



# The --- Contribution of Copyright-Based Industries to the Economy of **GRENADA**

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# 01 INTRODUCTION

This report aims to update the contribution estimates of the copyright-based industries to the economy of Grenada, as published in James (2012). Updates on the contribution to Gross Domestic Product (GDP), employment and trade are provided. Data on the contribution to productivity and GDP per capita growth are also included. The primary objective is to modernise the basis of policy design, implementation, monitoring and evaluation. This approach could potentially empower the copyright industries to play a significant role in reshaping the economy and enhancing their improvement in trade. Ultimately, this strategy aims to optimise the pursuit of development, as indicated by the GDP per capita growth.

In addition to this introduction (Section 1), this report includes seven other sections. Section 2 provides

a brief update on the copyright laws in Grenada that govern the identification and measurement of the country's copyright industries. As an economic background to the updated estimates, Section 3 provides a relevant summary of the trends in structural changes in the economy. Section 4 updates the profile of the copyright industry, highlighting developments since 2012. Section 5 outlines the methods used to identify the parameters needed for developing the estimated contributions of the industry. Section 6 presents the industry's updated contribution estimates to GDP, employment and trade. Section 7 presents the industry's contribution estimates to productivity and GDP per capita growth. Section 8 summarises the findings and presents implied policies to support the development of the copyright industry.

# 02 COPYRIGHT LAW IN GRENADA

Copyright grants exclusive rights to authors of creative works for a limited period. Subject to certain limitations and permitted exceptions, these rights allow creators of original literary and artistic works to authorise or prohibit activities associated with their proprietary interests.

In Grenada, copyright subsists for life plus 50 years [Copyright Act, s.21(1)], except for specific types of works [Copyright Act, s.21(2–5)]. Grenada's copyright law complies with the standards of protection outlined in the TRIPS agreement and the Berne Convention. However, there are gaps in copyright protection that impact how well creators can position their creative output in local, regional and international markets. Grenada is not a signatory to copyright treaties enacted after the Berne Convention. This limits the scope of rights available to locally and foreign-owned copyright content in Grenada. These gaps seem even more important in the context of the growing digitisation of the global economy, with an increasing number of digital works being created and distributed through the internet. The gaps in copyright protection pose a serious challenge to the efforts of tracking the monetisation of created works and their use in cross-border trade.

Several institutions play an important role in enforcing the economic rights of creators in the copyright sector. Among the most important of these institutions is the collecting society. In Grenada, the Eastern Caribbean Collective Organization (ECCO) for Music Rights is the relevant institution for the collective administration of rights. ECCO began operations in the Organisation of Eastern Caribbean States (OECS) in January 2009 based on a business case prepared by the Manager of the Barbadian CMO on behalf of regional CMOs. The business case indicated to the Performing Rights Society (PRS) that by adopting the name ECCO and the extension of Hewanorra Music Society's territory of administration to include all members of the OECS, collective administration would be financially and administratively viable.

After the launch of ECCO, from 2010 to 2016, the quantum of distributable revenue increased steadily from EC\$400,000 in 2010 to EC\$2.5 million in 2016 under the guidance of an experienced CEO who was a former manager at PRS. In 2016/2017, the new chairman and the Board dismissed the CEO with a court-mediated settlement of approximately EC\$150,000. Since early 2020, there has been no CEO at ECCO, and the office in St. Lucia is staffed by

three junior employees. In 2017, ECCO's distributable revenue fell sharply to about EC\$20,500. No distributions have been made since 2017. Currently, ECCO is in poor administrative and financial shape.

Grenada, like all the other new territories, had a single person on the Board of Directors. However, the last director lost interest and resigned from the Board in mid-2020, and to date, no replacement has been appointed. ECCO conducts its licensing activities through agents in each territory. Since 2019, Grenada has been without a licensing agent and therefore without any active presence of ECCO. This means live events such as concerts, festivals, carnivals or other public music performances in Grenada cannot be licensed by ECCO. No license has been issued to any broadcaster or cable operator, since with no agent or director, ECCO is unable to take legal action against infringers in Grenada. The head office in St. Lucia has indicated that ECCO now has only three licensees, two of which are part of a chain of Caribbean hotels and one Bank that has a regional presence, including in St. Lucia. The failure to collect and distribute royalties across its administrative territory has led to a loss of trust and confidence in ECCO. Consequently, several members have left ECCO to join other societies.

Since 2015, ECCO has initiated efforts to introduce management of related (or neighbouring) rights in sound recordings. For instance, in 2016, ECCO held discussions with the International Federation of the Phonographic Industry (IFPI) in Miami. However, these efforts have failed since then to get the Board of Directors to implement the agreement reached. The challenge is that the Board's structure needs to be changed to allow the representation of two new categories of membership base: record producers and performers on sound recordings. ECCO therefore remains an organisation that administers the rights of songwriters and publishers. The IFPI was open to agreeing with ECCO to grant ECCO the right to publicly perform its members' repertoire. This will enable ECCO to administer recording rights for many of the world's recording repertoire. However, to make such a move beneficial for all stakeholders, Grenada and the region will need to improve their capacity to produce more high-quality songs to compete at local, regional and global levels. The administration of both copyrights and related rights by ECCO is likely to benefit all key stakeholders in the music industry in the OECS. Without this change in its scope of operation, it appears that ECCO will remain in poor administrative and financial shape.

