GLOBAL ENTREPRENEURSHIP MONITOR
2011 JAMAICA REPORT

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EXECUTIVE SUMMARY

In an environment of increasing unemployment and declining rates of growth, the critical importance of entrepreneurship cannot be overemphasized. In 2008, at the inception of the global recession, the Jamaican Total Early-Stage Entrepreneurial Activity (TEA rate) was only 15.6%. It jumped to 23% in 2009, but fell by more than 50% to record 10.5% in 2010. However, there was a marginal increase in 2011 to 13.7%. During 2007-2010, the unemployment rate increased steadily from 9.9% to 12.9%, but fell marginally to 12.7% in 2011. Between 2006-2011, the established business ownership rate fell by about 50%. In the case of nascent businesses, there was a dramatic decline from 13% in 2009, to 5.5% in 2010, but recovered to 9% in 2011.

The level of involvement by males in early stage entrepreneurship exceeded that of females. The TEA for males was 14.9% while for females, it was 12.6%. This has been the trend for Jamaica over the years and the difference between the genders has remained insignificant.

The consumer-oriented sector remained the leading sector for entrepreneurs both at the early- stage (TEA) and established business (EB) levels. Sixty-four percent of early-stage entrepreneurs were involved in consumer-oriented activities, compared to 53% for EBs. This was in keeping with the Global Entrepreneurship Monitor's (GEM) global data where consumer-oriented businesses such as retailing were dominant in factor-driven and efficiency-driven economies. In the innovation-driven economies, it was the Business Services sector that was foremost.

With regard to the types of industries in which entrepreneurs were involved, the Retail Trade together with Hotels and Restaurants continued to be the industries of choice for entrepreneurs both at the early-stage (57.5%) and established business (48%) levels. This was followed by the Agriculture, Forestry and Fishing industries, with 18.8% for TEAs and 30.6% for EBs. Unlike the Retail Trade where the TEA exceeded the EBs it was the opposite in Agriculture (and its related industries) where there was greater participation of EBs. Entrepreneurial participation in the other industries lagged significantly behind these two industries. Jamaica's total entrepreneurial activity of 13.7% was largely opportunity-driven. For both males and females, opportunity entrepreneurship exceeded that of necessity entrepreneurship. Although more males were involved in entrepreneurial activity, more females were involved in necessity type entrepreneurship. The TEA for opportunity type entrepreneurship for males was 9.1% of the total while for females it was 7.8%. Females, on the other hand, accounted for 4.1% of total necessity entrepreneurship compared to 3.7% for males. The prevalence of females in necessity entrepreneurship in Jamaica was not surprising, as in most cases women were the main providers in families and were often involved in subsistence type entrepreneurial activities.

Although 'perceived opportunities' in Jamaica have fallen from 56% in 2010 to 49% in 2011, the island continued to have higher rates relative to that obtained in countries exhibiting higher levels of development. The same prevailed for 'perceived capabilities' in which Jamaica recorded as much as 79%. This high level of 'self-confidence' is a great social asset in the population which can be harnessed to uplift the entrepreneurial pursuits of the country. The fear of failure rate in Jamaica declined from 33% in 2010 to 29% in 2011, indicating that Jamaicans, on average, exhibited less fear of failure than individuals in the top two tiers of development, and even a much lower rate than the average for all factor-driven economies, of which Jamaica is a member.

Interestingly, Jamaica's 'entrepreneurial intentions' rate was even lower than the average for efficiency-driven economies (24.7%), but nearly twice as high as that for innovation-driven countries (10.3%). Given the relatively high perceived opportunities and capabilities for Jamaica this lower rate is cause for concern given the increasing trend in unemployment rates (14.1% in January 2012) as reported by the Statistical Institute of Jamaica.

Eighty-one percent of working-age Jamaicans agreed with the statement that most people in the country consider starting a business as a desirable career choice. Entrepreneurship as a career path is highly recognized and applauded in the small-island state. Indeed, much status is accorded to successful Jamaican entrepreneurs as 83% in the 18-64 age group supported the statement that in their country, successful entrepreneurs receive high status. This cultural anomaly was pointed out in the GEM Report (2010), where on the one hand, individual success achieved through personal efforts was lauded by the national culture, but on the other, entrepreneurial risk-taking, creativity and innovativeness are not well-supported. This scenario is a recipe for frustration of individuals who wish to be successful entrepreneurs but are not accorded the level of support from the national culture when they embark on entrepreneurial ventures.

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ACKNOWLEDGEMENT

Jamaica joined the GEM Project for the first time in 2005. Over the years numerous individuals and organizations have contributed both financially and in other ways to enable the University of Technology, Jamaica, to continue participating in GEM. It has been difficult to source the nearly six million dollars per annum required to continue participating. The School of Graduate Studies, Research and Entrepreneurship (SGSRE), University of Technology, Jamaica, continued being a major sponsor over the years. Additionally, the University is indebted to the International Development Research Centre (IDRC) for being the major financial donor since 2011. In particular, we recognize Professor Rodrigo Varela, Team Leader, GEM Columbia, for spearheading a Caribbean GEM Project just at the time when the University was running out of steam to continue participating. As the Head of the Project, Rodrigo not only mustered the financial resources from the IDRC, but planned and executed, in collaboration with the IDRC and GEM Headquarters, a series of regional workshops to boost the Caribbean team's capability to function in diverse areas related to the Project. Most importantly, GEM Jamaica is grateful to Dr. Carolina Robino and the relevant administrators of IDRC for continued funding. Thanks to Juan from the GEM Caribbean Team for continued administrative support.

We also extend gratitude to public commentators, scholars, students and the media who continue to cite GEM data on radio, newspapers, the electronic media and at conferences and various for a. GEM Jamaica has benefitted immensely from several individuals and institutions in the carrying out of the National Experts Survey (NES) and the Adult Population Survey (APS). Specifically, the team acknowledges the contributions of:

- All staff of the College of Business and Management who contributed towards the NES and other aspects of GEM-related activities.

- Participants of the NES and the APS

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- Chris Aylett, GEM Administrative Manager, for continuous and expert support and guidance on all GEM-related matters.

- KOCI Market Research and Data Mining Services Ltd. for conducting the APS.

INTRODUCTION AND BACKGROUND

What is the GEM?

The Global Entrepreneurship Monitor (GEM) is the world's largest group of researchers on global entrepreneurial activity, its primary objective being to study and to influence entrepreneurship policy. Since 1999, the researchers have been conducting annual surveys in several countries across the globe to capture data on the attitudes, aspirations and activities of individuals to determine their entrepreneurial behavior. GEM studies entrepreneurship through various phases from an intention to creating a new business, to starting the business, to managing the new business, to running an established business, and even to terminate a business.

In the preface to his book Entrepreneurship, Theory, Process and Practice, Donald Kuratko (2009: xvii) states that "Entrepreneurship is the most powerful economic force known to mankind". If this is true, entrepreneurship must have a prominent place in a global economy undergoing a one of the most severe since the 1930's. Referring to the United States economy, Kuratko (2009:xxvii) states that "... our economy was actually based upon entrepreneurship, and history has proven that with each downturn in the economy, it is entrepreneurial drive and persistence that bring us back". In fact, according to Jeffery A. Timmons (2000:14), Professor of entrepreneurship and author of The Entrepreneurial Mind, entrepreneurship is "... a human, creative act that builds something of value from practically nothing. It is the pursuit of opportunity regardless of the resources at hand. It requires a vision and the passion and commitment to lead others in the pursuit of that vision. It requires a willingness to take calculated risks."

GEM is now in its thirteenth year, having conducted its initial survey of entrepreneurial behaviour in 1999 involving only 10 developed countries. Since then no other global research endeavour has been undertaken which provides cross-country data on entrepreneurial activities. Hence, GEM data continues to be the only source of comparable data on entrepreneurial attitudes, aspirations and activities across a wide cross section of countries globally. In 2011, GEM surveyed approximately 140,000 adults in 54 countries of diverse economic backgrounds across the globe.

A new addition to the 2011 GEM survey was the calculation of the entrepreneurial employee activity (EEA) in almost all participating countries. The data revealed that 46 million employees in 52 GEM countries played a pivotal role in entrepreneurial undertakings in organizations (GEM Global Report, 2011:4). The Global GEM Executive Report was published in January 2011 and can be accessed at www.gemconsortium.org. The University of Technology, Jamaica, is now participating for the sixth time and its annual reports are available at http://www. gemconsortium.org.

The GEM conceptual model

Figure 1 depicts the GEM conceptual model incorporating nine framework conditions impacting on entrepreneurship. In the model, basic requirements and efficiency enhancers represent major institutional pillars influencing entrepreneurship in countries. The model has been influenced by The World Economic Forum's *Global Competitiveness Report*, 2009-2011, which grouped countries into three phases of economic development: factor-driven, efficiency-driven and innovation-driven. In the 2011 GEM Global Report, Jamaica was placed in the category of factor-driven economies. These countries, characterized by extractive industries and subsistence agricultural undertakings, rely heavily on natural resources and labour.

Figure 2 delineates the characteristics of the economic groupings and the main development focus of each group, while Figure 3 summarizes the entrepreneurship process, depicting different categories of entrepreneurs such as nascent entrepreneurs and owner-managers of new and established businesses. A glossary of the main measures and terminologies used is presented in Table 1.

Survey design and sample characteristics for the APS

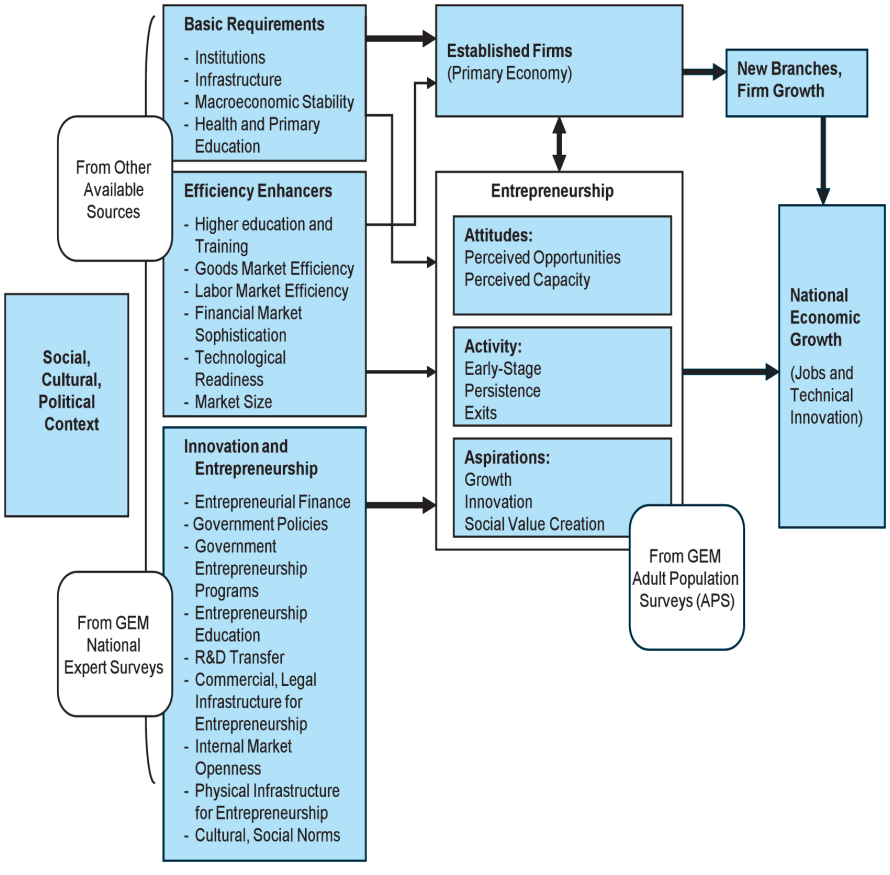
The APS for 2011 comprised 2,047 households and was based on the 2001 Population Census. The APS Vendor employed a multi-stage, stratified probability sampling procedure to select a representative sample of all Jamaicans 18 to 64 years of age who reside permanently in the country and live in private dwellings. Stage one involved the division of the country according to the 14 parishes. Stage two employed rural/urban stratification to ensure that sampling units were selected in the same proportion that they were distributed across rural and urban districts in the island. The final stage involved the selection of the primary sampling units (PSUs) which are Enumeration Districts (EDs) having 80 or more dwellings at the time of the Population Census. The PSUs were selected using a proportion to size selection process. The Statistical Institute of Jamaica (STATIN) supplied the EDs and relevant maps. The distribution of the sample is presented in Table 2.

Data collection

An APS questionnaire provided by GEM was used to collect data by means of an interview. All the interviews were done face-to-face, during the days, evenings and on weekends. Respondents were considered outright refusals after five call backs to the dwelling. One household per dwelling was applied in all cases, and age was used as the basis for ranking the suitable respondent (using the next birthday rule). The data collected through the APS was sent to the GEM global coordination team where it was verified and feedback given to the vendor for modifications. When all data quality requirements were satisfied, the data was harmonized with all GEM participating countries.

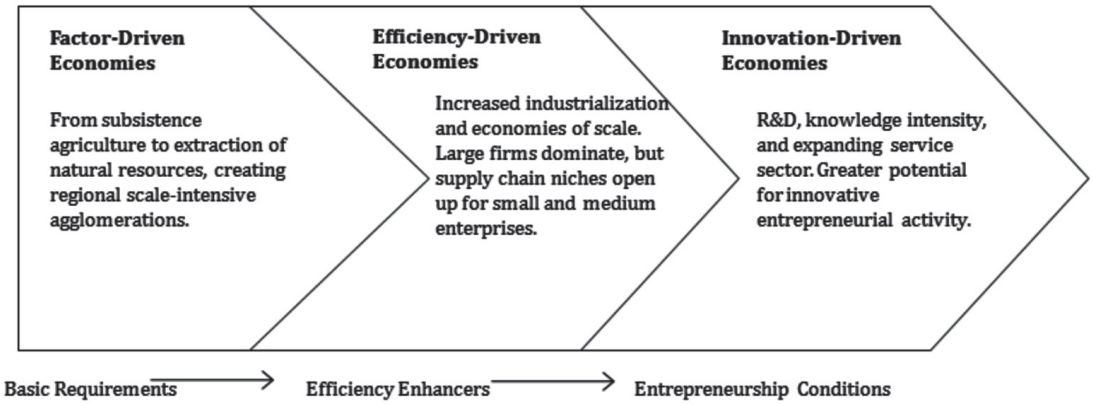
The sample consisted of 1,054 females and 993 males, 18 to 64 years. Females represent 51%, and males, 49% of the sample. The percentage of males was 0.6% different from the 48.4% stated in the 2001 Population Census. The parishes of St. Andrew and St. Catherine had the two highest proportions of respondents, as expected, because of the higher population levels of these parishes. Table 3 illustrates the distribution of the sample by gender and parish.

Figure 1: The GEM conceptual model



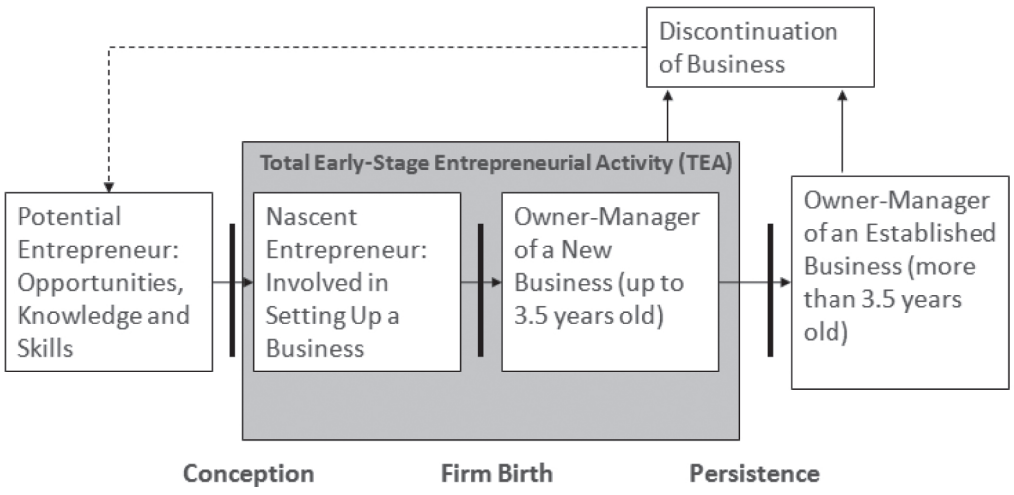
Source: GEM Global Report, 2010, p.15

Figure 2: Characteristics of economic groups and key development focus



Source: GEM 2010 Global Report, p.14

Figure 3: The entrepreneurship process and GEM operational definitions



Source: GEM 2010 Global Report, p. 13.

