



# ENTREPRENEURSHIP – THE DRIVER FOR ECONOMIC DIVERSIFICATION IN TRINIDAD & TOBAGO



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## At a glance – Key findings:

-Trinidad & Tobago compares very favourably with other innovation-driven economies on positive attitudes of the adult population towards entrepreneurship, the level of confidence they have in their abilities to start and run a business, their perception of good opportunities to start a business and their low fear of failure.

-It outperforms the average for innovation-driven economies on the rate of early-stage entrepreneurial activity, although the lower ratio of nascent entrepreneurs to new business owners indicates a smaller pipeline of new entrepreneurs. It also has a low business discontinuance rate indicating potential growth in the stock of enterprises.

-However, the vast majority of early-stage ventures are low in innovativeness and employing old technologies. Although modest, the level of innovativeness is greater than in established businesses.

-There are several weaknesses in the framework conditions for entrepreneurship.

-An expansion of entrepreneurial activity in the country should be directed to new and emerging sectors of the economy with higher value-added and innovativeness.

## Major policy recommendations

• Make entrepreneurship development and start-up support a distinct strategic pillar of the “Draft Micro and Small Enterprise (MSE) Policy for Trinidad and Tobago 2013-2016” and design and implement policies to: simplify business start-up procedures; reduce barriers to entry of new ventures across sectors; encourage entrepreneurs to pursue high value added opportunities in sectors that will diversify the economy; integrate entrepreneurship curriculum across disciplines in the vocational technical and tertiary levels of education; expand the number of commercial business incubators; ensure start-ups have access to financing; and initiate a special programme targeting the development of women entrepreneurs and their enterprises. The objective should be to address blockages in the entrepreneurial pipeline to improve the rate of transition of adults from intentions to start a business to start-up actions through to establishment of a sustainable enterprise.

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This policy brief and the full GEM reports can be found at: [www.gemcaribbean.org](http://www.gemcaribbean.org)

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This policy brief presents findings from an investigation of the level and nature of entrepreneurial activity in Trinidad & Tobago and draws implications for policy to strengthen the role of entrepreneurship in the economy. It is timely given recent consultations on the draft Micro and Small Enterprise (MSE) Policy for Trinidad and Tobago 2013-2016 prepared by the Ministry of Labour and Small and Micro Enterprise Development (MOLSMED).

## INTRODUCTION

The Global Entrepreneurship Monitor (GEM) is the largest global study of entrepreneurship. GEM started in 1999 with 10 participating countries and in 2013 covered 70 countries. Whereas most small and medium enterprise (SME)-related studies and data collection efforts focus on firms, GEM focuses on the attitudes, activities and characteristics of individuals who participate in the various phases of entrepreneurship. The objectives of the GEM research are to: (1) measure differences in the level of entrepreneurial activity between countries; (2) uncover factors determining the level of entrepreneurial activity; and (3) identify policies that many enhance the level (and quality) of entrepreneurial activity at the national level.

The “GEM Caribbean” initiative ([www.gemcaribbean.org](http://www.gemcaribbean.org)) is a three-year project, supported by Canada’s International Development Research Centre (IDRC), to establish, train and strengthen entrepreneurship research teams in several Caribbean countries, including Barbados, Colombia, Jamaica, and Trinidad & Tobago. The research by these teams measures the levels, underlying factors, and environmental constraints of entrepreneurship within each national environment and comparatively within the region by using the GEM methodology. The project seeks to provide policymakers with a stronger empirical foundation to inform actions and monitor progress in the promotion of entrepreneurship and job creation in the Caribbean.

This policy brief is based on findings from the GEM research studies in Trinidad & Tobago conducted by the Arthur Lok Jack Graduate School of Business at the University of the West Indies, a partner in the GEM Caribbean regional initiative. The policy brief is further

informed by an analysis of national level policies, programmes and initiatives aimed at supporting the development of entrepreneurship and micro, small and medium enterprises (MSME) in Trinidad & Tobago.

## CONTEXT

Trinidad & Tobago is a small, high-income country of 1.3 inhabitants with per capita gross domestic product (GDP) of USD 29,574<sup>1</sup>, one of the highest among Latin America and the Caribbean (LAC) countries. It is classified by the World Economic Forum as an innovative-driven economy. The economy is heavily dependent on petroleum and natural gas production, which accounts for over 40% of GDP, 84% of exports, and over 50% of total government revenues. However, this sector employs less than 5% of the workforce and benefits from energy investments do not spill over to the rest of the economy. Depleting energy reserves is forcing the government to pursue policies to diversify the economy by broadening and strengthening the under-developed policies to diversify the economy by broadening and strengthening the under-developed non-energy manufacturing and services sectors.<sup>2</sup>

Although the economy has experienced slow growth over the past few years, much lower than the average for LAC countries, the unemployment rate stands at less than 5%,<sup>3</sup> a relatively modest level. However, this could be further reduced with expansion of the SME sector. In addition, structural rigidities and competitive and innovation deficiencies in the domestic economy, coupled with declining energy resources, have propelled the need for urgent policy corrections.