## 03 ECONOMIC BACKGROUND

The most appropriate way to assess an economy's structure is to use the share of all capital-producing industries. Capital is defined as output that investors can store and use repeatedly in production in various industries over time. The importance of capital-producing industries in the development of an economy was established by Leontief (1953; 1970) and Lewis (1954). The appropriate proxy for these industries is the sum of the output of the manufacturing industries, the construction industry and other industries classified in ISIC J-P such as education, which can produce human capital, and the creative industries, which can produce intellectual property products protected by copyright. James and Hamilton (2022) established that the share of these industries in GDP is a suitable measure of the economy's structure. It also contributes to determining GDP per capita, in addition to the quality of institutions and the level of technology. As a benchmark, these industries account for approximately 65% of national output in a typical developed economy.

The evidence presented in Table 1 indicates that the GDP contribution of capital-producing industries have declined from 58% in 2010 to 53% in 2019. This suggests that these industries have been growing slower than the overall GDP. Specifically, between 2010 and 2019, they grew at an average annual rate of 2.3%, while the GDP grew at an annual rate of 3.3%. Furthermore, like other economies in the OECS, the capital industries were mainly replaced by the core industries of tourism, which include restaurants and hotels, along with wholesale and retail activities. Their share of GDP increased over the period, from 11.8% in 2010 to 15.6% in 2019. The displacement pattern indicates that tourism growth has not been primarily based on the development of industries capable of producing and exporting capital and thereby participating increasingly in intraindustry trade. Viewed against the benchmark structure, the data indicate that it is in Grenada's national interest to expand the output of industries capable of producing and exporting capital faster than GDP. This includes the copyright industries that this report focuses on.



**Table 1**  
**A Summary Representation of the Structure of the Grenada Economy.**

Year	Industries That Can Produce Capital (US\$ Million)				GDP (US\$ Million)	Industries That Can Produce Capital (ISIC D, F, J-P) (%)	Wholesale, Retail Trade, Restaurants and Hotels (ISIC G-H) (%)	Growth of GDP
	Manufacture	Construction	Other	Sum				
2010	3.32E+07	5.65E+07	4.04E+08	4.94E+08	8.56E+08	0.58	11.8	
2011	3.32E+07	4.98E+07	4.11E+08	4.94E+08	8.63E+08	0.57	12.5	.008
2012	3.31E+07	4.10E+07	4.16E+08	4.90E+08	8.51E+08	0.58	11.8	-.013
2013	3.24E+07	5.21E+07	4.18E+08	5.03E+08	8.72E+08	0.58	12.0	.025
2014	3.29E+07	4.96E+07	4.28E+08	5.11E+08	9.37E+08	0.55	12.8	.074
2015	3.41E+07	5.31E+07	4.45E+08	5.32E+08	9.97E+08	0.53	13.9	.064
2016	3.56E+07	6.00E+07	4.55E+08	5.51E+08	1.03E+09	0.53	15.1	.037
2017	3.66E+07	7.75E+07	4.67E+08	5.81E+08	1.08E+09	0.54	15.2	.044
2018	4.01E+07	8.70E+07	4.63E+08	5.90E+08	1.12E+09	0.52	15.7	.041
2019	4.28E+07	8.65E+07	4.75E+08	6.05E+08	1.15E+09	0.53	15.6	.02
<b>Average Growth</b>				<b>.023</b>				<b>.033</b>

Source: UNSD Country Profiles

## 04 UPDATED PROFILE OF THE COPYRIGHT SECTOR

There has been some evolution in the copyright industry in Grenada since 2012. In recent years, several talented artists have emerged in Grenada's music industry. One of them is Hollice Mapp, also known as "Mr Killa". Mapp began his career with dancehall music and was soon introduced to soca. He started his career as a dancehall musician when he was 10 and turned to soca at the age of 17 in 2001. He soon realised that he was destined for success in the soca genre. Mr. Killa competed in local Soca Monarch competitions on the island, winning his first Soca Monarch title in 2004 with his song "Thunder Rags". He competed locally for 13 years and recognised the importance of representing his country on an international level.

In 2014, his song "Rolly Polly" went viral and gained international recognition. By the end of the year, Killa was considered one of the best Caribbean performers. Another viral sensation was his song "Oil It Up", which was released in 2018. His unprecedented success continued in 2019 when he entered the International Power Soca Monarch competition held in Trinidad with his song "Run With It" and won the

title. This was a historical moment because he was the first non-Trinidadian entertainer to win the title. Additionally, Mapp is the founder of a local nonprofit, the Hollice Mapp Foundation, and owns an R Nation radio station and a multimedia facility.