Table 1: Glossary of main measures and terminology

Measure	Description
Entrepreneurial Attitudes and Perceptions	
Perceived Opportunities	Percentage of 18–64 age group who see good opportunities to start a firm in the area where they live
Perceived Capabilities	Percentage of 18–64 age group who believe to have the required skills and knowledge to start a business
Entrepreneurial Intention	Percentage of 18–64 age group (individuals involved in any stage of entrepreneurial activity excluded) who intend to start a business within three years
Fear of Failure Rate	Percentage of 18–64 age group with positive perceived opportunities who indicate that fear of failure would prevent them from setting up a business
Entrepreneurship as Desirable Career Choice	Percentage of 18–64 age group who agree with the statement that in their country, most people consider starting a business as a desirable career choice
High-Status Successful Entrepreneurship	Percentage of 18–64 age group who agree with the statement that in their country, successful entrepreneurs receive high status
Media Attention for Entrepreneurship	Percentage of 18–64 age group who agree with the statement that in their country, they will often see stories in the public media about successful new businesses
Entrepreneurial Activity	
Nascent Entrepreneurship Rate	Percentage of 18–64 age group who are currently a nascent entrepreneur, i.e., actively involved in setting up a business they will own or co-own; this business has not paid salaries, wages or any other payments to the owners for more than three months
New Business Ownership Rate	Percentage of 18–64 age group who are currently an owner-manager of a new business, i.e., owning and managing a running business that has paid salaries, wages or any other payments to the owners for more than three months, but not more than 42 months
Total Early-Stage Entrepreneurial Activity (TEA)	Percentage of 18–64 age group who are either a nascent entrepreneur or owner-manager of a new business (as defined above)
Established Business Ownership Rate	Percentage of 18–64 age group who are currently owner-manager of an established business, i.e., owning and managing a running business that has paid salaries, wages or any other payments to the owners for more than 42 months
Business Discontinuation Rate	Percentage of 18–64 age group who have, in the past 12 months, discontinued a business, either by selling, shutting down or otherwise discontinuing an owner/management relationship with the business. Note: This is *not* a measure of business failure rates.
Necessity-Driven Entrepreneurial Activity: Relative Prevalence	Percentage of those involved in total early-stage entrepreneurial activity (as defined above) who are involved in entrepreneurship because they had no other option for work
Improvement-Driven Opportunity Entrepreneurial Activity:	Percentage of those involved in total early-stage entrepreneurial activity (as defined above) who (i) claim to be driven by opportunity, as opposed to finding no other option for work; and (ii) who indicate the main driver for being involved in this opportunity is

Source: GEM 2010 Global Report, pp.63-64.

Table 2: Sample distribution by parish by rural/urban stratification: 2011

Parish	Parish Total	Percentage
Kingston	48	2.3
St. Andrew	405	19.8
St. Thomas	109	5.3
Portland	102	5
St. Mary	146	7.1
St. Ann	115	5.6
Trelawny	83	4.1
St. James	97	4.7
Hanover	71	3.5
Westmoreland	161	7.9
St. Elizabeth	110	5.4
Manchester	128	6.3
Clarendon	127	6.2
St. Catherine	345	16.9
TOTAL	**2047**	**100**

Table 3: Gender distribution by parish

Parish	Male	Female	Parish Total
Kingston	20	28	48
St. Andrew	184	221	405
St. Thomas	59	50	109
Portland	54	48	102
St. Mary	84	62	146
St. Ann	61	54	115
Trelawney	43	40	83
St. James	44	53	97
Hanover	32	39	71
Westmoreland	80	81	161
St. Elizabeth	60	50	110
Manchester	58	70	128
Clarendon	64	63	127
St. Catherine	150	195	345
TOTAL	**993**	**1054**	**2047**

ENTREPRENEURIAL ACTIVITY

One of the most important measures of entrepreneurship constructed and applied by GEM is the TEA. The TEA is the proportion of the working age population who are either nascent entrepreneurs or new business owners-managers. The TEA rates of all countries participating in GEM showed that the average TEA for factor-driven countries (13.4%) was less than that in innovation-driven economies (14.1%) but twice as much in efficiency-driven states (6.9%) (GEM 2011 Global Report, p.12). This contrasted with the 2010 GEM data which indicated that the average TEA rate for factor-driven states (23%) was almost twice as much as the average for efficiency-driven countries (12%). Innovation-driven economies, however, recorded a lower TEA (5.6%) in 2011 compared to that in 2010 (6.9%). Interestingly, over the years TEA rates for the most advanced of GEM countries tended to be lower than that in the less developed economies (Table 4).

Table 4: Entrepreneurial activity in the GEM countries in 2011 by phase of economic development

	Nascent entrepreneur-ship rate	New business ownership rate	Early-stage entrepreneurial activity (TEA)	Established business ownership rate	Discontinuation of businesses	Necessity-driven (% of TEA)	Improvement-driven opportunity (% of TEA)
Factor-driven economies							
Algeria	5.3	4.0	9.3	3.1	9.5	36.5	46.4
Bangladesh	7.1	7.1	12.8	11.6	2.5	27.3	50.0
Guatemala	11.8	9.1	19.3	2.5	3.8	33.5	33.5
Iran	10.8	3.9	14.5	11.2	6.4	53.0	31.5
Jamaica	9.0	5.0	13.7	5.1	12.7	33.0	39.8
Pakistan	7.5	1.7	9.1	4.1	1.6	46.9	24.7
Venezuela	13.1	2.6	15.4	1.6	3.2	28.5	43.4
average (unweighted)	9.2	4.8	13.4	5.6	5.7	37.0	38.5
Efficiency-driven economies							
Argentina	11.8	9.2	20.8	11.8	4.3	33.1	44.7
Barbados	10.8	1.8	12.6	4.2	5.5	5.0	57.9
Bosnia and Herzegovina	5.4	2.8	8.1	5.0	6.7	61.3	21.7
Brazil	4.1	11.0	14.9	12.2	3.8	30.7	45.2
Chile	14.6	9.6	23.7	7.0	6.8	27.4	54.3
China	10.1	14.2	24.0	12.7	5.3	40.6	29.0
Colombia	15.2	6.7	21.4	7.5	6.0	25.1	30.1
Croatia	5.3	2.1	7.3	4.2	3.6	35.3	30.7
Hungary	4.8	1.6	6.3	2.0	2.3	31.0	29.2
Latvia	6.8	5.3	11.9	5.7	3.0	25.9	46.2
Lithuania	6.4	5.0	11.3	6.3	2.9	28.4	47.2
Malaysia	2.5	2.5	4.9	5.2	2.6	10.2	71.8
Mexico	5.7	4.0	9.6	3.0	5.0	19.4	54.5
Panama	12.0	9.1	20.8	6.0	2.1	26.9	40.5
Peru	17.9	5.4	22.9	5.7	5.1	22.4	52.0
Poland	6.0	3.1	9.0	5.0	4.2	47.6	31.5
Romania	5.6	4.5	9.9	4.6	3.9	41.3	34.4
Russia	2.4	2.3	4.6	2.8	1.5	26.9	41.9
Slovakia	9.2	5.3	14.2	9.6	7.0	27.6	33.9
South Africa	5.2	4.0	9.1	2.3	5.6	34.8	39.3
Thailand	8.3	12.2	19.5	30.1	4.5	18.9	66.8
Trinidad & Tobago	13.9	9.3	22.7	6.9	3.9	14.9	43.9
Turkey	6.3	6.0	11.9	8.0	3.9	31.6	44.8
Uruguay	11.0	6.0	16.7	5.9	4.3	11.1	9.8
average (unweighted)	8.4	5.9	14.1	7.2	4.3	28.2	41.7

	Nascent entrepreneur-ship rate	New business ownership rate	Early-stage entrepreneurial activity (TEA)	Established business ownership rate	Discontinuation of businesses	Necessity-driven (% of TEA)	Improvement-driven opportunity (% of TEA)
Innovation-driven economies							
Australia	6.0	4.7	10.5	9.1	4.3	15.0	73.1
Belgium	2.7	3.0	5.7	6.8	1.4	10.4	72.4
Czech Republic	5.1	2.7	7.6	5.2	2.7	27.3	56.5
Denmark	3.1	1.6	4.6	4.9	2.3	7.1	64.0
Finland	3.0	3.3	6.3	8.8	2.0	18.3	59.4
France	4.1	1.7	5.7	2.4	2.2	14.8	70.7
Germany	3.4	2.4	5.6	5.6	1.8	18.6	54.9
Greece	4.4	3.7	8.0	15.8	3.0	25.4	36.8
Ireland	4.3	3.1	7.2	8.0	3.4	29.5	36.9
Japan	3.3	2.0	5.2	8.3	0.7	24.9	63.5
Korea	2.9	5.1	7.8	10.9	3.2	41.5	36.2
Netherlands	4.3	4.1	8.2	8.7	2.0	9.1	62.3
Norway	3.7	3.3	6.9	6.6	2.5	4.3	70.5
Portugal	4.6	3.0	7.5	5.7	2.9	17.8	58.1
Singapore	3.8	2.8	6.6	3.3	2.1	16.2	52.6
Slovenia	1.9	1.7	3.7	4.8	1.5	12.1	51.2
Spain	3.3	2.5	5.8	8.9	2.2	25.9	39.3
Sweden	3.5	2.3	5.8	7.0	3.2	6.1	67.6
Switzerland	3.7	2.9	6.6	10.1	2.9	11.4	61.4
Taiwan	3.6	4.4	7.9	6.3	4.9	17.5	49.8
United Arab Emirates	3.7	2.6	6.2	2.7	4.8	14.4	67.4
United Kingdom	4.7	2.6	7.3	7.2	2.0	17.2	46.3
United States	8.3	4.3	12.3	9.1	4.4	21.2	58.9
average (unweighted)	4.0	3.0	6.9	7.2	2.7	17.6	57.0

Source: GEM 2011 Global Report, pp.10-11.

Figure 4 depicts TEA rates for Jamaica over the years 2005-2011. In 2008, at the start of the global recession, the TEA rate was only 15.6%. It jumped to 23% in 2009 but fell by more than 50% to record 10.5% in 2010. However, there was a marginal increase in 2011 to 13.7%. Between 2007-2010 the unemployment rate increased steadily from 9.9% to 12.9%, but fell marginally to 12.7% in 2011 (ESSJ, 2007-2011). As shown in Figure 5, during 2006-2011, the established business ownership rate had fallen by about 50%. The same holds for new businesses over those years. In the case of nascent businesses, it fell dramatically from 13% in 2009 to 5.5% in 2010 but recovered to 9% in 2011.

Perceived opportunities and perceived capabilities

Economic, socio-cultural and political factors contribute towards framing people's perceptions of an entrepreneurial environment and government policies may be pursued aimed at creating an attractive environment for potential entrepreneurs to make the leap towards creating new businesses. If a business opportunity is perceived a potential entrepreneur may be inclined to venture into a business undertaking. GEM findings over the years continue to reveal that people in factor-driven countries displayed greater perceptions of business opportunities (49%) than people in efficiency-driven (40%) and innovation-driven countries (35%). Fifty-six percent of the 18-64 age group in factor-driven economies believed that they have the required skills and knowledge to start a business. This contrasted with 52% in efficiency-driven economies and only 41% in innovation-driven countries (Figure 6 and Table 5).

Figure 4: TEA rates for Jamaica 2005-2011

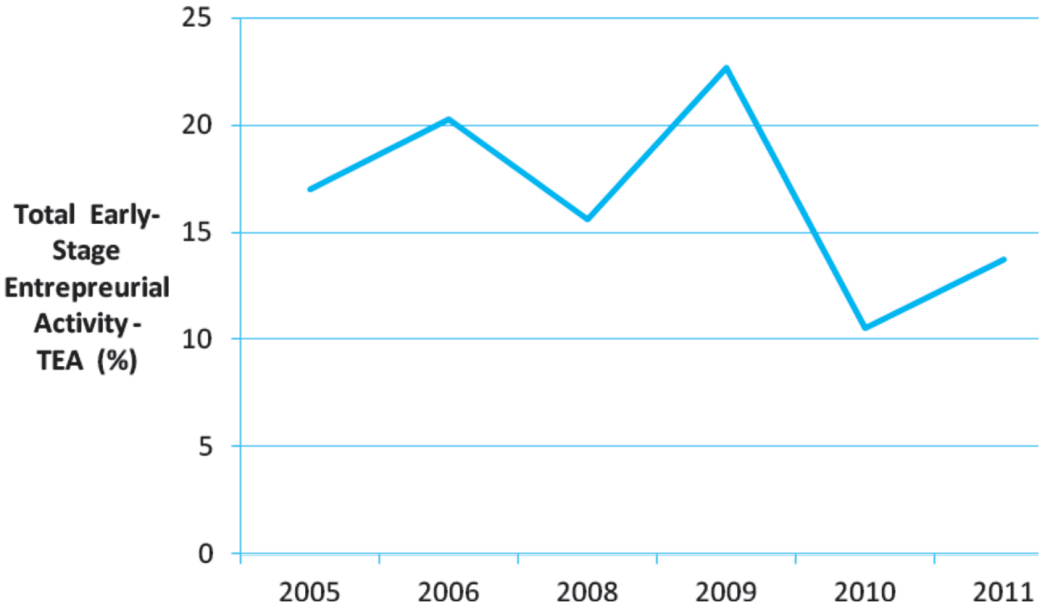


Figure 5: Ownership of established, new and nascent businesses (as % of population)

Figure 6: Jamaica: Perceived opportunities and perceived capabilities: 2011

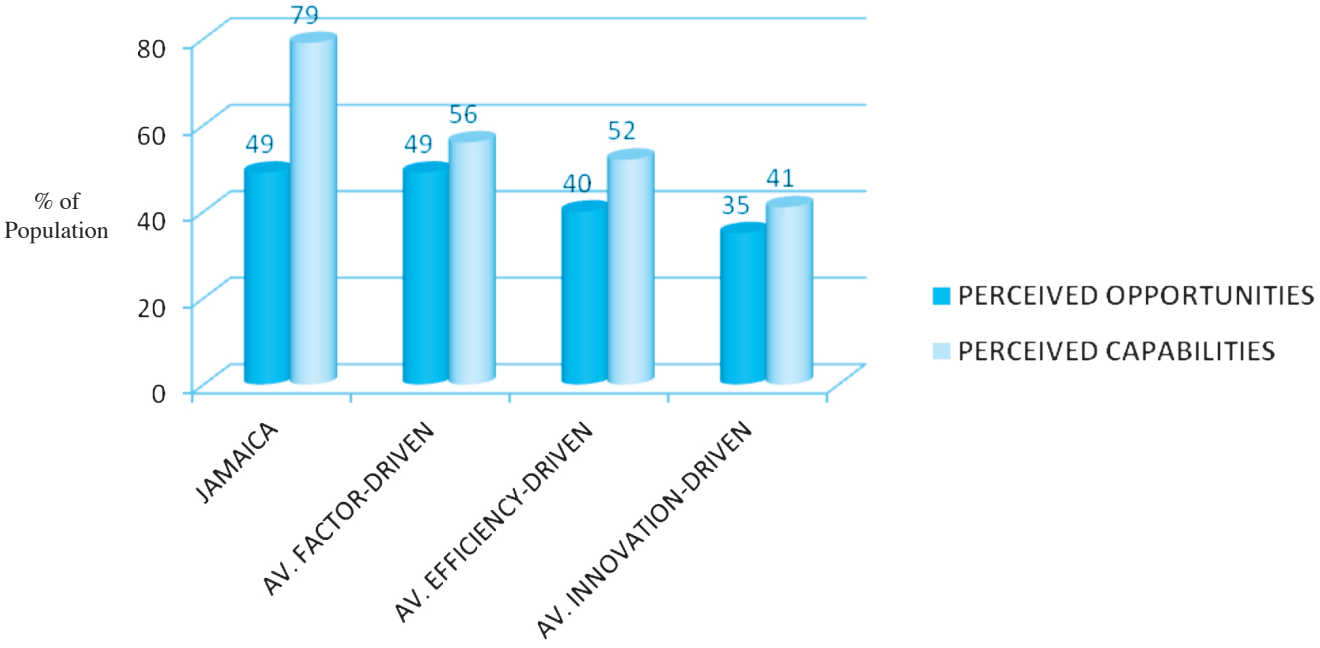


Table 5: Opportunities, capabilities, attitudes and intentions toward entrepreneurship

