

(Final Script)

“CHARGING INTO THE FUTURE”

A D D R E S S B Y

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AND
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AT

**THE MSME ALLIANCE
FOURTH ANNUAL FUNDRAISING
DINNER/AWARDS CEREMONY
CAYMANAS GOLF AND COUNTRY CLUB**

ON

SATURDAY, NOVEMBER 20, 2010

SALUTATIONS:

THE MSME ALLIANCE

Firstly, let me commend the MSME Alliance on its remarkable achievement in three short years. To have grown from a 5-member organization to a 35-member organization between 2007 and 2010 is indicative of a truly unique niche you have established in the institutional representation of indigenous entrepreneurs. Your potential for production will determine not only our rate and capacity for growth but also whether our national economy is built on a broad spread of ownership.

With over 300,000 members, as well as the stature you have attained and the national prominence you have achieved within such a short period, you have reflected your value and professionalism.

As a lobbying group, your value is without question, and your work to improve access to credit for your members and thus engender growth in the sector is groundbreaking.

Your timely disbursement of information of vital importance to your membership has eased the way for speedier importation; less

onerous taxation practices; a more thorough understanding of how to access capital and thereby increase entrepreneurial activity.

Recently you have made strong moves in your efforts to expand your reach outside Jamaica and include the wider Caribbean region. In particular, I applaud your response to the catastrophic earthquake in Haiti with a swift and concerted appeal to the international community, to support the Jubilee Debt Campaign's call to cancel that nation's debt.

As with Jamaica, Haiti is also a state where a large part of its formal and informal economy is based on the success of its MSMEs. The use of business incubators, as you so rightly champion, is crucial in such economies.

I congratulate you on achieving this anniversary and I salute you.

CHALLENGES

Globalization

The phenomenon of globalization has existed throughout the ages. In this era, we are witnessing a manifestation which has been

challenging business organizers and policymakers on many levels. Two of these pose a conundrum to policymakers everywhere.

The first of these is the continuous drive by transnational conglomerates to increase their size and scope while, at the same time, minimizing per unit labour content. Upsizing is being undertaken through acquisitions; mergers; take-overs; and alliances.

Information and communication technology; developments in finance, capital and foreign exchange markets; standardization; and accommodative international and national policies and laws combine to create behemoths that were hitherto inconceivable.

We have witnessed companies in activities as diverse as mining, communication, financial services, information technology, transportation, manufacturing and entertainment operating at the same time in more than 80 countries.

At the other extreme are the micro, small and medium enterprises. They are the dominant and growing providers of employment. They are now beginning to contribute to intra-enterprise cooperation.

We now see several small businesses operating in what was the space of a single large enterprise. Sometimes they operate

alongside the old large business in a scaled-down or more compact operation. Large stores like the 100 year old Macys in New York are examples of such operations.

MSMEs are also becoming more important in regional development in areas of European Union.

The micro – the simple one person operation, was always with us. But, the formal small and medium enterprises, often described as, “the missing middle”, are the new phenomenon.

They are spawned by the deep global economic crisis in the developed countries and the prolonged period of economic adjustment forced on developing countries.

They are the growth poles which policy makers expect to provide the jobs even as the bulk of the incentives continue to go to the large enterprises. We just have to look at the stimulus packages.

In light of the nature of the globalization phenomenon the two trends are increasingly being drawn into competition and potential conflict. This calls for strategies of survival by the MSMEs.

The conglomerate uses its size and dominant position. The MSMEs often have to form alliances – sometimes even with the devil, for

short term survival; sometimes within itself, to improve the likelihood for survival and long-term development.

I regard your organization as one which is looking beyond survival. Do not be afraid or apologetic in seeking continuously to extend your horizons.

MSME HISTORICAL CONTEXT

This is not the first time that economic recession and regional adjustments or contraction have impelled CARICOM Small Businesses to seek to create alliances and work together.

In 1988, CARICOM Heads of Government declared “A Year of Small Business (YOSM)”. There was, in fact, a two-year programme of activities centred in the CARICOM Secretariat which focused on all the challenges to small business development. The final report of the two years of activities made several recommendations which were accepted by the Conference, including a Regional Small Business Association. The Jamaica Small Business Association and the National Development Foundation of Jamaica were integrally involved.

