Thank You
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