The government's Medium-Term Policy Framework 2011-2014 outlines the direction of policy shifts towards building a new economy that is capable of generating higher levels of productivity, competitiveness and

innovation-driven economic growth (Ministry of Planning and the Economy, 2011). One of the seven pillars of the strategic approach, "creating a diversified and knowledge-intensive economy", rests on enhancing the knowledge, skill and talent of Trinidad & Tobago's human capital and its engagement in higher value added productive activities in the services sector, creative sectors, and innovation-related research and development (R&D) activity. Development priorities include creating expanded opportunities for high-paying jobs, entrepreneurial activity, MSME development, and wealth generation. In many respects, achieving the government's goal is dependent on its success in producing knowledge-economy-based entrepreneurs and diversifying the economy fast enough to absorb a growing number of graduates from the higher education sector.

The competitiveness business strategy (2011-2014), in support of the Medium-Term Policy Framework, centres on the government's efforts to drive innovation and entrepreneurship, support new internationally-competitive strategic sectors, promote cluster development, and improve the business environment (MTI et al., 2011).

The MSME sector in Trinidad & Tobago contributes about 28% of GDP (MOFSMED, 2013), much lower than the average in developed countries of closer to 50% (Ayyagari et al., 2005). Although the sector accounts for over 80% of jobs in the country, development of MSMEs in Trinidad faces a number of challenges and barriers. These include: limited access to business know-how and knowledge about available resources and supports, including credit and training; lengthy bureaucratic processes, leading to a high level of informality among start-ups; limited access to suitable commercial premises for the business; difficulties in accessing regional and international markets due to information deficiencies and the complications of meeting international standards; difficulties in accessing new technologies; inability to access private and public procurement opportunities; inadequate access to affordable technical and managerial consultancy; a low level of innovation; and poor access to financing, especially for start-ups.<sup>4</sup> These are all contributing

<sup>1</sup> World Development Indicators database, data for 2012 in purchasing power parity (PPP).

<sup>2</sup> According to the World Development Indicators, the manufacturing sector is only 6% of GDP compared to 16% of GDP in Latin American and Caribbean (LAC countries) and 15% in high-income countries. Likewise the services sector amounts to only 42% of GDP, compared to an average of 63% in LAC countries and 74% in high-income countries. See: <http://wdi.worldbank.org/table/4.2>

<sup>3</sup> Central Bureau of Statistics, Trinidad & Tobago.

<sup>4</sup> Documented by the National Entrepreneurship Development Company (NEDCO) and in MQLSMED (2013), "Draft Micro and Small Enterprise (MSE) Policy for Trinidad and Tobago 2013-2016".

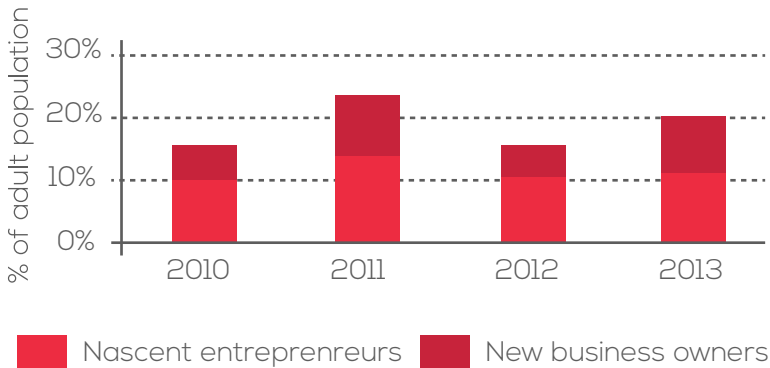
factors in the low level of productivity and competitiveness of the MSME sector.

One of the limitations in developing appropriate policy for development of the MSME sector in Trinidad & Tobago is the paucity of official up-to-date data on MSMEs and the sector’s performance trends. One source of credible data on entrepreneurial activity and the nature and characteristics of entrepreneurship is the Global Entrepreneurship Monitor (GEM). The Arthur Lok Jack Graduate School of Business in Trinidad has been a partner in the GEM research project since 2010 and produced four annual reports.<sup>5</sup> The findings of these studies offer important policy implications for the government.

### Entrepreneurial activity rates in Trinidad & Tobago vary from year to year

Since 2010, the percentage of the adult population (18-64) involved in early-stage entrepreneurial activity - either actively trying to get a business started (nascent entrepreneurs) or owning a young business that is less than 42 months old (new business owners) - has varied from a high of 22.7% (2011) to a low of 15.1% (2010). With four years of data, the rate of early-stage entrepreneurial activity appears to be somewhat cyclical.

**Fig. 1. Trends in early-stage entrepreneurial activity rates, Trinidad & Tobago**



Source: GEM Trinidad and Tobago data

In 2013, the nascent entrepreneur rate of 11.4% of the adult population was the highest among the innovation-driven GEM countries (average of 4.7%), and just below average for the 14 Latin America and Caribbean (LAC) countries. It also outperformed the innovation-driven economies on the rate of new business ownership (8.5% of the adult population versus an average of 3.3%) and ranked fourth among the LAC countries. This indicates competitive levels of early-stage entrepreneurial activity. However, in 2013, there were 1.34 adults trying to start a business to every adult who already owned a new business that was less than 42 months old. This is lower than both the average for other LAC countries (1.68:1) and the innovation-driven economies (1.42:1), suggesting a smaller pipeline of nascent entrepreneurs relative to the stock of young enterprises. The government would be well placed to focus on stronger promotion to encourage Trinidadians to actively pursue entrepreneurship and efforts to ensure that the nascent entrepreneurs are able to access the support they need to successfully launch a sustainable enterprise.