The liberalization and improvement in the economies of the Region led to a shift in focus. The lesson, this time round, is that this should be a strategy and not just a tactic.

I am not advocating a return to the precise model because times and circumstances have changed. I am suggesting that we now have more experience and must learn from it as we have a fresh chance which can bring us closer together for positive results.

STRATEGIES FOR SURVIVAL AND GROWTH

I want to suggest a few ways in which you might achieve that desired growth and success.

When I look around this room, I see a variety of businesses. I suggest that you could and should constitute significant business opportunities for each other.

I am suggesting that the alliance see itself not only as an advocacy body, but as an alliance for business opportunities. In that mode you should seek to further enlarge your membership and expand your business transactions between yourselves.

I note with pleasure that while you champion the cause of micro, small and medium enterprises, you have approached the matter within a “collective” framework. All 35 of your constituent members are associations or bodies representing the interest of member groups that fall within your sector.

This is exactly the direction which is needed for growth in the sector. CARICOM is fighting hand in hand with Haiti in this present crisis because we believe that we can grow and achieve together or fail individually. This is the mantra that must be used by all MSMEs if you are to become the generator of growth in our economy. Individually you will have little effect or insufficient influence. Under your individual groupings your voices will be heard, but may be ignored. With strong alliances, such as this MSME Alliance, you begin to achieve real clout as you become of primary value to the economy. You can no longer be ignored.

The next step, to become in-a-sense a co-op conglomerate, is when you have organizations such as this all over CARICOM and the wider Caribbean. I urge you to join together in order to have the power to determine your own destinies by your collective strength.

HAITI

Tonight, as we seek to 'rise again" our thoughts turn to our neighbouring island of Haiti.

Haiti was not always poor. It was once the Pearl of the Antilles – the richest slave colony in the Caribbean during the 18th Century. It was impoverished by global economic and political forces.

Its recovery from the catastrophic earthquake will entail a building of strong institutional capacity in areas of health, education and social services.

The building of a new Haiti must ensure a strong, competitive economy. A vital element will have to be an upgraded and transformed MSME as the backbone of the national economy.

And so, Haiti presents an obvious and attractive opportunity. The magnitude of the work resulting from the January 12 earthquake for the rebuilding and development of Haiti goes well beyond the capacity of any single individual company or even by a single nation. The catastrophe is so great that the opportunity is mind-boggling. As a family of nations, to which Haiti presently belongs, MSME should seek to create new alliances with Haiti and the wider CARICOM.

In my view your structure and your aspirations could be an important component of a new Caribbean alliance.

Other groups such as the Jamaica Master Builders Association, the Chamber of Commerce and the JEA have begun to buy into this concept. Some civil society organizations and religious groups have begun to think about how to organize themselves along these lines.

CHOLERA OUTBREAK

In the last few weeks, the tragic outbreak of Cholera and the threat of major damage and loss of life posited by tropical weather systems have served to further impede the recovery and rebuilding of Haiti. Admittedly, even before these two setbacks, progress on the ground in Haiti was very slow. This is due mainly to:

- The delayed arrival of promised rebuilding funding from the international community;
- Unease, unrest and uncertainty attendant on the impending national elections;
- The slow pace of rebuilding as the Interim Haitian Reconstruction Commission, on which I serve, struggles with putting the machinery and systems in place for the selection and award of contracts for reconstruction and rehabilitation works.

- We are absolutely determined to make the entire Plan for Haiti's reconstruction remain in Haitian control and Haitians the meaningful beneficiaries of the reconstruction process.

With the threats to health and security created by the Cholera outbreak, the situation has become even more complicated. With the best efforts of the U.N. and private non-governmental medical agencies like "Doctors Without Borders" the Cholera epidemic could get worse before it is brought under final control. It may be worse than official figures indicate because health experts have not yet reached a number of remote communities. Delays run the certainty of increasing deaths.

The Prime Minister of Jamaica, as the incumbent CARICOM Chairman, has already expressed on behalf of the Community its full support to the Haitian Government and people in the new period of distress.

The Bureau of COHSOD, which includes responsibility for health, held an emergency session yesterday to map out the Community's response to the epidemic.

The Community will be providing medical supplies and equipment to combat the disease. Further, CARICOM will be making available Doctors and other Trained Health Personnel to fight the campaign in Haiti.