	Perceived Opportunities	Perceived capabilities	Fear of failure*	Entrepre-neurial intentions **	Entrepreneurship as a good career choice	High Status to successful entrepreneurs	Media attention for entrepreneurship
Factor-driven economies							
Algeria	54.3	59.6	43.1	41.8	80.3	81.8	51.5
Bangladesh	64.4	23.6	72.0	24.6	73.0	100.0	49.3
Guatemala	55.1	71.0	24.6	26.4	85.5	67.8	62.0
Iran	32.0	46.4	32.7	29.9	61.1	72.7	58.4
Jamaica	**49.1**	**78.6**	**29.0**	**19.5**	**81.0**	**82.5**	**76.2**
Pakistan	39.7	42.6	35.3	22.6	73.7	72.7	47.7
Venezuela	48.4	66.9	24.1	20.2	83.1	77.3	63.3
average (unweighted)	49.0	55.5	37.3	26.4	76.8	79.2	58.3
Efficiency-driven economies							
Argentina	56.0	63.8	27.9	29.9	75.8	69.4	65.6
Barbados	43.9	66.9	18.8	11.4	59.9	64.0	50.4
Bosnia and Herzegovina	20.5	48.9	30.5	17.2	82.2	71.0	42.7
Brazil	43.1	52.8	31.4	28.2	86.3	86.3	82.0
Chile	56.6	62.1	27.0	46.0	72.9	69.1	64.7
China	48.8	43.9	35.6	42.8	73.1	73.4	75.9
Colombia	73.1	61.3	29.4	55.8	89.4	78.7	67.4
Croatia	18.3	49.0	34.3	17.9	65.3	46.9	40.9
Hungary	14.2	40.0	34.9	19.5	53.7	78.2	33.8
Latvia	23.6	46.5	41.0	24.8			
Lithuania	23.2	35.4	39.9	16.8			
Malaysia	36.5	31.1	30.0	8.7	51.5	51.3	73.5
Mexico	43.5	60.6	26.6	24.2	56.6	57.9	47.6
Panama	46.1	63.7	14.0	20.9			
Peru	70.3	72.8	41.0	37.5	84.8	81.7	78.1
Poland	33.1	52.0	42.9	22.7	72.9	64.4	58.0

Romania	36.1	41.6	36.1	24.7	67.9	69.4	56.7
Russia	27.1	33.2	43.4	3.6	64.5	65.3	55.3
Slovakia	23.1	52.9	31.8	17.8	54.6	64.4	55.1
South Africa	40.7	42.8	24.5	14.3	72.7	72.1	73.5
Thailand	40.1	42.7	55.1	26.5	77.0	79.1	84.0
Trinidad & Tobago	62.1	81.2	16.7	35.2	83.6	81.8	61.4
Turkey	32.4	42.1	22.5	8.5			
Uruguay	53.6	61.1	34.4	38.2	58.0	58.7	32.5
average (unweighted)	40.3	52.0	32.1	24.7	70.1	69.2	60.0
Innovation-driven economies							
Australia	47.8	47.4	43.2	12.3	54.0	67.7	69.5
Belgium	43.0	44.0	40.7	10.9	63.6	54.8	47.2
Czech Republic	23.9	39.2	34.6	13.9		48.7	
Denmark	46.6	35.0	40.5	6.7			
Finland	60.8	37.3	32.0	7.1	45.5	83.0	67.4
France	34.9	38.4	37.1	17.7	65.8	67.9	46.9
Germany	35.2	37.1	42.0	5.5	55.0	78.3	49.7
Greece	10.9	49.7	37.8	10.5	61.0	69.1	32.5
Ireland	25.6	45.5	33.2	5.8	45.9	82.7	56.4
Japan	6.3	13.7	42.2	3.8	26.0	54.7	57.0
Korea	11.2	26.7	45.1	15.7	61.1	67.2	62.2
Netherlands	47.8	41.9	35.1	8.5	83.4	67.2	62.2
Norway	67.1	33.2	40.5	8.7	52.9	80.4	60.2
Portugal	16.7	46.7	39.6	12.2			

Source: GEM 2011 Global Report, pp.8-9.

Although 'perceived opportunities' in Jamaica had fallen from 56% in 2010 to 49% in 2011, the island continued to have higher rates relative to that obtained in countries exhibiting higher levels of development. The same prevailed for 'perceived capabilities' in which Jamaica recorded as much as 79%. This high level of 'self-confidence' is a great social asset in the Jamaican population which can be harnessed to uplift the entrepreneurial pursuits of the country.

Fear of failure

Factor-driven countries as a group have the highest percentage of persons with positive perceived opportunities in the 18-64 age group (37.3%), compared to individuals in efficiency-driven economies (32%) and innovation-driven countries (31%), who revealed that fear of failure would prevent them from setting up businesses. In Jamaica, the 'fear of failure' rate declined from 33% in 2010 to 29% in 2011, indicating that Jamaicans on average exhibited less fear of failure than individuals from countries in the top two tiers of development, and even a much lower rate than the average for all factor-driven economies of which Jamaica is a member, as shown in Table 5.

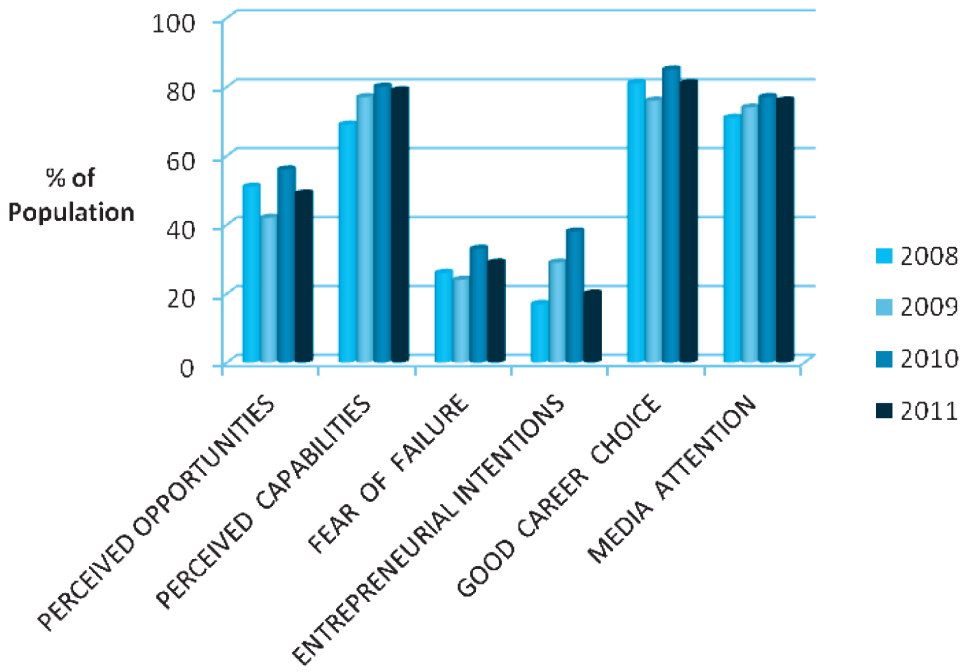
Entrepreneurial intentions

The percentage of the 18-64 age group (excluding individuals who are involved in any stage of entrepreneurial activity) intending to start a business within three years is highest for factor-driven economies (26.4%) and lowest for innovation-driven countries (10.3%). The rate for Jamaica (19.5%), plummeting from 38% in 2010, represents the lowest for all seven factor-driven GEM participating countries, the highest being Algeria, recording 41.8%. Interestingly, Jamaica's 'entrepreneurial intentions' rate is even lower than the average for all efficiency-driven economies (24.7%), but nearly twice as high as that for innovation-driven countries (10.3%). Given the relatively high perceived opportunities and capabilities for Jamaica, discussed above, this lower rate is cause for concern given the increasing trend in unemployment rates (14.1% in January 2012) as reported by the Statistical Institute of Jamaica.

Career choice, status, and media attention

Entrepreneurship as a career path is highly recognized and applauded in the small-island state (Figure 7). Eighty-one percent of working-age Jamaicans agreed with the statement that most people in the country consider starting a business as a desirable career choice. The average for all factor-driven countries is 77%, efficiency-driven countries - 70%, and innovation-driven economies - 57%. Indeed, much status is accorded to successful Jamaican entrepreneurs as 83% in the 18-64 age group supported the statement that in their country, successful entrepreneurs receive high status. Only 69% of persons in innovation-driven and efficiency-driven economies agreed with the aforesaid statement. Moreover, about 76% of all working-age Jamaicans agreed with the statement that they often see stories in the media about successful new businesses. The average for all factor-driven countries is only 58%, efficiency-driven – 60%, and innovation-driven, 58%.

Figure 7: Selected entrepreneurial attitudes and perceptions: Jamaica: 2008-2011



ENTREPRENEURIAL CHARACTERISTICS

Age and entrepreneurship

Twenty-seven percent of respondents in the 2011 APS sample fell within the 18-24 age group followed by the 25-34 and 35-44 categories, respectively (Figure 8). The trend in Jamaica has been for business start-up activities to be concentrated in the age groups 25-34 and 35-44 years, particularly in the latter age group.

Entrepreneurship by gender

Despite the dominance of females, the level of involvement by males in early stage entrepreneurship exceeded that of females. The TEA for males was 14.9% of the population and for females, it was 12.6% (Figure 9). This has been the trend for Jamaica over the years and the difference between the genders has remained marginal. In the GEM 2011 Global Report (p. 15), of the 54 economies surveyed, it was only in eight of these economies that the rate of female early-stage entrepreneurship was comparable to that of their male counterparts. Jamaica is included in these eight economies.

Figure 8: Age distribution of sample – APS 2011

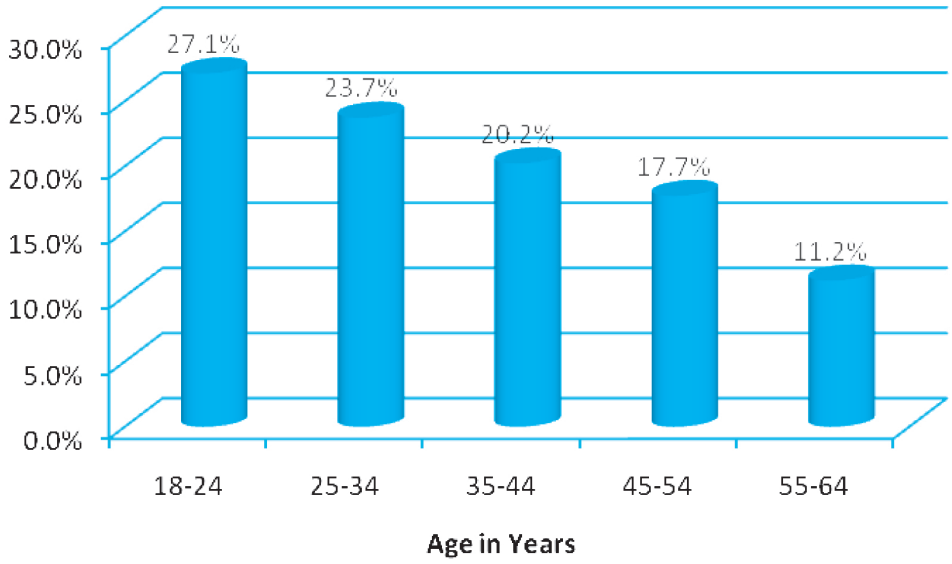
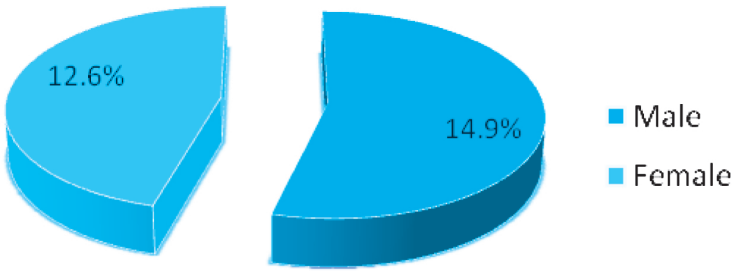


Figure 9: Early-stage total entrepreneurial activity (TEA) by gender



Jamaica's total entrepreneurial activity of 13.7% was largely opportunity-driven. For both males and females, opportunity-entrepreneurship exceeded that of necessity-entrepreneurship. Although more males were involved in entrepreneurial activity, more females were involved in necessity-entrepreneurship. Figure 10 shows that the TEA for opportunity-entrepreneurship for males was 9.1% of the total while for females it was 7.8%. Females, on the other hand, accounted for 4.1% of total necessity-entrepreneurship compared to that for males of 3.7%. The prevalence of females in necessity-entrepreneurship in Jamaica is not surprising, as in most cases women are the main providers in families and are often involved in subsistence type entrepreneurial activities.

Education and entrepreneurship

The importance of education in the entrepreneurial development process is often emphasized. The knowledge and skills required to effectively manage a business may be gained through education and training. Table 6 reveals that the majority of respondents (61%) has received secondary level education and, therefore, should possess the requisite lower level competencies to run a small business. Only 10% of respondents

have achieved a university education and a further 8.7% have attended other tertiary level institutions. High-growth businesses require high skill and knowledge competencies, but with only a small portion of the population benefitting from tertiary level education, the development of such types of businesses may be retarded.

Figure 10: Gender and type of early stage entrepreneurship (TEA)

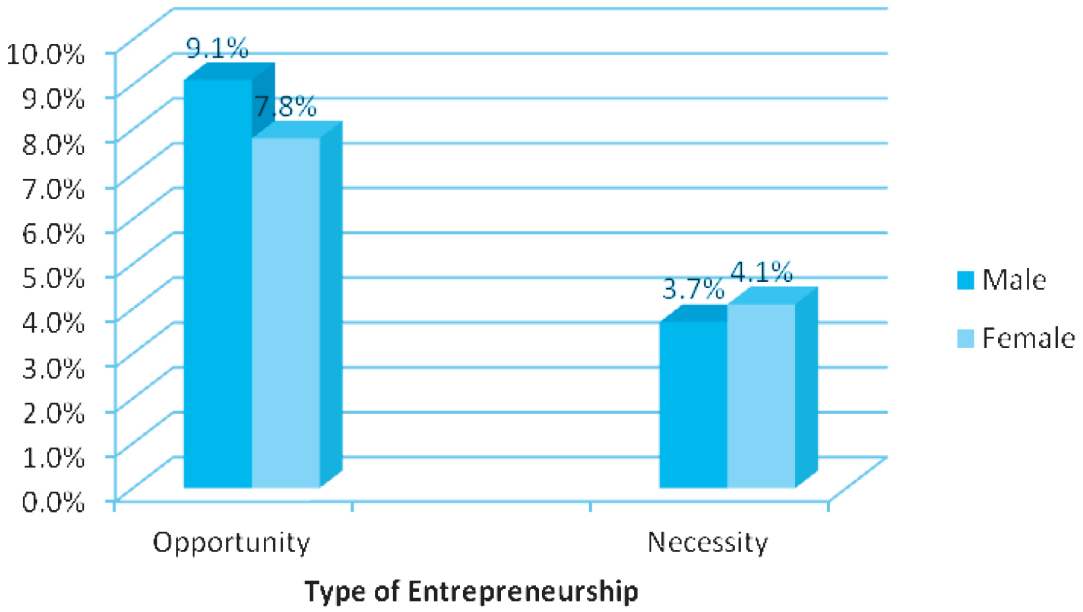


Table 6: Level of education

Level of Education	Percent
University	10.7
Other Tertiary	8.7
Special School	0.9
Secondary	61.0
Primary	13.1
Pre-Primary	0.5
Other	4.8
None	0.2