### Age and education matter to the level of entrepreneurial activity

Similar to other GEM countries, early-stage entrepreneurial activity rates are highest among adults in the 25-34 age range (26.7% of adults in this age group versus the national average of 17.6%), followed by a rate among the 35-44 age group of 23.8%. In 2013, over a third of all early-stage entrepreneurs were 25-34, 24% were 35-44 and 14.5% were between 18 and 24.

The decreasing share of young people in the 18-24 age group from 22% in 2010 may be of concern and signal the need for stronger policy and programme efforts on the part of the Ministry of Labour and Small and Micro Enterprise Development (MOLSMED) and the National Entrepreneurship Development Company (NEDCO) to target youth in their entrepreneurship promotion,

<sup>5</sup> Copies of the national GEM reports for Trinidad & Tobago can be accessed online at: <http://www.gemconsortium.org/docs/cat/4/national-reports/>

training, mentoring, and start-up support. This is particularly important since many of them may not have had any previous exposure to entrepreneurship education/ training and have limited business management skills. As well, access to financing is expected to be a major issue for young entrepreneurs without collateral and a track record in business.

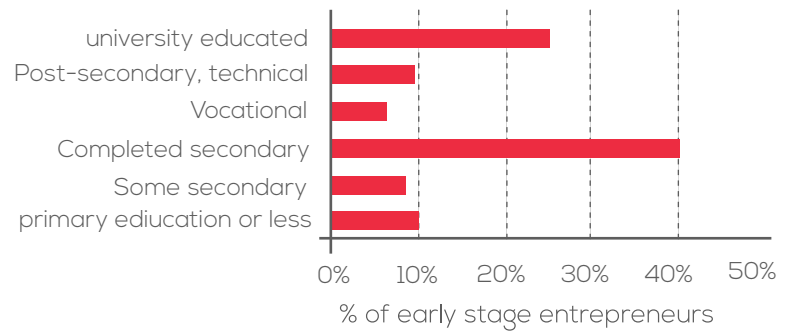
In general, entrepreneurial activity rates increase with levels of education; for example, GEM reports find that university graduates have a much higher prevalence rate than adults with no formal education or only a primary school level education. This is also true for Trinidad & Tobago.

In 2013, almost 25% of the adult population with a tertiary level of education were involved in early-stage entrepreneurial activity, compared to 17.2% of those with a secondary level education and only 8.4% of adults with a primary level education or less. However, the highest rate of early-stage activity was reported among adults with a vocational level of education (30.3% of this cohort). Due to the overall education distribution of the population, adults with a secondary education or less accounted for over almost 60% of the early-stage entrepreneurs in 2013. Since more highly educated adults have a higher probability of developing growth businesses, one of the policy objectives in Trinidad & Tobago should seek to integrate entrepreneurship in a cross-disciplinary manner across the education system with a focus on secondary, vocational and university education programmes, as individuals who have been exposed to entrepreneurship education and training tend to have higher start-up rates and to be more successful in their attempts.

### Relatively high proportion of opportunity motivated entrepreneurs...

Trinidad & Tobago stands out among GEM countries for the high percentage of early-stage entrepreneurs who are driven to start their businesses because they see an opportunity (76%). This compares to the LAC average of only 45.4% and an average of 53.7% for innovation-driven economies. The relatively low national

**Fig. 2. Share of early-stage entrepreneurs by level of education, Trinidad & Tobago, 2013**



Source: GEM Trinidad and Tobago data

unemployment rate in Trinidad & Tobago may be factor in the very modest share of necessity motivation to start a business.

### ...and relatively low level of business discontinuances among the adult population

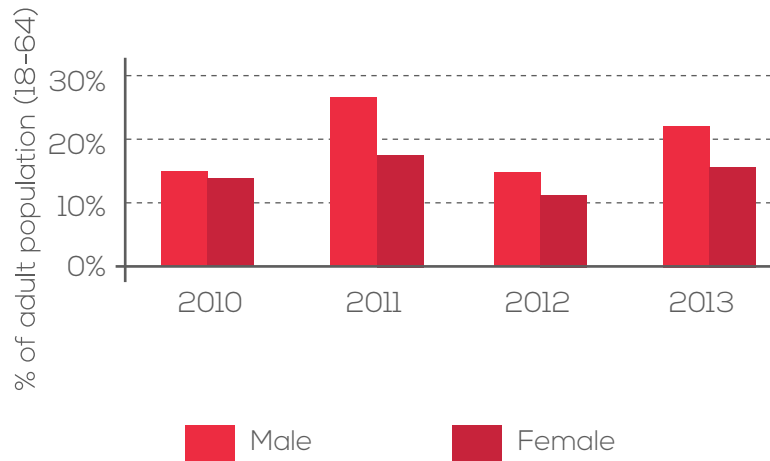
GEM data for Trinidad and Tobago reveal relatively low levels of business discontinuance compared to other LAC countries, but higher than the average for innovation-driven economies. In 2013, 4.1% of adults reported that, in the past year, they had “quit, sold or closed” a<sup>8</sup> business they had previously owned and managed, compared to an average of 4.9% of adults in LAC countries. There is also a significant gap between the percentage of nascent entrepreneurs and the percentage of discontinuing entrepreneurs in the Trinidad & Tobago population; on par with the LAC average, but much wider than the average gap in innovation-driven economies. This suggests potential for growth in the overall stock of enterprises as long as the nascent are actually able to get their businesses launched – 2.78 adults trying to get a business started in the “past 12 months”, for every adult disengaging from an enterprise they previously owned.

