Summary findings of ILO-COESL webinar

Clinic to discuss challenges and solutions for Caribbean micro, small and medium enterprises in times of COVID-19
11.00 a.m., 7 May 2020

► General Information:

Presenters included a range of micro and small entrepreneurs from select Caribbean countries including:
- Mrs Lyndell Danzie Black, Cerulean Incorporated, Guyana
- Dr Ashley John, Constructive Solutions Inc., Social entrepreneur and business support operation, Saint Vincent and the Grenadines
- Ms Renee Thomas, Karibites.com, Grenada
- Mr Anthony Smith, EZ Grab, Antigua and Barbuda

Discussants and contributors:
- Virginia Rose Losada, ILO Specialist, Sustainable Enterprise Development and Job Creation
- Diego Rei, ILO Specialist, Employment and Labour Market
- Marcia Brandon, Director, Caribbean Centre of Excellence for Sustainable Livelihoods (CoESL)

Attendance:
- Over 140 attendees

► Summary of discussion / findings:

Main problems confronted by entrepreneurs

- Stoppages of economic activity including limits on transportation, which are affecting supply chains (incoming and outgoing due to, among other things, the closure of ports).
- Sunk cost related to scant continuation of economic activity including rent and security expenditures.
- Delays and operational costs linked to limited capacity to respond to sudden urgent demand.
- Scarcity of familiarity of clients and suppliers with online platforms. Distress on cash flows.
• For exporting (or ready to engage in exporting activities) firms, new FDA import requirements (e.g. need for certified statement from customer) delaying access to potential market opportunities.

• Difficulties with access to financial tools related to e-commerce including:
  - Limited facilitation by major banks, often linked to foreign exchange transactions.
  - Limited access to private money transfer services (not always deemed as essential services and thus not prioritized for reopening).
  - Rules (related to money laundering mostly) related to financial transfers from abroad obliging customers of Caribbean businesses to break down payments and thus pay multiple commissions.

• Limited Caribbean based (or adaptable) e-commerce platforms (also mentioned as relevant barriers for development of the Caribbean Single Market).

• Need for repeated registration of businesses within each CARICOM Member State (red tape delays and cost).

Solutions and challenges in implementation of these solutions

• Moving to digital and virtual market places. Noting that the latter is accompanied with hesitance from potential customers, a personalized assistance to customers (website navigation) was highlighted as helpful. There will be a greater need to engage with clients and to do so using social media.

• Expansionary marketing and outreach operations to seek new customers, a potential shift in the operation of Caribbean companies labelled as usually ‘passive’.

• Redefinition of product offer. For the hotel sector examples included targeting local tourism for short-term escapades including new comforts such as streaming services, conference rooms with social distancing, and relevant apps for videoconferencing.

• Looking at intra Caribbean tourism as a way to foster demand while demand from the rest of the world picks up again.

• “Complementary capitalism” as a new framework for the future and a way to promote collaboration between companies or providing differentiated services. The latter appears to be of particular relevance within the “limited in size” Caribbean market place.

Concrete recommendations for stimulus packages

• Rent subsidies for microbusinesses
• Cash flow grants and not loans
• Operationalization of Caribbean e-commerce portal
• Single registration of businesses across the Caribbean (one registration valid within all CARICOM Member States)
• Development of emergency plan for each business, regardless of size. Such plan to be helpful also in case of natural disaster.
  - Systematic access to insurance products against disaster events for micro and small businesses.