Once again, Jamaica will serve as a point of the transshipment to channel the supplies and equipment to Haiti.

I am using this opportunity to appeal to the Jamaican business sector, in particular our pharmaceutical industry, to contribute as much as they can to make available drug and equipment to Haiti. Trained health personnel can also volunteer their services.

ENGAGEMENT OF MSME

With astute leadership, an alliance to contribute to Haiti's reconstruction and development could advance rapidly. MSMEs have been among the first businesses to rebound in Haiti. Single camera films, made on shoestring budgets, about life in the tent cities were screened in those same areas to great acclaim, just weeks after the earthquake. This is the energy that can be brought to bear, and should be brought to bear in your efforts to become actively involved in the Haitian Renaissance.

Opportunities are available, but to exploit the opportunities you will have to spread your wings, expand your reach and pool your resources. You will have to create alliances at home, throughout the CARICOM region, with Haitian counterparts and with suppliers, advisors and lobby groups wherever they exist.

The Caribbean Diaspora is an invaluable ally in this effort, whether for development at home here in Jamaica, or with a view to becoming involved in the Haitian rebuilding.

I believe that now is the time to establish the new equation. Our future as a nation and region should not and cannot be determined by global corporations alone. A level playing field must encourage the micro, small and most especially medium enterprises whose investments, energy and passion we seek, in order to spur innovation and wider economic opportunity.

Decades ago, sailors moved regularly across the Windward Passage in their boats and canoes, plying their trade in goods and services.

Until recently, we had to travel between Haiti and Jamaica via Miami. One of your number now operates scheduled flights between Kingston and Port-au-Prince. It is a signal of the possibilities which abound. That venture must not be allowed to fail.

NATURAL ADVANTAGES

MSMES IN Jamaica have a clear natural advantage in our history. We are perfectly tooled for this type of development because we are the nation whose unofficial motto is “tunn yu han’ mek fashion”.

Our history is replete with those who succeeded despite disadvantages of humble circumstances or against great odds, Nanny was such a fighter, as was Paul Bogle. Marcus Garvey almost single-handedly created the “black is beautiful” movement. It was the Jamaican, Boukman in Haiti centuries ago, who showed the brave warriors of Haiti how to succeed against the odds and bow down to no man as master.

Instead we are the masters: masters of innovation and entrepreneurship, which we must reflect in our businesses. This is what will make us competitive on the global market. Marley did it. We can do it again and as many times as necessary.

In the rush to succeed we must extend the hand of fellowship. We must seek support from other stakeholders: whether universities, consumer groups or business associations and we must reciprocate. The Chinese have always believed in the philosophy that if you pull up someone from the rung of the ladder beneath you, they will then be able to push you up to the rung above you.

The MSMEs are not the ones who come cap-in-hand seeking bailouts. They are not the ones who invest billions in failed venture capital schemes. MSME owners and operators are full of passion about what they do and are determined to succeed. There is no question that we have the talent and ability.

When Microsoft held an international competition for computer programmers, with entries from all around the world and from famous institutions like M.I.T., it was four Jamaicans who walked away with the prizes. "Wi likkle but wi talawah".

At the school's Science exhibition, our students, with very limited resources continue to amaze us with their capacity. Our craft workers, clothing designers and engineers continue to stun the world.

One air conditioning engineer, mainly self-taught, repaired a major unit on a cruise ship. When he was finished the unit worked perfectly but it seemed that half of the parts were on the ground and not in the unit. When the air conditioning company's design engineer asked him why he had not replaced the parts he simply replied, "It is more efficient without them." The company found he was right and redesigned all their units based on his work. He was a Jamaican. He exemplifies our brilliance.

In three short years your Alliance has grown to represent some 300,000 persons. That is a significant percentage of Jamaica's working population and unlike the large conglomerates, I am certain that this number will not decrease, but instead increase significantly by the time you meet for your next anniversary.

By then it is my hope that working with your partners here at home and across the Caribbean, you will already have begun to make a significant impact on the rebuilding of Haiti as you have started to do right here in Jamaica. Every sector there needs your quick-thinking and creativity to off-set years of neglect and malaise. The very nature of the global recession is what has created the imperative that this should be, could be and must be MSME time.

The MSME Alliance has pointed the way forward...if we **“Work Together...we can Succeed Together.”**