<sup>8</sup> A “business discontinuance” is not synonymous with “failure rate” as in some cases the business itself continues to operate under different ownership. In 2012, this was the case for 16% of the enterprises that the entrepreneurs had disengaged from in the previous 12 months (Bailey et al. 2013).

## Small gender gap in entrepreneurial activity rates...

Across GEM countries, the early-stage entrepreneurial activity rates for adult women are generally lower than for men, which is also the case in Trinidad & Tobago. In 2013, 23% of adult men were trying to start a business or owned a young business compared to 16% of adult women.

**Fig. 3. Early-stage entrepreneurial activity rates by gender, Trinidad & Tobago**



Source: GEM Trinidad and Tobago data

This gender gap of seven percentage points was the same as the average for 13 other LAC countries. Over the past four years, women have accounted for an average of about 43% of the adults either trying to get a business started or owning a new business, which is close to the female share of the Trinidadian labour force. The ratio of early-stage male to female entrepreneurs has averaged about 1.34:1, but rose to 1.44:1 in 2013.

## ...but qualitative differences in female entrepreneurial activity

Although the gender gap in early-stage entrepreneurial activity rates is not significant compared to GEM averages for developed countries, some qualitative differences in male and female entrepreneurial activity should be considered. Firstly, GEM data reveal that a lower percentage of adult women than men have confidence in their skills and ability to start and run a business and a higher percentage indicate that fear of failure would prevent them from starting a business. This is also the case in Trinidad & Tobago (Kelley et al., 2013, p. 48).

Secondly, women are more likely than men to be motivated to start a business out of necessity than to pursue a good business/market opportunity. Early-stage women entrepreneurs in Trinidad & Tobago are twice as likely as men to be motivated out of necessity (22% of women entrepreneurs versus 10% of male entrepreneurs), although the majority of both groups are opportunity motivated (Kelley et al., 2013, p. 50).

Thirdly, female owners of both new and established businesses are much less likely than men to have employees while also reporting lower job growth aspirations for their businesses, a finding that applies across all GEM regions (Kelley et al., 2013). In 2012, early-stage women entrepreneurs in Trinidad & Tobago were less likely than men to be employers – 34% versus 64%. Further, women with established businesses (more than 42 months old) were less likely than men to create jobs for others – 45% versus 59% (Kelley et al., 2013, p. 52). It is also noted that a smaller percentage of women entrepreneurs in Trinidad & Tobago were employers than average across the LAC countries.

The “Draft Micro and Small Enterprise (MSE) Policy for Trinidad & Tobago 2013-2016” recognises the critical role of women in enterprise development and boosting a modern economy and includes policy commitments to create women’s mentoring networks and partnerships with groups to address their particular needs (MOLSMED, 2013). However, advocates stress the need for state-sponsored support in order to reap the

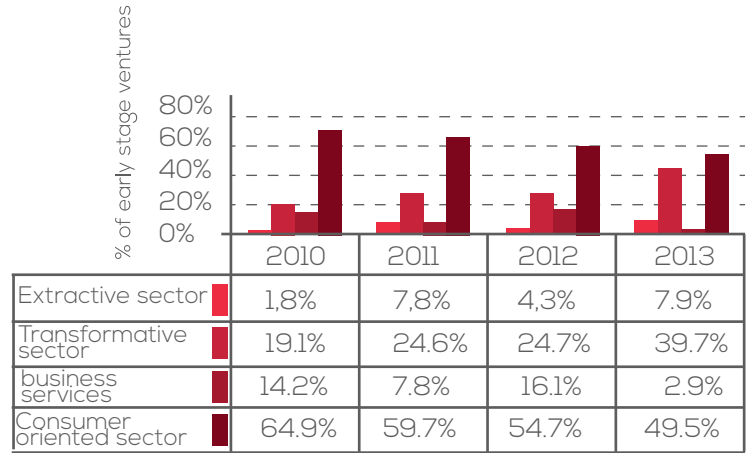
economic potential of women’s entrepreneurship. This includes broadening the scope of fields that women are exposed to expand their perspectives; establishing laws and regulations that increase women’s land ownership opportunities; increasing their access to financial services, entrepreneurship/ management training, business support services and appropriate business premises; providing better incentives to women for contracting opportunities; and promoting awareness of entrepreneurship as a career option among young girls.<sup>9</sup>

**Evidence of slightly more sector diversification...**

One of the goals of the government is to diversify the economy into new economic sectors. The economy is currently dominated by the petroleum sector, with the non-energy manufacturing sector contributing only 6% to GDP, and services only 42%, which are far below the averages for high-income countries.<sup>10</sup> The agriculture sector accounts for less than 1% of GDP. Therefore, it is important to consider which sectors of activity are being pursued by new entrepreneurs.