Income levels

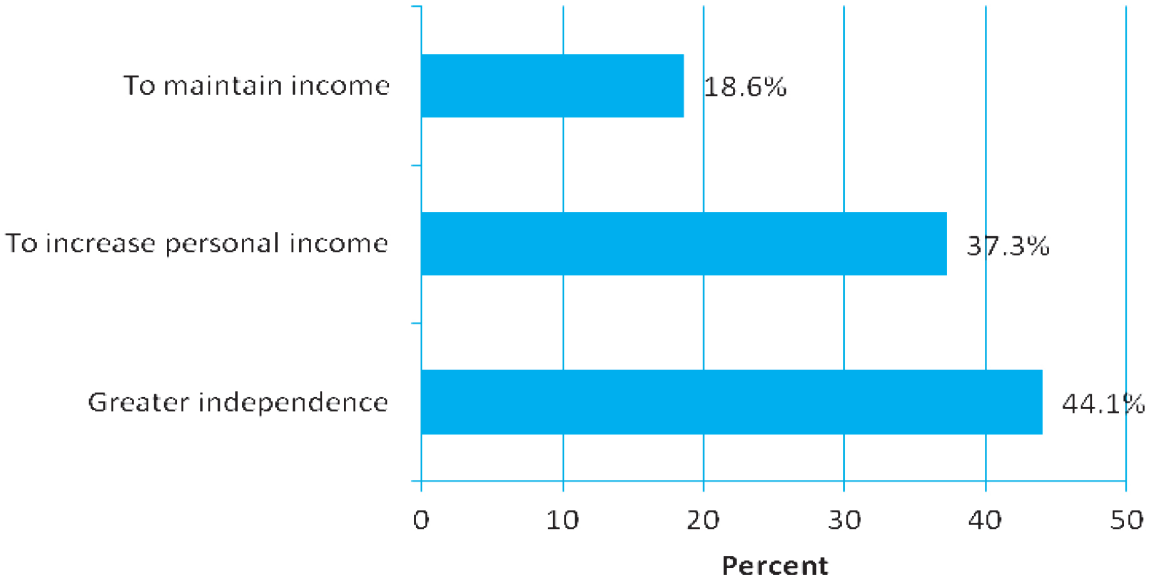
Jamaica is categorised among the factor–driven economies. Characteristics of these economies include the utilization of labour and other factors to create economic value-added. The income levels of the APS sample are reflective of these characteristics. The majority (approximately 60% of respondents), falls within the lowest income category of J$0.0 – J$211,639, the equivalent of US$0.0 - US$2,404.00 per annum (Table 7). Additionally, 18% of incomes is within the low income bracket of J$211,640 - $411,639 (approximately US$4,625) annually. If nearly 80% of respondents earn less than US$4,625 per year, this has implications for consumer purchasing power and the ability to accumulate funds to start a business.

Many persons enter into entrepreneurial activity in order to supplement their incomes. When asked about the motive for pursuing a business opportunity, 44% of respondents indicated that this was done for greater independence. Thirty-seven percent indicated that this was done to increase their personal incomes while the other 18% wanted to maintain their income (Figure 11).

Table 7: Income levels of respondents

Annual Income (Jamaican $)	Percent
$0 - $211,639	59.6
$211,640 – $411,639	18.9
$611,639 – $811,639	4.4
$811,640 - $1,011,639	3.2
$1,011,639 and over	5.6

Figure 11: Motive for pursuing a business opportunity



Employment

With regard to employment status, 30.3% of the respondents were seeking employment, 28.9% were unemployed, while another 20.3% were already employed (Table 8). Some of the persons who became entrepreneurs were previously working prior to undertaking a business venture. Approximately 62% of entrepreneurs fell into this category. A further 44% of respondents reported that they were currently employed outside of the business. This indicated that many individuals did not enter into entrepreneurship due to unemployment. They either quit their jobs to start the business or start the business while they were still employed. This is supported by the data in Table 9 which shows that the majority of respondents (53.6%) became involved in start-ups in order to take advantage of a business opportunity, while less than a half of this figure (22%) did so because there was no better choice for work.

Table 8: Employment status of respondents

Employment Status	Percent
Employed by others in full time-work	20.3
Employed by others in part-time work	6.6
Self-employed	28.9
Seeking employment	30.3
Not working due to retirement or disabili	5.3
Student	10.1
Full-time home maker	9.0

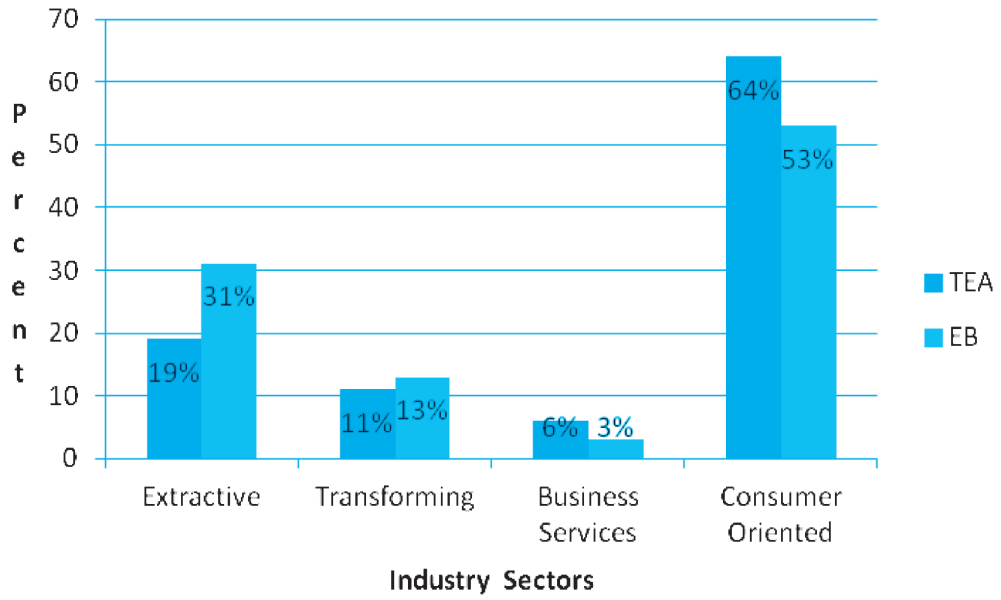
Table 9: Reasons for involvement in start-ups

Reasons for involvement in start-up	Percent
Take advantage of a business opportunity	53.6
No better choice for work	21.8
Combination of both of the above	16.2
Have a job but seek better opportunities	7.3
Other	1.1

Industry sectors and industry types

The consumer-oriented sector was the leading sector for entrepreneurs both at the early-stage (TEA) and established business (EB) levels. Figure 12 shows that 64% of early-stage entrepreneurs were involved in consumer oriented activities, while 53% of EBs was so inclined. This was in keeping with the GEM global data where consumer-oriented businesses were dominant in factor-driven and efficiency-driven economies, particularly in retail. In the innovation-driven economies, it was the 'Business Services' sector that was dominant.

Figure 12: TEA and EB: Industry sectors



With regard to the types of industries in which entrepreneurs were involved, Table 10 indicated that the 'Retail Trade, Hotels & Restaurants' continued to be the industry of choice for entrepreneurs both at the early-stage (57.5%) and established business (48%) levels. This was followed by Agriculture, Forestry and Fishing industries, with 18.8% for TEAs and 30.6% for EBs. However, unlike the retail Trade where the TEA exceeds the EBs it is the opposite in Agriculture, where there is greater participation of EBs in this sector and its related industries. Entrepreneurial participation in the other industries lagged way behind these two types. It is interesting to note that there were more established businesses involved in agriculture-related industries as opposed to early-stage businesses denoting some level of growth in the sector.

ENTREPRENEURIAL ASPIRATIONS

Ambitions

Entrepreneurial aspirations take into consideration early-stage start-up attempts and the growth expectations for such businesses. The number of expected jobs to be created within a five-year period also gives an indication of expected growth. The GEM survey asked respondents the questions listed in Table 11.

Table 10: TEA and EB: Entrepreneurial activity by industry type

Type of Industry	TEA	EB
Agriculture, Forestry, Fishing	18.8	30.6
Mining, Construction	1.9	2.0
Manufacturing	2.7	5.1
Utilization, Transport, Storage	3.4	4.2
Wholesale Trade	3.0	2.1
Retail Trade, Hotels & Restaurants	57.5	48.0
Information and Communication	0.4	-
Financial Intermediation, Real Estate Activities	0.8	-
Professional Services	2.3	1.0
Administrative Services	2.7	2.0
Government, Health, Education, Social Services	5.7	4.1
Personal/Consumer Service Activities	0.8	1.0
TOTAL	100	100

Table 11: Involvement in starting a new business

SURVEY QUESTIONS	YES (%)	NO (%)
Over the past twelve months have you done anything to help start a new business?	43	57
Do you know someone personally who has started a business in the past 2 years?	47	53
In the next six months, will there be good opportunities for starting a business in the area where you live?	49	51
Do you have the knowledge, skill and experience required to start a new business?	77	23
Do most people consider starting a new business a desirable career choice?	82	18
Would fear of failure prevent you from starting a business?	34	66

The survey results showed that as much as 43% of respondents had made attempts to start a new business over the past 12 months. Forty-nine percent believed that there will be good opportunities for starting a business in the next six months. As much as 77% of respondents believed that they have the knowledge, skills and experience required to start a new business. On the question of whether starting a new business is a desirable career choice, 82% of respondents agreed. Most individuals (73%) preferred to own the entire business that they started.

Growth expectations

One of the major objectives of entrepreneurship is job creation. GEM measures business growth by an increase in the number of persons employed in a business. The number of persons working in a business was compared to the number who is expected to be working in the business in five years' time. The results showed no significant difference between the two figures (Table 12). Apart from the owner, most businesses (44.3%) have one person currently working in the business and 38.4% indicated that they expect that only one person would be working in the business in five years' time. Hence, the employment potential of businesses over the next five years appears to be quite limited.

Innovation

GEM evaluates innovation from the perspective of the market and industry. This measure represents the extent an entrepreneur's product or service is new to some or all customers and where few or no other businesses offer the same product or service (Kelley, Singer and Herrington, 2012). The GEM 2011 global data indicated that innovativeness increases as economic development rises and that innovativeness is highest among the innovation-driven economies. The APS revealed that most Jamaican consumers (66%) did not consider their products or services new or unfamiliar, implying that the level of innovation in the country was low.

Table 12: Persons working for the business currently, and in five years' time

Number of Persons	Currently Working for the Business (%)	Working for the Business in Five Years Time (%)
0	26.6	20.2
1	44.3	38.4
2	14.6	17.2
3	6.3	10.1
4	3.8	7.1
5	1.3	5.1
6	0.6	-
7	1.3	-
8	-	1.0
9	-	-
10	0.6	-
15	-	1.0
20	0.6	

On the question of other business competitors offering the same products or services, 45% of respondents stated that many other businesses offer the same products, 42% were of the view that only a few businesses offered the same product, while only 13% believed that no other businesses offered the same products or services. The GEM 2011 Global Report (p.20) shows that Jamaica ranks very low in the bottom ten of the the 54 GEM participating countries where product innovation was concerned.

Respondents were questioned on the likelihood of consumers trying/buying certain categories of products or services such as, for example, products or services that are new to the market. Most persons (78.5%) agreed that consumers are likely to try such products within the next six months (Table 13). The table also shows that respondents are willing to buy/try products on all dimensions, implying that Jamaican consumers are not averse to trying new products. It can, therefore, be concluded that Jamaicans have a strong appetite for new products and services but there is not enough innovation in the country to satisfy this demand.

Table 13: Likelihood of consumers to try these products or services within the next 6 months

Consumer Likelihood to Try Products	Strongly Agree	Some-what Agree	Neither Agree nor Disagree	Some-what Disagree	Strongly Disagree
Products or services that are new to the market	35.7	42.8	10.3	6.9	4.3
Products and services that will improve your life	30.0	36.6	22.6	7.3	3.5
Products or services that are new to your organization	35.4	44.0	11.7	5.2	3.7
Products or services that use new technologies for the first time	33.8	43.4	11.4	7.6	3.8
New products and services that will improve your working life	39.3	38.6	15.6	3.9	2.5
Products or services that use new technologies in daily work for the first time	32.5	45.1	12.1	6.1	4.2

Internationalization

This measure is based on the extent to which a firm's customers are from other countries. It assesses the extent to which entrepreneurs sell to customers outside their economies. Figure 13 displays the proportion of firms' customers who normally live outside the country. The majority of entrepreneurs (64%) had none of their customers living outside the country, 14.3% had less than 10% while only 8.2% had over 90%. Merely 2.8% had 50% to 90% of international customers. These figures indicated that the internationalization of entrepreneurial firms in Jamaica was extremely low. The GEM global data found that internationalization has been lowest in the factor-driven economies, but increases with higher economic development levels.
Regarding the market expansion mode of entrepreneurial firms, 15.4% of early-stage (TEA) and 2.0% of established firms (EB) indicated that there was some market expansion relative to new technologies. Additionally, 19.2% of TEAs and 17.2% of EBs reported that there was some market expansion with no new technologies while 64.7% of TEA and 80.8% of EBs indicated that there was no market expansion at all (Table 14).

Technological level

The availability of technology for start-ups and established businesses was examined under several dimensions. Entrepreneurs were questioned about the availability of technology for their businesses. Sixty-three percent of the sample reported that the technology was more than 5 years old, 11% incicated 1 to 5 years, and 26% reported less than one year. It has been noted that early-stage businesses (16.2%) have the very latest technology as opposed to their more established counterparts that have recorded only 2% (Table 15). Additionally, the EBs have 83% of the technology for more than 5 years. This indicated that it was the most recently established businesses that had the most up-to-date technologies.

Networks

Mark Granovetter (1983) illustrated the importance of strong ties and weak ties in network theory. He emphasized the importance of strong ties in making advancements or progress in society. GEM examined the sources through which individuals relied on others for advice (Table 16). The data showed that the

majority of respondents obtained advice from family (43.5%) and friends (42.2%). Customers (24.4%) and suppliers (12.5%) also played important roles in proffering advice. This highlighted the importance of ties in offering advice and other support to entrepreneurs, particularly in the early development stages of businesses.

Figure 13: Proportion of firm's customers who live outside the country

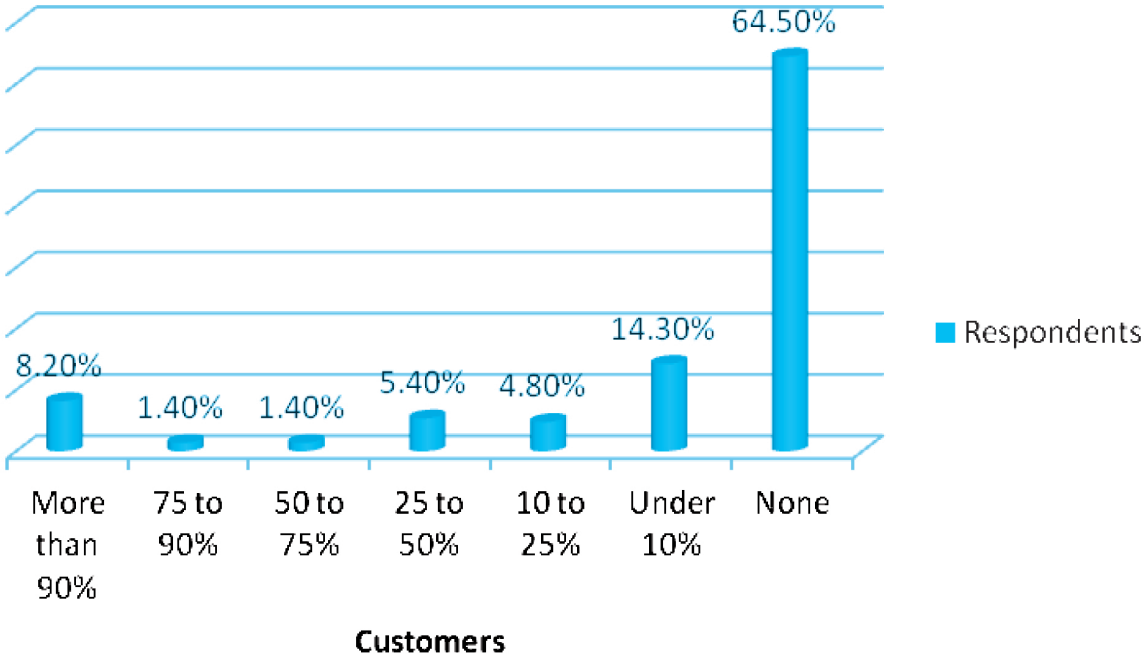


Table 14: Market expansion mode

	TEA (%)	EB (%)
No market expansion	64.7	80.8
Some market expansion (no new technologies)	19.2	17.2
Some market expansion (new technologies)	15.4	2.0
Profound market expansion	0.8	-

Table 15: Availability of technology more than a year ago

Available Technology	TEA (%)	EB (%)
Very latest technology (newer than one year)	16.2	2.0
New technology (one to 5 years)	9.8	15.2
No new technology (more than 5 years)	74.1	82.8

SPECIAL TOPIC: INTRAPRENEURSHIP (FROM THE APS)

Intrapreneurship refers to voluntary entrepreneurial behavior of employees in businesses. Intrapreneurship is also viewed as a means by which established organizations can reinvent themselves through development of new products and services for new and existing markets, thereby taking advantage of the opportunities presented by globalization, and being able to withstand competition in the marketplace. Today's business environment is very challenging, stemming from the global recession of 2008 which still has a lingering effect on the economies of countries such as Jamaica. Businesses have been employing coping strategies by utilizing its varied resources, human and otherwise, fully and creatively. GEM's focus on intrapreneurship is timely for Jamaica, as this aspect of entrepreneurship has not been widely studied and reported in the island.

