Developing an enabling environment for sustainable enterprises

by reviewing regulatory barriers that hinder business development

St. Maarten Hospitality & Trade Association
Enabling environment?

- All enterprises operate within a political, social and economic context and are subject to regulatory and institutional constraints.

- Important to look at the external environment in which they operate.

- Without addressing the issues related to the overall business environment, interventions at the enterprise level alone do not produce optimal results to achieve sustainable development.
To ascertain the best way to create this enabling environment, we must first take into account:

- The public sector (government) assessment of the current business development climate
- The private sector (SHTA) assessment of the current development climate
Business climate needs great improvement

- Current statistics and general economic markers indicate that certain industries are on the decline
- Incentives to attract new enterprises are not yielding desired results
- Non-compliance from the private sector, exacerbates efforts to improve climate
- Bureaucratic ‘red tape’ far too cumbersome
- Current tax legislation is a deterrent
Private Sector view
SHTA standpoint

- Business climate not conducive at all
- Government has yet to take on the role of facilitator
- No viable national development plan to understand direction of the country
- No efforts to bring relieve towards existing businesses and future business prospects
- Labour market detached from what the private sector requires.
In order to effectively create an enabling environment the ideal steps to take would be those recommended by the ILO.

- Recommendations ILO
- Action plan from Government sxm
- SHTA Recommendations
ILO recommendation

- Step 1: Analyzing the existing capacity of governments and social partners
- Step 2: Analyzing the prevailing conditions under which enterprises operate.
- Step 3: Preparing a country report based on the information gathered.
- Step 4: Organizing a high-level national policy dialogue based on the report.
- Step 5: Supporting stakeholders in implementing the priority actions agreed upon.
Public sector course of action

- Holistic approach:
  - Create strategies for economic growth
  - Bring strategies to fruition
  - Monitor and evaluate economic performance

- Increasing compliance
- Tourism diversification and foreign investment
- Data collection and analysis
- Improvement of Inter-Ministerial Cooperation
SHTA recommendation

- Government to take on the role of facilitator
- An integrated approach to economic development
- Strengthen ties between the public and private sector
- Strengthen the labor market by way of educational innovations
- Restructuring of the current tax legislation