The majority of early-stage entrepreneurs in Trinidad & Tobago have enterprises in the consumer-oriented sectors (retail, restaurants and bars, lodging, health, education, social services and recreation), although the share of activity in these sectors has been declining over the past four years. There has been a significant increase in the share of start-ups in the transforming sectors (manufacturing, construction, transportation and wholesale distribution), with variable levels of activity in the extractive sectors (agriculture, forestry, fishing and mining) and business services, the latter being particularly underdeveloped in the country, especially diversification into high value services.

**Fig. 4. Early-stage entrepreneurial activity by sector, Trinidad & Tobago**



Source: GEM Trinidad and Tobago data

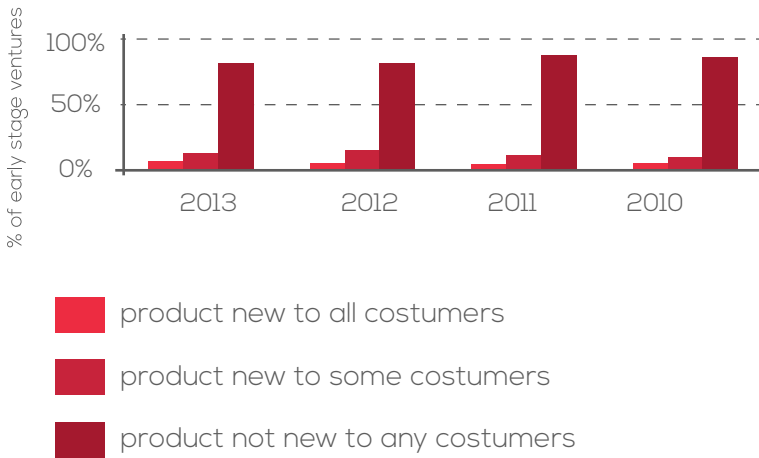
**...but early-stage ventures are weak on indicators of “innovativeness”**

In 2013, 82.6% of the early-stage entrepreneurs reported that their products/services would not be new to any customers; 62.4% that many businesses offer the same products; and 83.4% that they were using old technology (more than 5 years old) in their businesses. Only 17.4% of the early-stage entrepreneurs in 2013 considered that their products or services would be perceived by all or some of their customers to be new or unfamiliar, compared to an average of about 40% of the early-stage entrepreneurs across LAC countries. Trinidad & Tobago also lags behind the LAC average for operating in new markets. Only 37.6% of its early-stage entrepreneurs indicate that there are few or no businesses offering the same product, compared to the LAC average of almost 45%. Only 3.6% are making use of the latest technology in their ventures. On the other hand, it is promising that early-stage ventures consistently display higher levels of innovativeness in their product/service offerings than established businesses and also use more up-to-date technology.

<sup>9</sup> “DeWeever: Female entrepreneurs can make a difference in T&T”, Trinidad Express, 11 March 2014; Huggins (2011), “Empowering Women’s Enterprise, Entrepreneurship & Innovation”.

<sup>10</sup> World Development Indicators 2014. The services sector contribution to GDP in high-income countries averaged 74% in 2012, while the contribution of the manufacturing sector averaged 15%.

