

Ways in which Countries Improve their Level of Competitiveness

A key driver for sustaining national prosperity and improving the well-being of a country's citizens lies within competitiveness. In order for a country's exports to compete internationally, it must have the best infrastructure, human resources, health care, high quality goods and services etc. Competitiveness is an important principle in assessing the success of companies, industries and countries. Hence, increasing levels of competitiveness is essential to any economy as a country must perform well both in the domestic and international arena in order to survive.

The need for increasing competitiveness is even more critical as the Saint Lucian economy recovers from low growth rates. Thus, focusing on competitiveness will provide possible solutions to the record high level of unemployment, finding a path toward fiscal balance and rebuilding the crumbled social and economic pillars of the economy. The following are examples of countries that have implemented successful programs which have helped boost their levels of competitiveness:

Sweden: The Agency for Higher Vocational Education was formed in 2009 after it was observed that there were a few vocational programs in Sweden. Additionally, employers were in high demand for skilled workers which created a major barrier to economic growth. Both public and private organizations apply to this agency for funding vocational education. Grants are given to those programs for which there is a high demand for professional qualifications. A recent survey indicated that nine out of ten graduates of this program were employed or self-employed one year after completing their studies.

Chile: In an effort to remove the heavy reliance on traditional industries such as mining, Start-Up Chile was founded in 2010. The aim of this project is to transform the country into an innovation

and entrepreneurship hub of Latin America. This project seeks to attract the best and brightest entrepreneurs and boost the number and quality of start-ups in the country. This program offers 100 spots in the program each year. Selected start-ups each receive one-year work visas, \$40,000 and access to a community of more than 800 start-ups ready to work collaboratively. To date, more than 750 businesses and 1,500 entrepreneurs have come to the country under this program.

Finland: In 2009, VIGO- a venture accelerator program was launched. It was established in response to “the Finnish paradox”- that despite the fact that there was strong innovation and institutional capacity, the country had few start-ups.

The program brings together innovative but inexperienced start -ups with seasoned entrepreneurs. They form accelerator teams of three or four experts to coach up to ten companies in which they have invested their own money. Each start-up has access to government grants to pay the accelerator team for its services. Since the launch of this program, the accelerator teams have attracted a total of \$200M in funding for 60 companies.

India: The Infrastructure Leasing & Financial Services was established to address the national skills gap by training young persons from rural areas in 16 strategic sectors. This program uses a public- private partnership model to work closely with a thousand partner companies and the state funded National Skills Development Corporation. It operates in different schools in 24 of India’s 28 states.

These schools follow an industry- recognized curriculum to ensure that students are ready for employment. Currently, 100,000 students have been trained, with 85 percent successfully employed.

Country competitiveness has become a central theme for both developed and developing nations. We are in the midst of an increasingly open and integrated world economy where countries compete for investment and human capital that are critical to their economic growth. Additionally, the development stage of a country depends on competitiveness. In order for Saint Lucia to graduate from the current low growth rates, specific strategies that focus on labour force, management, infrastructure, the business environment etc. need to be implemented to boost country competitiveness.

(For more information on productivity contact The National Competitiveness and Productivity Council on the Second Floor of the Financial Centre, Bridge St at 468 5576. You can also visit the Council's Facebook page at <https://www.facebook.com/stluciancpc>, the website at www.stluciancpc.org or email them at stluciancpc@gmail.com).