Pertinent questions which can be explored in a research on intrapreneurship include the following:

1. What is the extent to which mature businesses perceive intrapreneurship as a solution to the challenges faced in today's business environment?

2. What percentage of businesses is actively pursuing intrapreneurship as a solution to existing and new challenges?

3. Is the level of intrapreneurship in Jamaican businesses adequate to respond to current and future challenges?

4. What are some of the challenges being faced by businesses as a result of adopting and implementing intrapreneurship?

Table 16: Sources of advice for entrepreneurs within the last year

Source of Advice	Percentage of Entrepreneurs
Family or other relatives	43.5
Friends	42.2
Customer	24.4
A supplier	12.5
Someone with much business experience	8.1
Someone in another country	4.4
Some from abroad	4.0
Someone who is starting a business	4.0
Bank	2.0
Current boss	1.7
Possible investor	1.0
A Firm that you collaborate with	1.0
Researcher or inventor	0.7
Lawyer	0.7
Accountant	0.0
Public advising service for businesses	0.0
A Firm that you compete with	0.0

The most significant new activities that respondents were actively involved with in the past three years were as follows:

- Creation of a night spot for persons to hang out and relax
- Assisting with promotional strategies
- Participating in the marketing of new products
- Designing support infrastructure for new services

- Starting a wholesale
- Recommending new types of product merchandizing
- Introducing new products on the market
- Developing a key financial program
- Manufacturing and marketing of natural juices
- Re-manufacturing of damaged goods
- Provision of security guard services
- Improving customer service

The APS revealed that an overwhelming majority (74%) of respondents stated that they have been involved in the development of an idea for a new activity in the past three years. Of those who were involved in intrapreneurship, only 14% played a leading role in the new idea development while 79% played a supporting role. Seven percent played both leading and supporting roles. New ideas were being developed by a few with the support of the larger body of employees. However, to the extent that the majority of employees were not involved in generating new ideas, the companies were not benefitting fully from their human resource potential.

Most of the staff (55%), according to the APS, was not involved in the preparation and implementation of the 'new activity'. Of those involved in preparation and implementation of the new activity, only 17% played a leading role, while 75% had a supporting role and 8% played both a leading and supporting role. Efforts must be made to increase the number of employees that play lead roles in the development and implementation of new ideas in Jamaican firms. Again, fifty percent of respondents stated that all or some of the customers would consider their firm's product or service new and unfamiliar. Creation of new and unfamiliar products suggested some risk-taking on the part of the firm. This was certainly an encouraging sign as GEM research revealed that the Jamaican culture does not enthusiastically support entrepreneurial risk-taking. This entrepreneurial risk-taking may be a response to the challenges resulting from globalization as well as the companies making use of new technologies to create new relevant products and services.

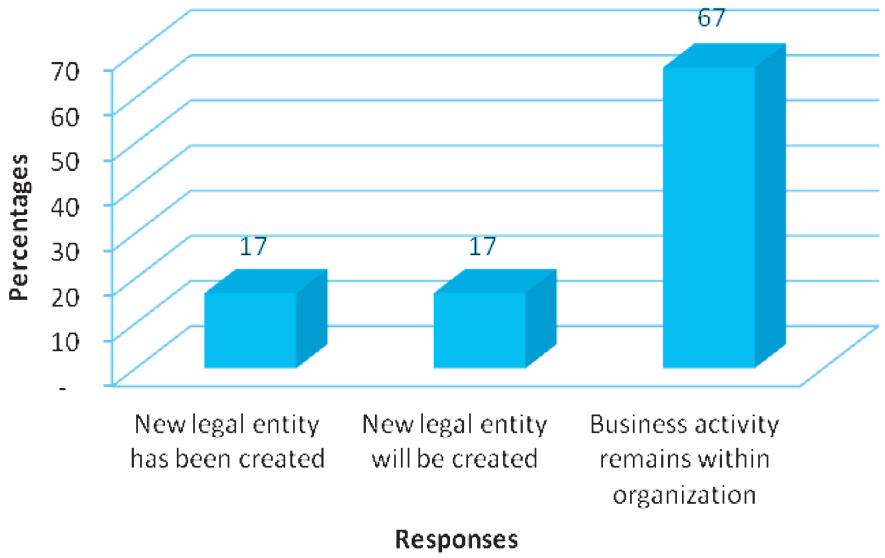
Fifty percent of respondents revealed that the 'new activity' targeted new and existing customers. Thirty percent of respondents said the new activity targeted a new group of customers, 10% claimed that it aimed at existing group of customers and 10% said the new activity targeted no customers at all. With only ten percent exclusively targeting existing customers, it appeared that there was recognition of the need to develop products and services aimed at capturing new market segments, though a significant number of firms were using some caution in this regard by focusing on both new and existing customers. A significant number, (30%) of firms' activities were aimed exclusively at new customers. These results were reasonable, given the stagnated nature of the Jamaican economic environment and the recognised need to be cautious while at the same time expanding operations into new market segments.

Additionally, fifty percent of respondents stated that there were few other businesses offering the same product or service to customers, 11% believed there are no business competitors and 39% believed there were many business competitors. The reduction in immediate direct competitors of this approach provided breathing space for the introduction and development of new products. Moreover, a high 67% of respondents declared that the new business activity would remain within the parent organization, 17% affirmed that a new legal entity has been created and 17% maintained that a new legal entity will be created (Figure 14). Keeping the new business activity within the parent organization could reduce the risk associated with its development. Most of the Jamaican firms have adopted this approach.

Sixty-seven percent of respondents declared that the technology of their new activity was closely related to the core technologies of their previous or current employer. Twenty percent affirmed that it was partially related, while 13% stated that it was not related (Figure 15). Utilizing familiar technology is a less risky way

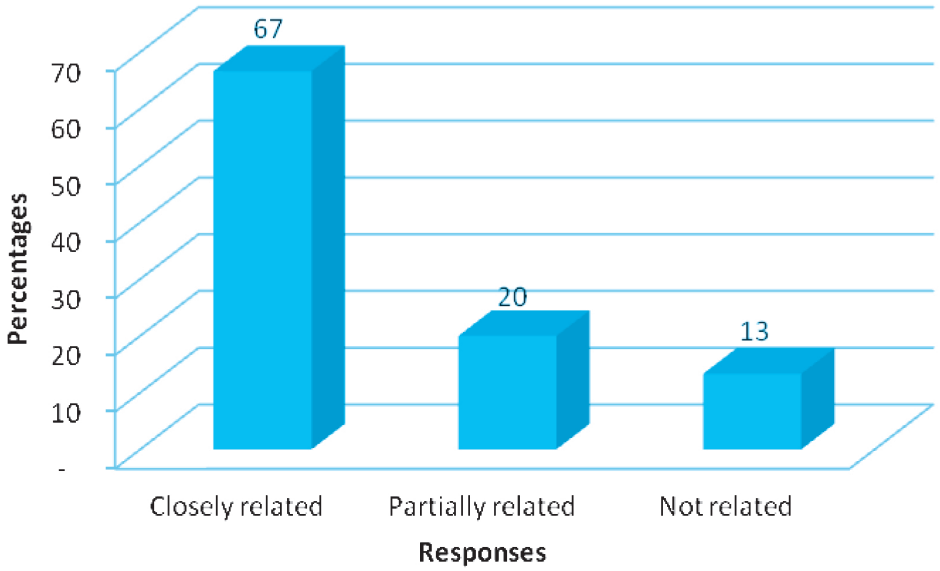
of expanding the operations or developing new enterprises. The results showed that a significant number of Jamaican firms were using existing or old technology to create new products and services. This pointed to a relatively conservative position taken by Jamaican firms as it relates to entrepreneurial risk-taking. This conservative position was supported by the larger Jamaican culture. There were however a number of enterprising risk-taking Jamaican firms which were utilizing new technologies to create new products and services.

Figure 14: Placement of new business activity in relation to parent organization



Sixty-one percent of respondents maintained that they did not personally take any risks in getting involved with the new activity while 39% stated that they did. One of the benefits of intrapreneurship is the lower personal risks taken by those involved as contrasted with higher risks assumed by entrepreneurs. Intrapreneurship is not without personal risks, however, as seen by the results that more than a third of the respondents took some personal risks by getting involved in an intrapreneurial activity.

Figure 15: Relatedness of technology used for new activity to that of core business

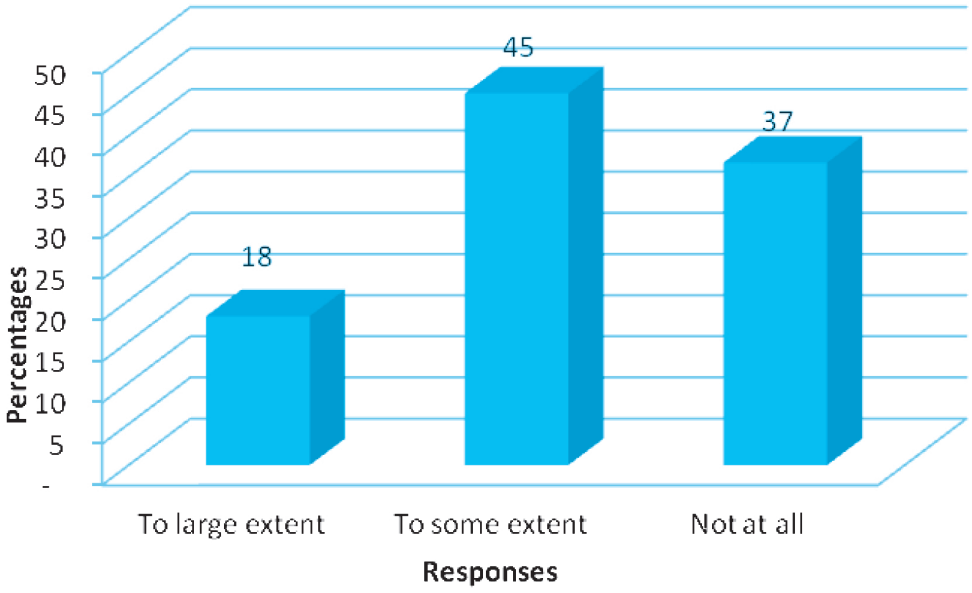


Of those who took risks in getting involved, 29% declared that they risked a loss of status while 71% did not. Forty percent revealed that they risked damage to their careers for getting involved while 60% maintained that they did not. Twenty-five percent believed that they risked loss of a specific job, while 75% did not. Sixty percent stated that they risked loss of money invested. Based on these results, the largest risks taken by intrapreneurs in Jamaican firms was the loss of money which they invested. This result was counter-intuitive as it was expected that the firms themselves should take the financial risks in intrapreneurship efforts.

Thirty-seven percent of respondents disclosed that their current employers were not willing to provide support when employees came up with ideas for new goods or services. Forty-five percent affirmed that their employers were willing to provide some support, while 18% revealed that their employers were willing to provide much support (Figure 16). Hence, the majority of employers were willing to support employees in generating ideas.

The results on intrapreneurship appeared to be largely intuitive and in keeping with other findings on entrepreneurship research in Jamaica. Results from the Statistical Institute of Jamaica showed that unemployment has increased in the island in recent years and the GDP growth rates have been extremely low. Given the harsh economic climate affecting Jamaica, it was not strange that a significant percentage of respondents were in some way involved in assisting their current employers developing and implementing new products, services or strategies. Employees were concerned about job security and would willingly engage in intrapreneurial undertakings in order to retain their current jobs as new jobs are hard to find, and launching out into full entrepreneurship is even more risky due to competition and declining disposable incomes of potential customers.

Figure 16: Employers' support for employees' new ideas



It was not surprising that employees were willing to go beyond the call of duty to come up with ideas to help the survival and growth of their employers' businesses as this rebounds to their benefit in terms of job security. However, the question of the adequacy of the level and intensity of intrapreneurship activities to respond to the current challenges is arguable as many businesses are still struggling to survive. Nonetheless, it must be noted that some established Jamaican firms such as Grace Kennedy Ltd. has continued to grow and succeed despite the global challenges and harsh economic climate. Their survival has been largely driven by intrapreneurship efforts.

SPECIAL TOPIC: SOCIAL ENTREPRENEURSHIP

Current trends in social entrepreneurship in Jamaica

Bornstein and Davis (2010) in their definition of social entrepreneurship posited that social entrepreneurship today looks beyond individual founders and institutions to the change-making potential of all people and their interactions. It recognizes that social entrepreneurship is contagious. They further contend that this is a process by which citizens build or transform institutions to advance solutions to social problems such as poverty, illness, illiteracy, and environmental destruction. There are concerted efforts by social organizations such as the church, civic groups, community groups, foundations affiliated to organizations, and government organizations, to build community organizations which are self-sustaining and income-generating. The Social Development Commission and the Jamaica Investment Fund are arms of the government and as such are supported by government funds as well as loans and grants from the multilateral agencies.

From the NES, 97% of experts indicated that they were not currently trying to commence any activity, organization or initiative which had a social, environmental or community initiative. Sixteen percent indicated that they were involved in some level of initiative, while 84% claimed that there were no initiatives during the period under review. The groups listed as currently working in an activity, organization or initiative included subcontractors, part-time workers and volunteers. On the question of voluntarism within the various groups of persons interviewed, 33% of respondents indicated that none of the persons in their group were working as volunteers, 33% revealed that one of these persons was working as a volunteer, and 33% disclosed that four of these persons were working as volunteers. Twenty-nine percent indicated that some of the revenue from this activity, organization or initiative came from income through sales of products or charging for services, 29% stated that no revenue was generated, and 43% indicated that funds came from donations. All respondents affirmed that these initiatives have societal values suggesting that there has been a growing trend in Jamaica at this point towards social entrepreneurship, given the economic situation and the social degradation of some communities.

Models of social entrepreneurship in Jamaica

Within recent years social organizations such as the Norman Manley Foundation have been supporting community-based organizations with the aim of developing their communities to provide infrastructure such as water, roads, electricity from mini hydroelectric plants as well as projects such as food processing, craft and agricultural development. The Foundation was established in memory of the late national hero, The Right Excellent Norman Washington Manley). The foundation makes awards annually.

The University College of the Caribbean in association with the Institute of Social Equity and Entrepreneurship (I-SEE) has implemented a Masters Degree in Social Entrepreneurship. Moreover, the University of Technology, Jamaica, has one of the modules in its B.Sc. in Entrepreneurship being Social Entrepreneurship. The University of the West Indies, Mona, through its Department of Management Studies facilitates a Social Entrepreneurship outreach programme, “Youth Crime Watch”.