**Fig. 5. Level of innovativeness of early-stage ventures, Trinidad & Tobago**



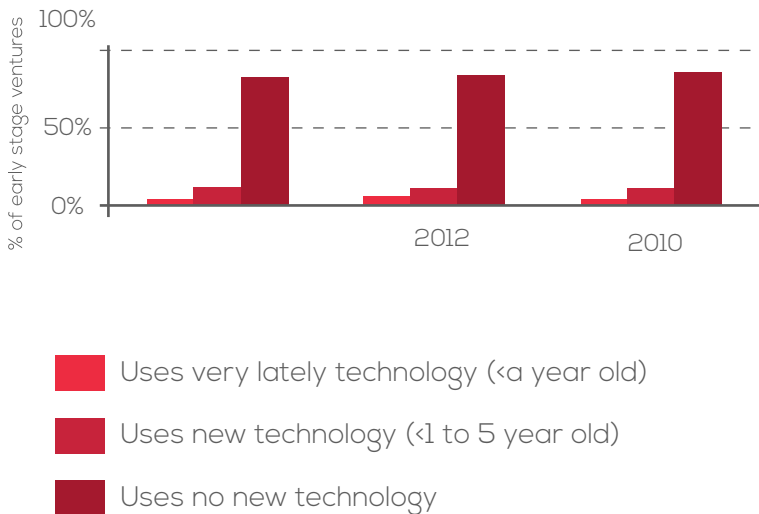
Source: GEM Trinidad and Tobago data

**Fig. 7. Innovation level in Trinidad & Tobago**



Source: GEM Trinidad and Tobago data

**Fig. 6. Technology level in Trinidad & Tobago**



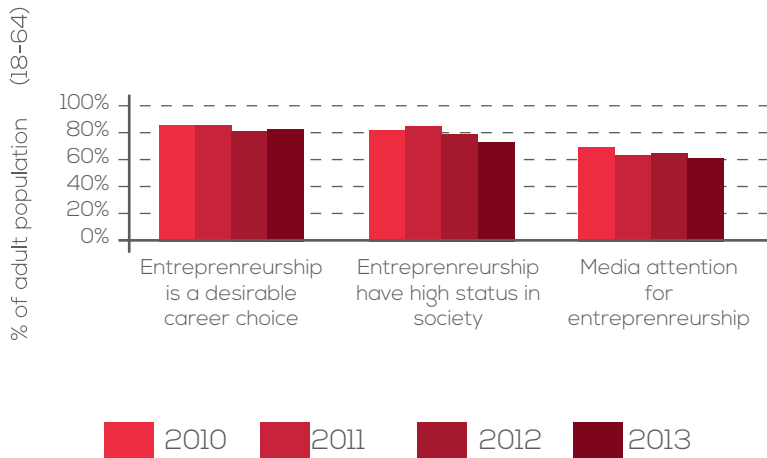
Source: GEM Trinidad and Tobago data

**Trinidad & Tobago compares well on positive attitudes towards entrepreneurship...**

A number of external factors influence the strength of a society’s entrepreneurial culture. GEM research measures this by the degree to which the adult population considers entrepreneurship a desirable career choice, entrepreneurs have high status in the society, and there is media attention for entrepreneurship. Trinidad & Tobago compares very favourably with other innovation-driven economies among GEM countries on these indicators. In 2013, it ranked first among 23 innovative-driven economies on “entrepreneurship as a good career choice”, 8th on “high status to successful entrepreneurs” and 7th on “media attention to entrepreneurship”. These indicators have remained relatively stable over the past four years.



**Fig. 8. Societal attitudes towards entrepreneurship among adults in Trinidad & Tobago**

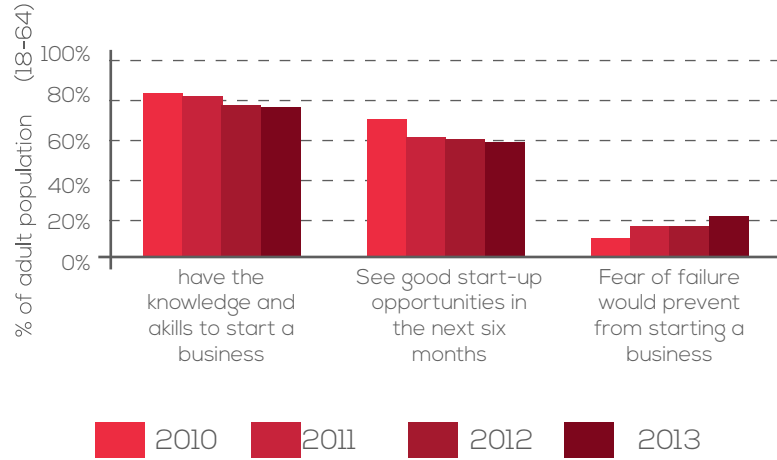


Source: GEM Trinidad and Tobago data

**...but indications of declining perceptions of entrepreneurial**

GEM research finds that, relative to the general adult population, individuals who are involved in early-stage or established businesses generally tend to be more confident in their own skills to be able to start and manage a business, are more alert to the existence of unexploited opportunities, and are less likely to allow the fear of failure to prevent them from starting a new venture. These are among the factors that contribute significantly to shaping an individual’s entrepreneurial “mindset” (Arenius and Minniti, 2005), and, thus, indicators of the potential level of entrepreneurial capacity in a country. In 2013, Trinidad & Tobago ranked 1st among the innovation-driven economies on the percentage of adults perceiving good opportunities to start a business “in the next six months”, perceiving they have the skills and abilities to start and run a business, and reporting a low fear of failure (Amorós and Bosma, 2014).

**Fig. 9. Perceptions of entrepreneurial capacity among adults, Trinidad & Tobago**



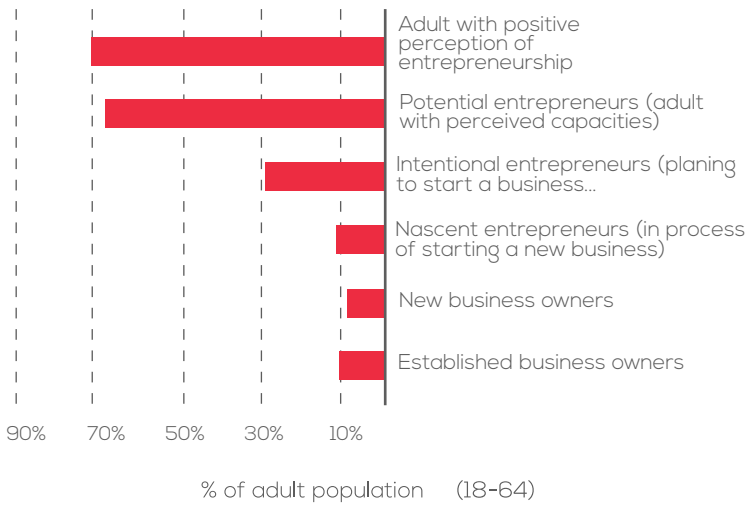
Source: GEM Trinidad and Tobago data

Compared to other LAC countries, adults in Trinidad & Tobago have the lowest fear of failure (19.8% of adults), and the second highest positive perception of their skills to start and run a business (just behind Jamaica). The skills indicator is very positive for Trinidad & Tobago because according to GEM global studies, individuals who are confident in their skills to start a business are four to six times more likely to be involved in entrepreneurial activity.

These positive perceptions and attitudes are reflected in a comparatively high expression of intent to start a business within the next three years (28.7% of adults in Trinidad & Tobago versus an average of 12.3% of adults across innovation-driven economies) (Amorós and Bosma, 2014).

The one warning signal is a declining share of adults with perceived capacity and seeing good opportunities, along with higher percentages that would be deterred due to fear of failure. This is resulting in a lower level of intent to start a business, which was over 35% of the adult population in both 2011 and 2012.

**Fig. 10. Entrepreneurial pipeline, Trinidad & Tobago 2013**



Source: GEM Trinidad and Tobago data

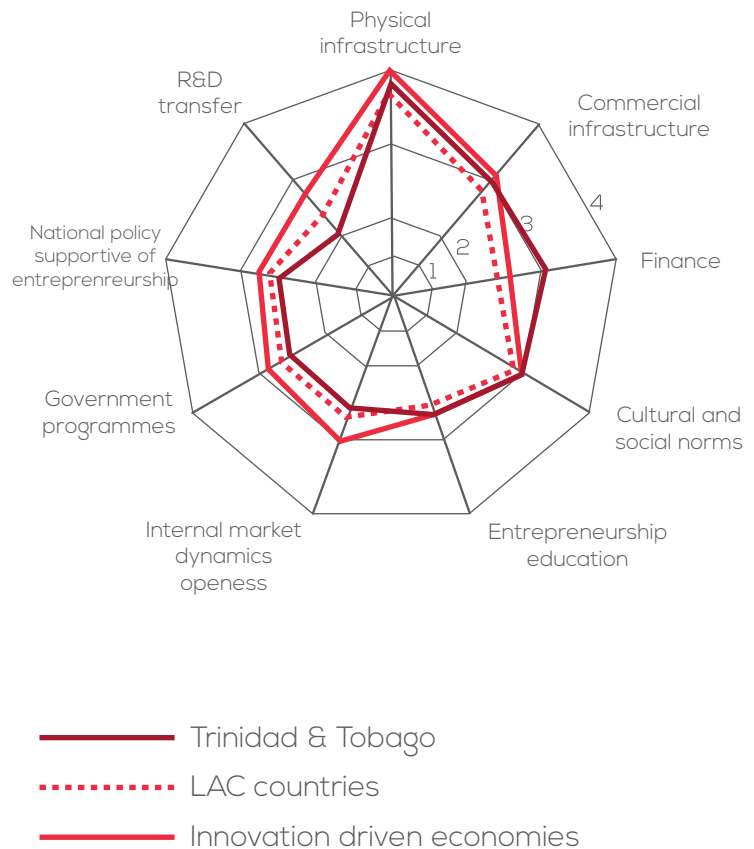
## Assessment of the Entrepreneurial Environment

GEM also measures the strength of the Entrepreneurial Framework Conditions (EFCs) associated with influencing the environment for entrepreneurial activity.

In 2013, national experts in Trinidad & Tobago assessed the physical infrastructure in the country<sup>11</sup>(3.8 out of 5) as the strongest EFC, followed by the commercial infrastructure (3.1), finance (3.1) and cultural and social norms (relative to fostering entrepreneurial attributes and attitudes) (3.0). Views on the supply of finance for new and growing firms were more positive than those held by national experts in other LAC countries and innovation-driven economies, although the well-developed financial services sector in Trinidad & Tobago is largely unresponsive to the financial needs of SMEs, especially start-ups, and the venture capitalists are typically uninterested in opportunities presented by small businesses (MOLSMED, 2013).

The weakest assessments were given to “national policy supportive of entrepreneurship” and R&D transfer. These specific results for Trinidad & Tobago do not compare favourably with other GEM country groupings, nor do assessments of government programmes and the level of internal market openness. Only four of the nine EFCs achieved a mean score of 3 or more out of 5, suggesting general weaknesses in the environment for entrepreneurship.

**Fig. 11. National experts' views on Entrepreneurial Framework Conditions, 2013**



Source: GEM Trinidad and Tobago data

<sup>11</sup> Ease of access to utilities, communications, transportation, land or space at a price that does not discriminate against MSMEs.