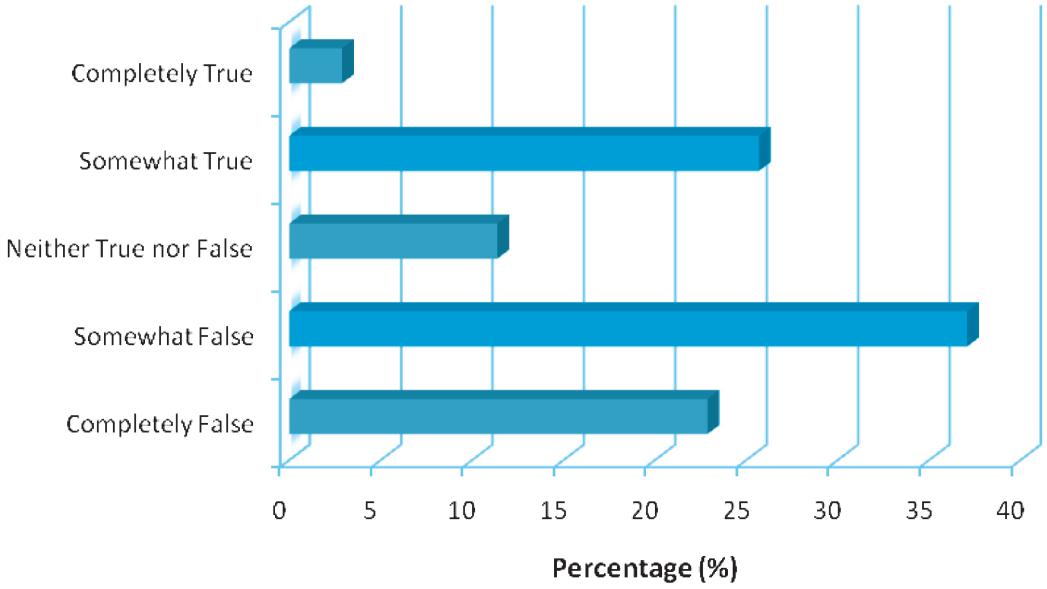
Businesses operating the concept of social entrepreneurship should not rely on grants, donations and subventions for their life blood, though there may be uses for such resources. For example, I-SEE, through the Agency for Inner City Renewal (AIR), is seeking IDB funds to boost a self-sustaining, expandable business start-up company that includes savings and loans through a credit union, and technical assistance from students in social entrepreneurship, for which clients will pay. The grant is the electric starter motor, and it turns over the start-up business engine that is self-propelling.

ENTREPRENEURSHIP FRAMEWORK CONDITIONS (NES)

Finance

The Jamaican business climate has not been adequately facilitating equity funding for small businesses. As shown in Figure 17, the majority of respondents (60%) indicated that it was either 'completely false' or 'false' to say that there was sufficient equity funding available for new and growing firms. However, 44% of respondents claimed otherwise. Again, the vast majority of respondents (71%) disclosed that it was false that there were sufficient government subsidies available for new and growing firms. Subsidies have been traditionally granted to large businesses in the hotel and manufacturing sectors. There was an approach in the last 3 or 4 years to assist small businesses with subsidies. However, the current financial state of the economy will not permit that effort to succeed. New and growing firms will, therefore, have to survive without subsides.

Figure 17: There is sufficient equity funding available for new and growing firms



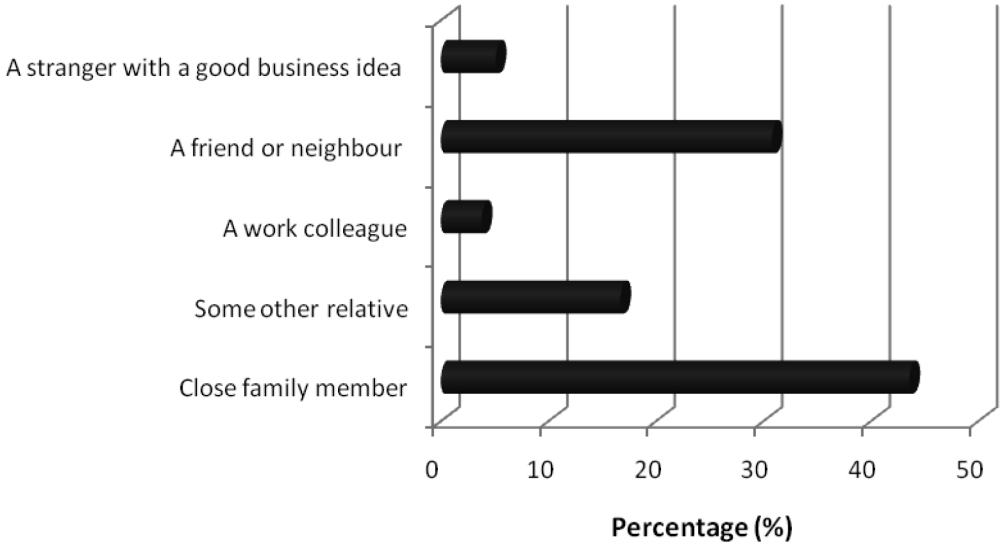
Moreover, most of the NES experts agreed that there was insufficient funding available from private individuals (other than founders) for new and growing firms. Funding is available in the Jamaican financial system; however, there has been a tendency over the last two decades to invest in financial paper. There is a need for a change in general mind-set of individuals to invest in businesses rather than in financial instruments. The stock market, specifically, the junior stock exchange, may help in this regard. Indeed, the majority of respondents (66%) revealed that there was insufficient venture capitalist funding available for new and growing firms. There is no established venture capital funding in Jamaica. Currently, the Planning Institute of Jamaica (PIOJ) and the Development Bank of Jamaica (DBJ) have been having discussions regarding the implementation of a Venture Capital Fund. The Development Bank of Jamaica (DBJ) has provided J$1 billion as seed-funding to commence this venture in 2012.

Moreover, the majority (57%) of respondents stated that there was sufficient funding available through initial public offerings (IPOs) for new and growing firms. Over the last 3 years a number of entities including Blue Power Soap, Chukka Cove Limited, and the LASCO Group of Companies. have successfully launched IPO's. Additionally, there are a number of other entities which are lining up to launch IPO's.

Informal investors

Ninety-six percent of respondents revealed that they personally provided funds for businesses over the last three years (excluding the purchase of stocks or mutual funds). This could have been as a result of an inability to access funds from financial institutions. The major sums of money provided to businesses from personal income range from $200,000.00 to $2,000,000. Twenty-five percent of respondents provided approximately $2,000,000 each, 24% provided approximately $1,750,000, 23% provided approximately $300,000 and 21% provided approximately $150,000 each. The remaining persons surveyed had varying amounts from $50,000 to $100,000. It could be deduced that the amount invested was based on the ability of the individuals themselves to contribute to their respective businesses. The largest contribution to any business (45%) was made by 'a close family member'(Figure 18). A 'friend or neighbour' contributed approximately 30% and 'relatives' contributed approximately 15%. 'Strangers' and 'work colleagues' contributed approximately 10%. '

Figure 18: Relationship of respondent with the person that received most recent personal investment



Government policies

The NES revealed the following in terms of government policies:

- The majority of respondents (67%) disclosed that Government's Public Procurement Policies did not favour new firms.
- Forty-three percent of experts disagreed that the support for new and growing firms is a high priority for policy at the national government level. The government of Jamaica has supported the Jamaica Business Development Centre (JBDC) as the avenue for business support. It may be that the effect of the JBDC is not as effective as it should be.
- The majority (66%) of households stated the support for new and growing firms is not a high priority for policy at the local Government level.
- Almost all the experts (94%) admitted that new firms cannot get most of the required permits and licenses in about a week. The Companies Office of Jamaica which registers new companies has improved its services to the extent that new companies can be registered in a day and requests are handled speedily. This, however, is not the case with other entities.
- An overwhelming majority of experts (86%) indicated that it was completely false that the amount of taxes is NOT a burden for new and growing firms. The Planning Institute of Jamaica has shown that only 11% of registered companies, mainly the larger companies, that pay taxes.
- Nearly half of all experts (48%) disclosed that taxes and other government regulations are not applied to new and growing firms in a predictable and consistent way.

- The majority of experts (81%) maintained that coping with government bureaucracy, regulations, and licensing requirements was unduly difficult for new and growing firms.

Government programmes

Most of the experts (72%) agreed that it was completely false that a wide range of government assistance for new and growing firms can be obtained through contact with a single agency. Government, in terms of its support for new and growing businesses, needs to direct more support and assistance to these entities. This may be facilitated through multilateral lending and support institutions. Again, more than 40% of experts interviewed revealed that science parks and business incubators did not provide effective support for new and growing firms. There are no established science parks in Jamaica.

There are, however, a few incubators such as the Jamaica Business Development Centre and the Technology Innovation Centre (TIC), University of Technology, Jamaica. The TIC operates as a special unit within the Joan Duncan School of Entrepreneurship, Ethics and Leadership (JDSEEL). It is the first business incubator within the English-speaking Caribbean which provides an environment which monitors, mentors and guides entrepreneurs towards attaining sustainability and success, factors that are critical for the provision of a safe haven for healthy businesses. In 2011, the TIC was able to assist fifty two (52) clients directly through various incubation programmes, training and coaching. In addition, the University of the West Indies, Mona, has an established Informatics Park. The Planning Institute of Jamaica has commenced discussions with the University of Technology, Jamaica, with a view to establishing a Technology Park.

Most of the NES experts (64%) disclosed that there was an inadequate number of government programmes for new and growing businesses. Additionally, the majority of experts (61%) stated that persons working for government agencies were not competent and effective in supporting new and growing firms. There was a constant cry from the business sector for an enabling environment for business. This enabling environment is to facilitate registration and support in various aspects. Successive governments have recognized that the public sector was not conducive to business growth. However, it is a major item on the agenda of this Government and also a requirement of the International Monetary Fund for any future Agreements.

The vast majority of experts (73%) disagreed that almost anyone who needed help from a government programme for a new or growing business can find what they needed. Government's current emphasis is on the growth sectors mainly hotel and tourism, agriculture, light manufacturing, and renewable energy. There have been loans and assistance programmes in these areas. Moreover, most experts (62%) disagreed that government programmes aimed at supporting new and growing firms were effective.

Education and training

There has been substantial activity in entrepreneurial training and development in the country during the year. In the GEM Jamaica 2009 Report it had been pointed out that entrepreneurship education and training may need to be expanded. Howard and Gumpert (1985) suggested that entrepreneur education should impact attitudes, allow people to think creatively and innovatively. The present thrust in entrepreneurship education is attempting to fill that gap. Indeed, primary and secondary schools in Jamaica have been exposing students to entrepreneurship teaching through projects. Organizations such as the Jamaica Public Service Company and the Jamaica Broilers Group have been having annual competitions in entrepreneurship.

However, the majority of experts (62%) indicated that teaching in primary and secondary education did not encourage creativity, self-sufficiency, and personal initiative. It is widely believed that the primary and secondary education system, as it is now structured, does not provide any training targeting the growth of businesses. However, efforts are being made by the Ministry of Education to bring more practical and relevant programmes into the school system. In this regard, the Heart NTA and the technical school system are being targeted. The secondary and technical school curricula are also being modified to include entrepreneurship.

The vast majority (78%) of experts disclosed that teaching in primary and secondary education did not

provide adequate instruction in market economic principles. In fact, the public in general is of the view that primary and secondary education levels are not geared toward business. As outlined by historians and educators (Miller 2009, Lewis 1980) this system was designed for the plantation and not a modern technology-driven economy. Government has implemented the e-learning programme which is to bring modern technology in the instructional mode in the school system and to link the new modality with modern economic and business trends.

Most respondents in the NES (87%) of respondents indicated that it was either completely false or somewhat false to say that teaching in primary and secondary education provides adequate attention to entrepreneurship and new firm creation. Teaching of entrepreneurship in the school system has been a relatively new activity, having begun only within the last 5 to 10 years. Firms have been sponsoring competitions and providing resources to accelerate this process.

The University of Technology, Jamaica, established the School of Entrepreneurship in 2010 and has been delivering a Bachelors Degree since then. Approximately 20% of the students at the University pursue a module in entrepreneurship. The Northern Caribbean University and the University of the West Indies also offer degrees and training in entrepreneurship. Other institutions such as the HEART NTA and the Jamaica Business Development Centre have been providing tertiary level entrepreneurship training. Yet most experts (56%) divulged that colleges and universities did not provide good and adequate preparation for starting up and growing new firms.

The majority of experts (55%) maintained that the level of business and management education did not provide good and adequate preparation for starting up and growing new firms. There has been a perception that the management education provided by the tertiary system is too theoretical and does not focus on nurturing entrepreneurial skills. However, tertiary institutions are now partnering with businesses and assigning projects to students so that they get more hands-on and relevant entrepreneurial exposure. Only 36% of the experts stated that the vocational, professional, and continuing education systems provide good and adequate preparation for starting up and growing new firms.

Research and development transfer

The NES revealed the following:

- Sixty-eight percent of experts indicated that research and development has not been efficiently transferred from universities and public research centres to new and growing firms;

- Sixty-six percent stated that new and growing firms did not have as much access to research and technology as established firms.

- Eighty-nine percent claimed that new and growing firms cannot afford the latest technology.
- Ninety-four percent revealed that government subsidies for technology acquisition to new and growing firms were inadequate.

- Forty-eight percent of experts said the technology base of the country was adequate to support world class technology based ventures while 37% said it was not.

- Eighty-three percent declared there was a lack of support for engineers and scientists to have their ideas commercialised through new and growing firms.

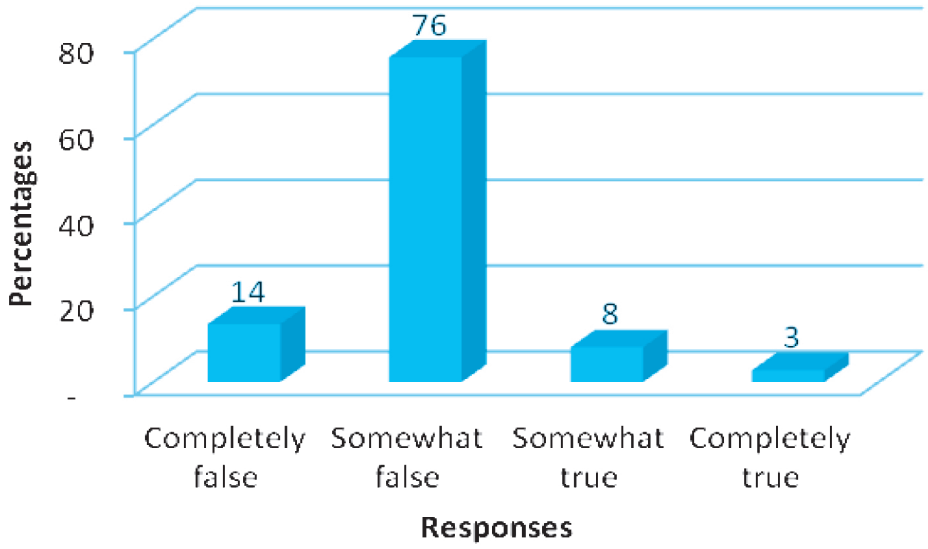
- The experts' views above strongly suggest that a stronger link needs to be formed between the private sector, universities and public research centres to facilitate R&D transfer. More government subsidies are required for technology acquisition. A pool of investment funds needs to be made available to support promising research ideas.

Commercial services and infrastructure

To what extent is the lack of adequate infrastructure for commercial services a hindrance to entrepreneurial development? What are the key commercial services infrastructure which are needed to facilitate entrepreneurial development? Whereas 61% of respondents indicated that there were enough contractors, suppliers and consultants to support new and growing firms, as much as 90% said that new and growing firms could not afford the cost of using subcontractors, suppliers, and consultants (Figure 19). Sixty-two percent of experts disclosed that it was not easy for new and growing firms to obtain good contractors, suppliers and consultants. Sixty-one percent claimed that it was easy for new and growing firms to get good, professional, legal and accounting services. There was a mixed reaction to the ease of obtaining good banking services (checking accounts, foreign exchange transactions, letters of credit, and the like): 45% stated that it was easy to obtain such services, while 42% believed it was not.

The development of new and growing firms is somewhat contingent on services provided by contractors, suppliers, consultants, and persons in the legal and accounting professions. This is so as proprietors of new and growing firms may not possess the skills in every area of business. Hence, in order to stimulate the growth of business activities, firms will require these services. If the services are too costly or if good quality services are unavailable, this could impede the growth and development of firms.

Figure 19: Cost of subcontractors, suppliers and consultants is affordable for new and growing firms



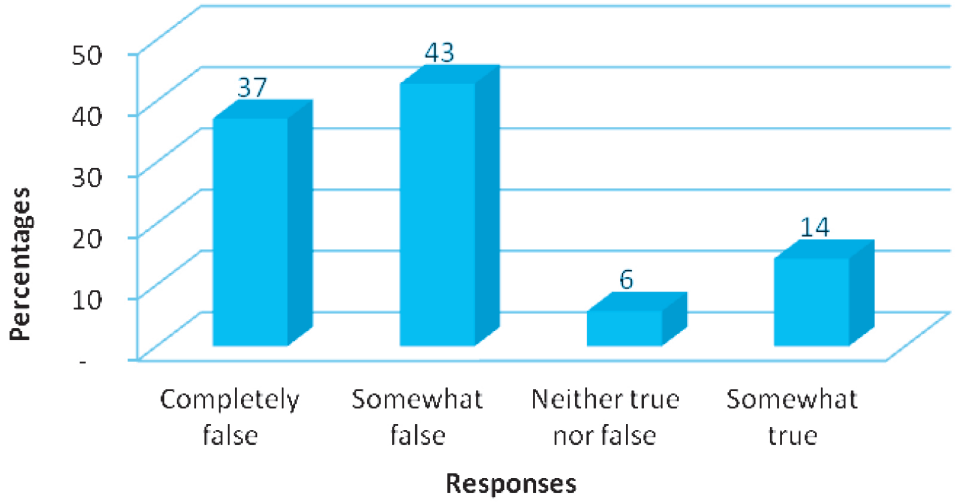
In the view of the experts, these services while somewhat available, are either not affordable to new and growing firms or good quality services are difficult to obtain. If a way can be found to provide these services at an affordable cost, with reasonable quality, this will enhance the development of new firms. In this regard, there may be a role for business schools and universities to provide some of these services to businesses using senior students under the supervision of lecturers and researchers. This could reduce the costs to businesses while providing valuable experiences to students.

Government needs to work with universities and the private sector to create an enabling environment supportive of new and growing firms. This support should be there to take firms through the various stages of their development, providing good services at affordable prices.

Market openness

How has the opening of the Jamaican market benefited entrepreneurship development? What needs to be done to better capitalize on the opportunities afforded by the opening of the Jamaican market? Sixty-two percent and 61% of experts, respectively, stated that markets for consumer goods and services, and markets for business-to-business goods and services in Jamaica did not change dramatically from year to year. Just over half of the experts (52%) said it was not easy for new and growing firms to enter new markets. Most experts (80%) stated that new and growing firms cannot afford the cost of market entry (Figure 20). It can be interpreted that the experts were saying that the high cost of market entry was a significant reason why new and growing firms have difficulties entering the market.

Figure 20: New and growing firms can afford market entry cost



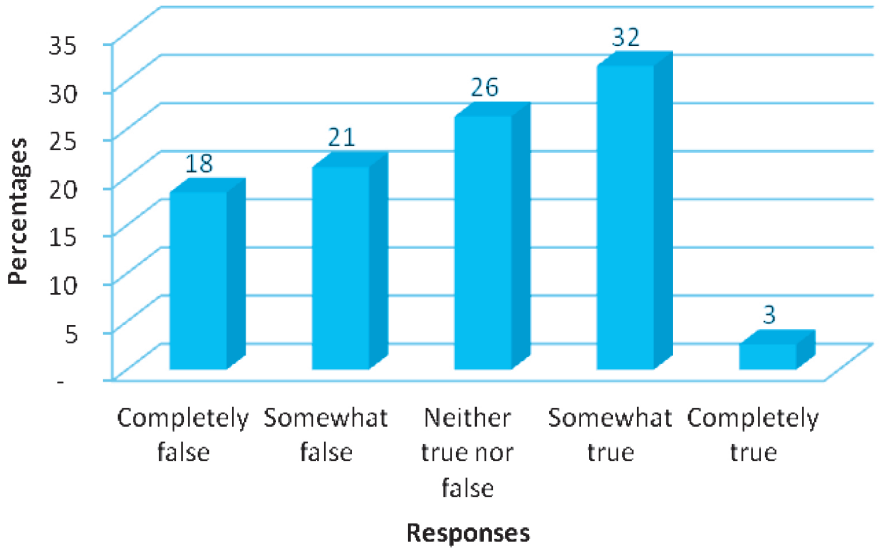
The views were mixed as to whether new and growing firms were unfairly blocked by established firms from entering the market. Thirty-seven percent of experts maintained that new and growing firms could enter without being blocked while 39% revealed that they could not. Fifty-seven percent of experts disagreed with the view that the anti-trust legislation is effective and well enforced. The government needs to ensure that the anti-trust legislation is well enforced to the benefit of all the players in the business arena, both small, medium-sized and large.

Physical infrastructure

To what extent has the lack of physical infrastructure been a constraining factor on entrepreneurial development in Jamaica? What is the nature of the physical infrastructure that needs to be created to facilitate entrepreneurial development? There were mixed views as to whether the physical infrastructure such as roads, utilities, communications and waste disposal provides good support for new and growing firms. Thirty-nine percent of expert indicated that the level of physical infrastructure did not provide good support for new and growing firms while 33% stated that it did (Figure 21).

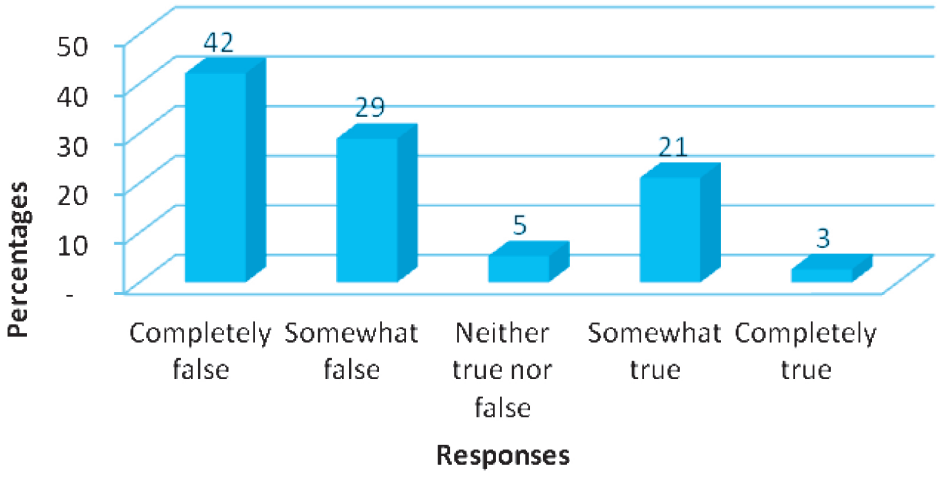
This could be due to the fact that over the last decade there has been significant development of highways such as Highway 2000 and the North Coast Improvement Project, while on the other hand, maintenance of minor roads have fallen behind with many appearing to have been neglected. While there has been a significant increase in access to telecommunications services in Jamaica, improvements in access to utilities such as water, waste disposal systems and electricity have not been so dramatic. Most experts (79%) disclosed that it was not too expensive for new and growing firms to get good access to communications (phone, internet, etc.). Seventy-five percent said that new or growing firms can get good access to communications (telephone, internet, etc) in about a week.

Figure 21: Physical infrastructure is adequate for new and growing firms



These results reflect the positive impact which the liberalization of the telecommunications sector in Jamaica has had on access and prices. Most experts (71%) claimed that new and growing firms cannot afford the cost of basic utilities (gas, water, electricity, sewer) (Figure 22). Again, 68% felt that new or growing firms can get good access to utilities (gas, water, electricity and sewer) in about a month. The government should continue its efforts to bring increased competition in the electricity sector as this has the potential to produce improved access and cheaper prices for all consumers.

Figure 22: New and growing firms can afford the cost of basic utilities



Cultural and social norms

What are some of the ways in which the cultural and social norms of Jamaica facilitated and retarded entrepreneurial development? Most experts (69%) believed that the national culture is highly supportive of individual success achieved through own personal efforts (Figure 23). Almost half of the respondents (46%) felt that the national culture emphasizes self-sufficiency, autonomy, and personal initiative, while only 22% indicated that it did not. There were mixed views as to whether the national culture supported entrepreneurial risk-taking, with 39% of experts saying it did not and 32% saying it did. Forty-five percent of respondents admitted that the national culture did not encourage creativity and innovativeness whereas 37% felt otherwise.

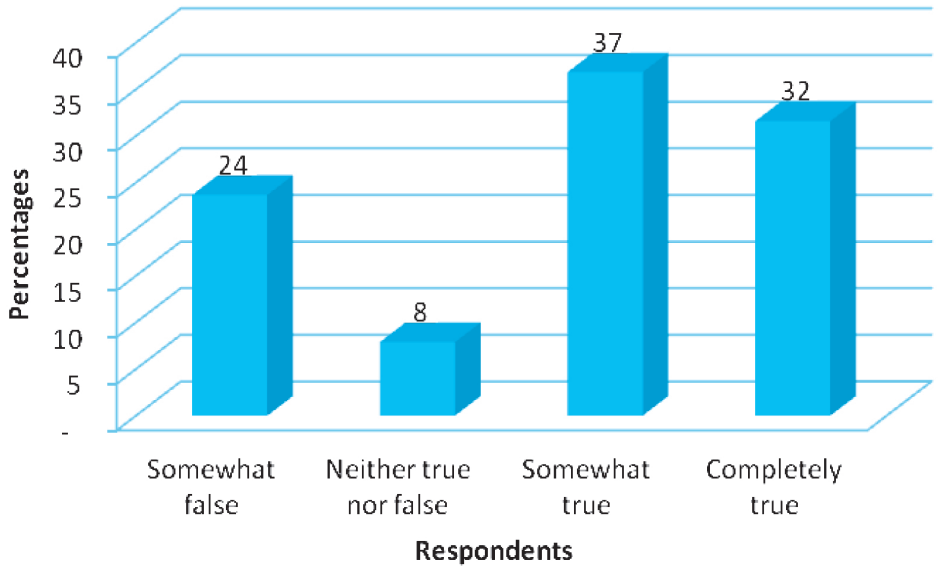
This cultural anomaly was pointed out in the GEM Report (2010) where, on the one hand individual success achieved through personal efforts was lauded by the national culture, but on the other, entrepreneurial risk-taking, creativity and innovativeness was not well-supported. This scenario is a recipe for frustration for individuals who wish to be successful but are not accorded the level of support from the national culture when they embark on entrepreneurial activities.

More than half of the experts (52%) maintained that the national culture emphasizes the responsibility that the individual (rather than the collective) has in managing his or her own life, while 35% said it did not. The populace must be taught to understand and appreciate the value calculated risk-taking as a necessary component of successful entrepreneurship. A separation must be made between business failure and individual failure in the minds of Jamaicans. The stigma attached to business failure needs to be reduced and viewed instead as a stepping stone to ultimate success. Laws must be enacted to reduce the absolute risk to persons who engage in entrepreneurial activity by improving social safety nets and creating bankruptcy protection for firms.

Opportunities to start up

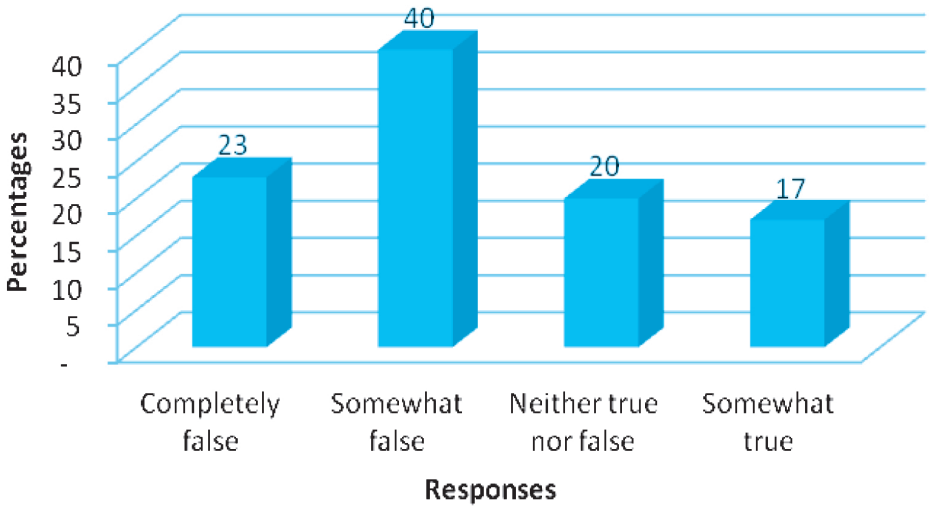
To what extent are opportunities to start-up entrepreneurial ventures increasing? How have the risks associated with start-ups changed? Forty-seven percent of experts believed there were plenty of good opportunities for the creation of new firms in Jamaica while 36% said this was not so. Forty-seven percent declared that there were not enough good opportunities for the creation of new firms for the number of people who were willing to take advantage of such opportunities. A smaller number of experts (31%) stated such opportunities were adequate.

Figure 23: The national culture highly supports individual success through own personal efforts



About half of the experts (51%) affirmed that good opportunities for new firms have not increased considerably in the past five years. Fifty-eight percent of experts did not agree that it was easy for individuals to pursue entrepreneurial opportunities. Most respondents (63%) felt there were not plenty of good opportunities to create truly high growth firms (Figure 24). The ease of pursuing entrepreneurial opportunities needs to be addressed as well as opportunities to create truly high-growth firms. High growth firms have the potential to change the economic fortunes of Jamaica. The conditions which are necessary to facilitate the creation of high- growth firms in Jamaica need to be explored. The universities, government and the private sector need to play a role in this regard.

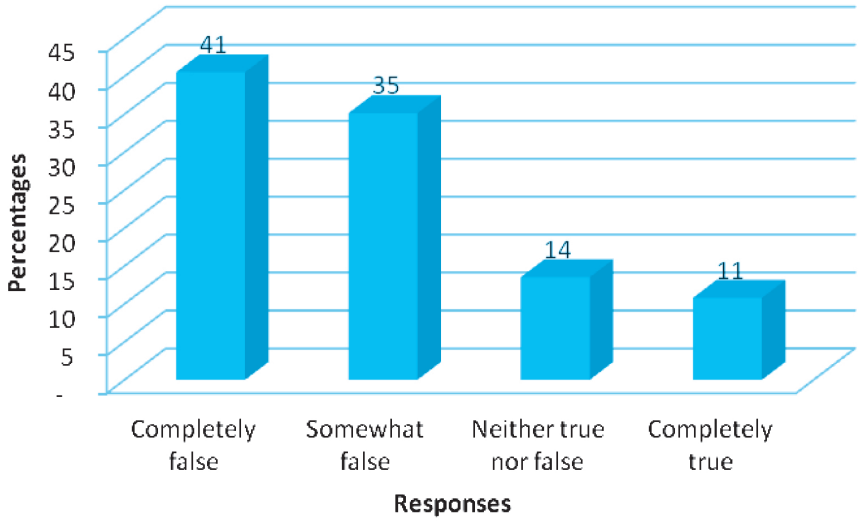
Figure 24: Plenty of good opportunities exist to create truly high growth firms



Abilities and knowledge to start up

How much have the abilities and knowledge to start up increased? What are the ways persons achieve these abilities and knowledge? Most experts (76%) did not feel that many people knew how to start and manage a high-growth business (Figure 25). Fifty-five percent asserted that many people did not know how to start and manage a small business and 58% claimed that many people do not have experience in starting a new business. Most respondents (66%) affirmed that people do not react quickly to good opportunities for starting a new business. Sixty-eight percent of experts did not feel that many people have the ability to organize the resources required for starting new business.