## POLICY IMPLICATIONS AND RECOMMENDATIONS

The major economic policy issue in Trinidad & Tobago is diversification of the economic base. Entrepreneurship can play an important role in addressing this challenge. Although Trinidad & Tobago compares well with LAC and innovation-driven economies on entrepreneurial capacity perceptions of the adult population (albeit showing a declining trend) and early-stage entrepreneurial rates, new ventures are weak on indicators of innovativeness and several of the Entrepreneurial Framework Conditions show weaknesses that may prevent the country from realising the full contribution of entrepreneurial activity to innovation and economic diversification.

Trinidad & Tobago has a number of support programmes and initiatives to promote and nurture new entrepreneurs and improve their managerial capacities, including those of NEDCO and the Business Development Company (BDC). The MSE Policy for Trinidad and Tobago 2013-2016 seeks to address the major needs of MSEs through five main pillars: (1) government bureaucracy and licensing (including reducing the high level of informality); (2) market access; (3) financing; (4) business development and support services; and (5) governance and advocacy.

Although the current draft mentions “support for the entrepreneurial spirit” (through training and development to transform ideas into high value creating businesses) and embracing “a greater number of higher value-generating and innovative businesses” among its principles, there may be benefits to re-examining its implementation structure with a view to identifying specific objectives and actions that will lead to higher entrepreneurial activity rates. These could specifically relate to increasing the percentage of the adult population motivated to become entrepreneurs and then helping to successfully transition more of them through the entrepreneurial pipeline into formal

ventures with higher innovativeness and value-creation potential. This may require better coordination among the various existing organisations, programmes, and initiatives offering support to new and early-stage entrepreneurs.

Given the economic priorities of the current government and the current framework of MSE support, the findings presented in this policy brief emphasise the following specific policy recommendations.

### Specific recommendations

1) Incorporate a more strategic and stronger policy emphasis on entrepreneurship in the “Draft Micro and Small Enterprise (MSE) Policy for Trinidad and Tobago 2013-2016”. In fact, the policy could include encouraging start-ups and supporting early-stage entrepreneurs as a strategic pillar. The ensuing the policy and programme directions could consider the following:

a) Undertake aggressive actions to reduce the administrative burden involved in starting a business. According to Doing Business 2014, Trinidad & Tobago ranks 67 among 189 countries on the ease of starting a business. It takes 37.5 days to complete the procedures for starting a business, compared to 5.5 days in Chile, for example. This uncompetitive performance of Trinidad & Tobago will discourage potential entrepreneurs from proceeding with their project, or push them into the informal economy.

b) Accelerate the work of the Fair Trading Commission to open up all sectors of economic activity to new entrepreneurs and enable free and open competition for new businesses to enter the market.

c) Encourage entrepreneurs to pursue high value added opportunities in sectors that will diversify the economy by:

- Generating and widely disseminating information about new venture (and value chain) opportunities in

knowledge intensive, creative, service and innovation-related activity that are in line with the government's goals of promoting the development of businesses in new and emerging sectors of the economy as outlined in the Medium-Term Policy Framework and the Enabling Competitive Business Strategy.

- Developing the ability of potential and nascent entrepreneurs to recognise higher potential, innovative business opportunities by offering workshops on business opportunity recognition, providing information on sector and market opportunities, and supporting activities such as Startup Weekends that encourage the development of higher value added business ideas.
- Integrating entrepreneurship curriculum across disciplines in the vocational, technical and tertiary levels of education so students in all disciplines, particularly those related to the government's sector priorities, are provided with the knowledge, skills and ability to pursue new venture opportunities in these sectors.
- Fostering stronger linkages between public research centres, universities and the private sector to facilitate the transfer and commercialisation of R&D, and including creating a pool of investment funds to support promising research projects.

d) Expand the number of commercial business incubators to develop the capacity of new entrepreneurs and their innovative start-ups and offer increased possibilities for business premises. The National Integrated Business Incubator System (IBIS) with its focus on pre-incubation, comprehensive enterprise development services, and access to seed capital has the makings of a good practice in Trinidad & Tobago should be adequately funded to increase its scope and impact.

e) Ensure that start-ups and young businesses have access to financing to properly capitalise their enterprises and fund their activities, including technology acquisition (seed funds, micro-credit, and government-backed loan guarantee schemes, angel and venture capital programmes). This is particularly

important for new entrepreneurs with higher-risk innovative enterprises. And women and young people who have more difficulty accessing commercial bank financing because they lack collateral and track records.

f) Articulate a specific programme to encourage women entrepreneurs and ensure that have equal access to opportunities, financing, business support, mentoring and networks. In dealing with the issue of women's entrepreneurship, the Draft MSE policy 2013-2016 focuses more on social empowerment objectives than the imperative of ensuring women entrepreneurs are adequately integrated as economic generators.

2) Provide on-going funding support for the annual production of GEM analysis and national reports. This will enable Trinidad & Tobago to track trends in entrepreneurial activity and provide an evidence-based mechanism for setting quantifiable policy targets and benchmarking its entrepreneurial performance. Several governments around the world depend on the GEM data to help benchmark their progress in reaching their policy goals to improve the level and quality of entrepreneurial activity, which would also be a beneficial strategy for the government of Trinidad

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