Figure 25: Many people know how to start and manage high-growth businesses



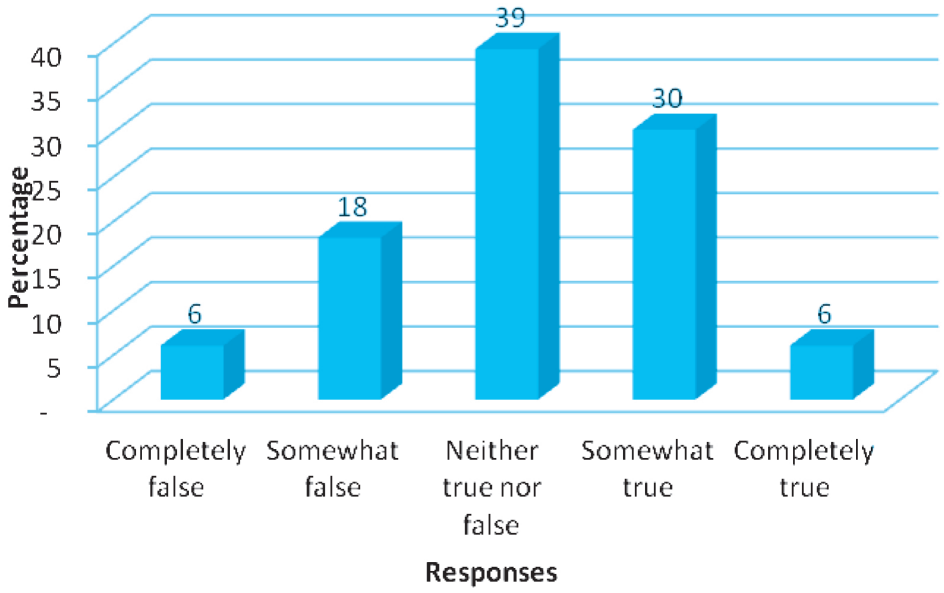
The thrust to teach people how to start and manage small businesses must be continued and increased. Emphasis must be placed on the creation and management of high-growth businesses. More hands-on experience ought to be provided to persons learning to start and manage businesses. The ability to recognize a business opportunity as well as a timely reaction to this opportunity must be encouraged and practised. The skills and abilities to organize the resources required for new business start-ups must be developed.

Attention to high-growth

To what extent is there a focus on creating high-growth businesses? Most experts (71%) claimed that there were not many support initiatives that were specifically tailored for high-growth entrepreneurial activity (Figure 26). Sixty-three percent felt that policy-makers were aware of the importance of high-growth entrepreneurial activity. In the view of the experts, policy makers were aware of the importance of high-growth entrepreneurial activity. Nonetheless, not many support initiatives have been specifically tailored for this activity. The question of why this anomaly exists arises. Given that the culture does not significantly support entrepreneurial risk-taking, which is inherently associated with high-growth activity, the policy makers have found it convenient to ignore this area.

Thirty-six percent of the experts claimed that people working in entrepreneurship support initiatives have sufficient skills and competence to support high-growth firms (Figure 69). Forty-five percent declared that the potential for rapid growth is often used as a selection criterion when choosing recipients of entrepreneurship support. Fifty-one percent of experts stated that government programs were highly selective when choosing recipients of entrepreneurship support. More initiatives must be created that are specially tailored for high-growth entrepreneurial activities. People working in initiatives which support entrepreneurship should be given more skills-training opportunities to develop competence towards supporting high-growth firms. The political system needs to be restructured to focus more on the long-term development of the country and less on short term gains.

Figure 26: People working in entrepreneurship support initiatives have sufficient skills and competence to support high-growth firms



Intellectual property rights

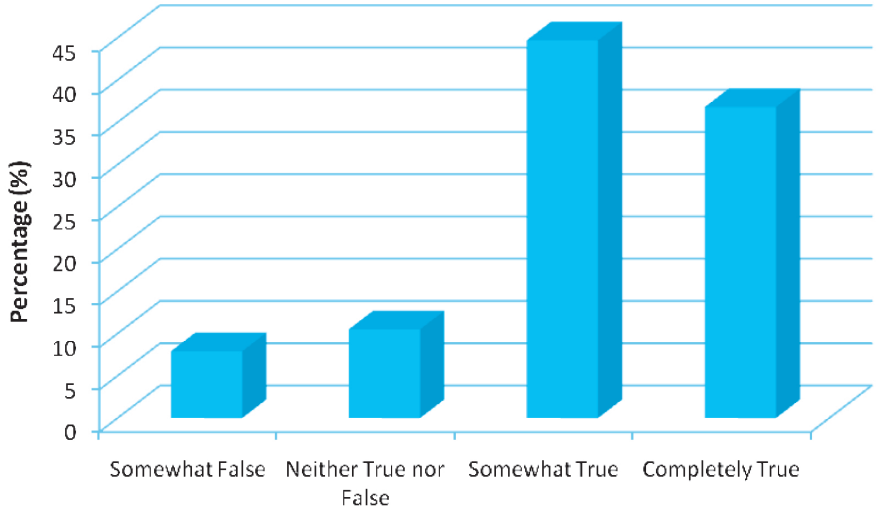
Is there an increasing regard for intellectual property rights? Are the laws adequate to support intellectual property rights? Fifty-eight percent of experts indicated that Jamaica's Intellectual Property Rights (IPR) legislation is comprehensive. However, 69% declared that the Intellectual Property Rights (IPR) legislation was not efficiently enforced. Eighty-one percent of experts disclosed that the illegal sale of 'pirated' software, videos, CDs, and other copyrighted or trademarked products was extensive. Sixty-seven percent revealed that new and growing firms cannot trust that their patents, copyrights, and trademarks will be respected. Forty-six percent of the experts claimed that there was wide recognition that inventors' rights for their inventions should be respected. However, 46% believed that this recognition did not exist.

These results confirmed that while IP rights are somewhat understood by Jamaicans, they were not adequately respected or enforced. Public educational campaigns to sensitise people about the importance of IPR should be strengthened.

Entrepreneurs social image

There has been a change in people's perspectives as to the importance of entrepreneurship in the country. More and more persons are being seen as successful entrepreneurs. The 'Business Observer' over the last three years has been applauding the success of leaders who has been seen as role models in the Jamaican context. It is no longer the case that persons who were not academically bright who were starting businesses. As displayed in Figure 27, 82% of experts disclosed that the creation of new ventures is considered an appropriate way to become rich. In Jamaica, there are numerous role-models who have demonstrated the 'rags-to-riches' phenomenon. The Jamaican people need to look at these successful entrepreneurs and emulate their business approaches.

Figure 27: The creation of new ventures is considered an appropriate way to become rich



Eighty-one percent of experts indicated that most people consider becoming an entrepreneur as a desirable career choice. There are successful entrepreneurs. The limited number of job offerings in the country as forced more persons to see the establishment of businesses as a viable alternative. There are agencies and financial institutions which are facilitating this change of direction. The overwhelming majority (90%) of experts felt that successful entrepreneurs have a high level of status and respect. In the Jamaican context the successful entrepreneurs are considered leaders in the society and persons worth of emulating.

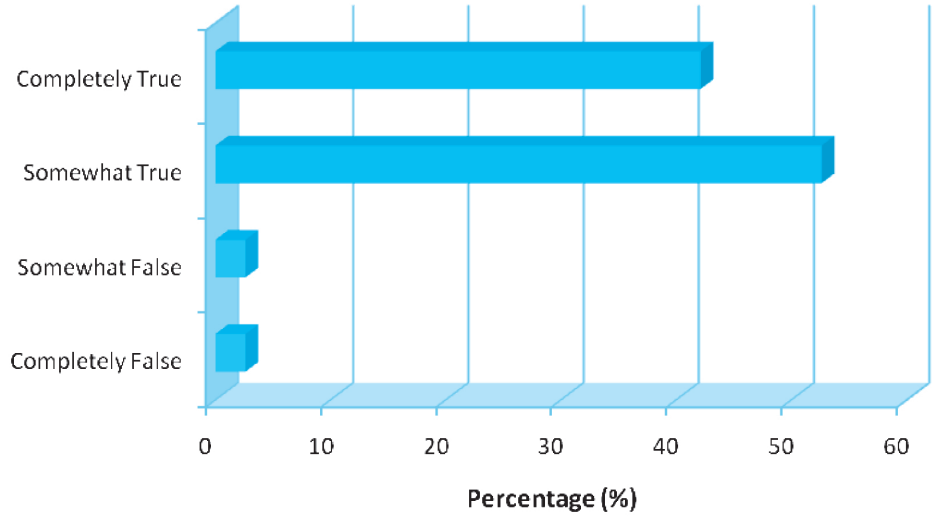
Nearly all the experts indicated that there are often stories in the public media about successful entrepreneurs. The media has been highlighting entrepreneurship in recent years. One daily newspaper has been having a competition for the most successful business leader in entrepreneurship and innovation annually over the last five years. This has assisted in building interest in successful entrepreneurs and entrepreneurship. Moreover, eighty-one percent of the experts claimed that most people think of entrepreneurs as competent, resourceful individuals. The economic development of the Jamaican society has been based on the entrepreneurial drive and the resourcefulness of some key individuals. These individuals have stood out as being successful and the society has continued to hold them in high regard.

Women's support for start-ups

Most experts (55%) declared that there were sufficient social services available so that women can continue to work even after starting a family. Some large private sector companies have been doing so but the Government which is the largest employer of labour has limited financial resources to provide for these

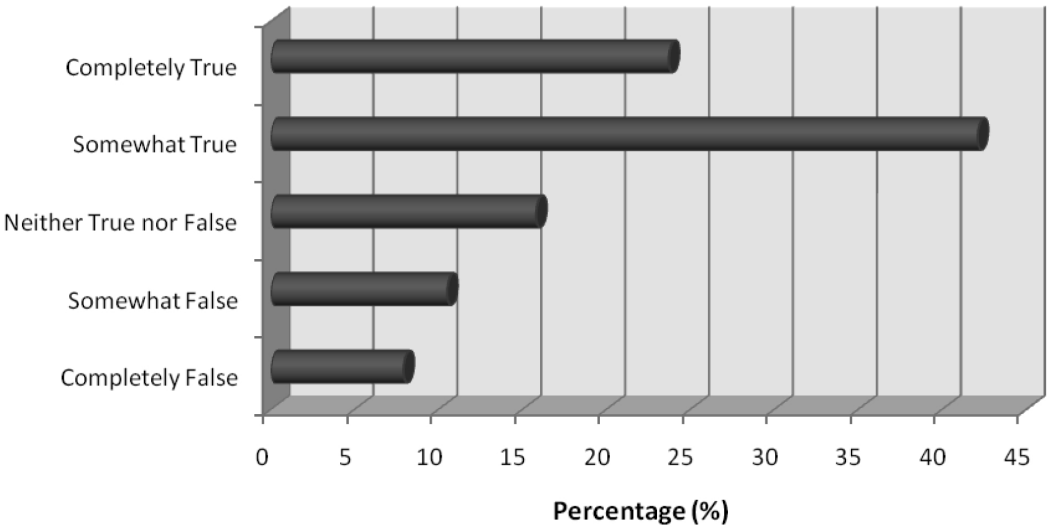
services. Almost all the experts affirmed that starting a new business is a socially acceptable career option for Jamaican women (Figure 28). As the job market contracts more and more women have been engaging in new business ventures. This has become socially and culturally acceptable.

Figure 28: Starting a new business is a socially acceptable career option for women



Nearly 60% of experts supported the view that women are encouraged to become self-employed or start a new business. The financial institutions have also been providing concessionary to small business owners. Scotia Bank Jamaica in 2011 established a mechanism called Women Business Owners Association which has been providing assistance to develop marketing and business plans. Once the business plans are assessed to be viable a concessionary loan is provided by the institution. Moreover, the majority (64%) of experts claimed that men and women get equally exposed to good opportunities to start a new business. Most experts interviewed (66%) claimed that men and women have the same level of knowledge and skills to start a new business (Figure 29).

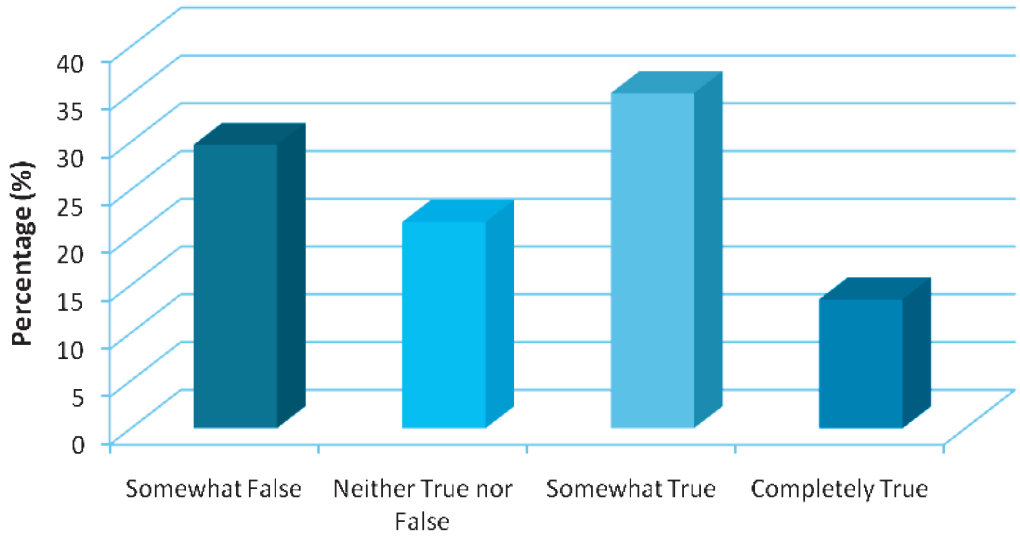
Figure 29: Men and women have the same level of knowledge and skills to start a new business



Interest in innovation

There is a high level of interest in innovation in the information technology sector. The Rural Agricultural Development Association (RADA) has been pioneering innovation in the agricultural sector and there have been a number of competitions sponsored by international organizations such as Google in which aspiring Jamaicans have been participating. The technology and skills developed have been utilized to form new companies in the Jamaican Business environment. Most experts (54%) were of the view that companies do not like to experiment with new technologies and new ways of doing things. The vast majority of experts (76%) declared that consumers like to try out new products and services. However, nearly half of the experts interviewed indicated that innovation is not highly valued by companies (Figure 30). This result contrasts with a country-wide phenomenon: the Jamaican consumer in Jamaica has been moving towards new styles, new products and new systems. Indeed the majority (74%) of experts affirmed that innovation is highly valued by consumers. An overwhelming majority of experts (79%) stated that consumers were open to buying products and services from new entrepreneurial companies.

Figure 30: Innovation is highly valued by companies



SUMMARY RECOMMENDATIONS

1. Efforts must be made to increase the number of employees who play lead roles in the development and implementation of new ideas in Jamaican firms.
2. A stronger link needs to be formed between the private sector, universities, and public research centres to facilitate R&D transfer.
3. More government subsidies are required for technology acquisition.
4. A pool of investment funds needs to be made available to support promising research ideas.
5. Government needs to work with universities and the private sector to create an enabling environment supportive of new and growing firms. This support should be there to take firms through the various stages of their development, providing good services at affordable prices.
6. The government needs to ensure that anti-trust legislation is well enforced to the benefit of all the players in the business arena, both small medium sized and large.
7. The government should continue efforts to bring increased competition to the electricity sector as this has the potential to lower electricity costs for businesses.
8. The populace must be taught to understand and appreciate calculated risk-taking as a necessary component of successful entrepreneurship.
9. A separation must be made between business failure and individual failure in the minds of Jamaicans. The stigma attached to business failure needs to be reduced and viewed instead as a stepping stone to ultimate success. Laws must be enacted to reduce the absolute risk to persons who engage in entrepreneurial activity by improving social safety nets and creating bankruptcy protection for firms.
10. The creation of high-growth firms must be actively encouraged. The conditions that are necessary to facilitate the creation of high-growth firms in Jamaica need to be explored. Universities, the government and the private sector need to play a role in this regard. More initiatives must be created that are specially tailored for high-growth entrepreneurial activity.
11. The thrust to teach people how to start and manage small businesses must be continued and increased. More hands-on experience ought to be provided to persons learning to start and manage businesses. The ability to recognize opportunities as well as timely reactions to these opportunities must be encouraged and practised. The skills and abilities to organize the resources required for new business start-ups must be developed.
12. Public educational campaigns to sensitize people about the validity of intellectual property rights should be strengthened.
13. Entrepreneurial firms should have an international mindset from their inception. The strategic objectives of such firms should include plans for internationalisation.
14. A culture of innovation needs to be developed in all educational institutions in Jamaica, from primary level through to the university level.

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