### THE CARNIVAL INDUSTRY

Grenada's annual carnival is an important economic activity in the country. Held in August each year, the Carnival, better known as Spicemas, is marked by two public holidays. During the two days, revellers parade through the island streets as they participate in a series of activities, such as the J'ouvert early morning mas, traditional fancy mas, costume band parades and Monday night T-shirt mas. The event culminates in a final "last lap" on Tuesday evening, where revellers dance through the streets in their regalia to the sounds of soca and calypso music of the season. Despite its characteristic gaiety and frivolity, the Carnival festival is an income powerhouse for the country. Increased tourist arrivals, retail sales, hotel occupancy and VAT receipts testify to this fact.



## 05 METHODOLOGY

An updated assessment of the contribution of the copyright industries to output, employment, trade, productivity and growth requires two sets of parameters: (i) copyright factors to be used to extract data on copyright from the national accounts and employment and trade statistics and (ii) valid elasticities that measure the contribution of the copyright industries to growth. The copyright factors used were those adopted in the OECS study of 2012, updated with data from surveys conducted in St. Lucia in 2016. The elasticities used were those estimated by James and Hamilton (2022).

Data from the St. Lucia 2016 Supply and Use Tables (SUT) were used to identify the share of industry output, including copyright in the broad industry classifications for national accounts. The St. Lucia SUT also provided the data needed to guide estimates of the contribution to trade, including both imports and exports. National accounting aggregates for Grenada were obtained from the United Nations Statistics Division. Data from the 2012 study were used to develop estimates of the contribution to national productivity. Additionally, data from the UNSD were used in conjunction with the data from the 2012 study to estimate the contribution to the GDP per capita growth.

## 06 CONTRIBUTION OF COPYRIGHT TO THE ECONOMY

Table 2 reports updated estimates of the copyright output produced in the Grenada economy in 2016. The estimated categories align with, but do not strictly correspond to, the classifications of WIPO (2015). Contributions were identified for the following activities: (i) textiles, wearing apparel and leather; (ii) paper products, printing and recorded media; (iii) furniture; (iv) wholesale and retail trade; (v) passenger land transport and other transportation support activities; (vi) publishing activities; (vii) sound, video and television broadcasting and production activities; (viii) telecommunications activities; (ix) computer and information service activities; (x) activities of head offices and management consultancies; (xi) architectural, engineering and technical activities, R&D; (xii) advertising and market research; (xiii) photographic and other professional and technical activities; and (xiv) arts, entertainment and cultural activities.

The estimates indicate that in 2016, the copyright industries contributed 2.1% of GDP, a decrease from the estimated 4.7% in 2010, as James (2012) reported. The main contributors were arts, entertainment and cultural activities, which accounted for 21% of the total copyright value; nondedicated wholesale and retail, which contributed 21%; audio-visual production and TV and radio broadcasting, which contributed 8.3%; photographic and other professional services, which contributed 5.3% and advertising and market

research services, which contributed 4.1% of the total. The decline in the share of copyright industries suggests that these sectors experienced a slower growth rate than the overall economy from 2010 to 2016. This mirrors the general trend in the economy, as documented in Table 1, to achieve economic restructuring through tourism growth without a significant role for industries that can produce and export capital. This strategy can boost Grenada's capacity to increase productivity and improve living standards through intraindustry trade.

The data in Table 3 indicate that Grenada had an overall deficit of EC\$120 million in copyright trade in 2016. However, some important industries have achieved a positive trade balance and should guide the formulation of industry strategy. For example, it is interesting that "transport, storage and communications" generated net exports of EC\$6.7 million in 2016. Most strikingly, the iconic "arts, entertainment and cultural" sector created a positive intraindustry trade balance of EC\$42.3 million. This robust intraindustry trade performance indicates this sector's substantial capacity to innovate and produce competitive output, such as music, that can be exported to international markets through the country's tourism platform.

Overall, the updated data suggest that even as Grenada pursues a development strategy through

tourism, it is in the country’s economic interest to invest adequately in increasing the output of its exportable copyright industries. This investment can serve as a basis for diversifying the tourism industry and enhancing its economic contribution. Moreover, these industries provide the country with a reliable platform for expanded participation in innovation-driven intraindustry trade, serving as the foundation for growing productivity and raising the living standards that the economy can support.

Table 4 presents contribution estimates of copyright activity to employment in Grenada in 2016. These estimates were generated using reference data from the St. Lucia 2016 SUT, the Jamaica 2007 SUT and

the Trinidad and Tobago 2000 SUT, complemented by data on employment in Grenada supplied by the Central Statistical Office of Grenada. The estimates suggest that the copyright industries contributed 3.54% to total employment in the Grenadian economy in 2016. This share was approximately the same as the 3.6% reported for 2010 by James (2012). The leading contributor to sector employment was the creative hub of “arts, entertainment and cultural activities” (36.7%), followed by “wholesale and retail trade” (32.6%) and “manufacture of textiles, wearing apparel and leather” (8.7%). Additionally, “sound, video and television broadcasting and production activities” contributed 3.1% of total employment.

**Table 2**  
Contribution of Copyright to GDP in Grenada, 2016.

	Estimated Output (EC\$ m)	Copyright Factor	Copyright Output	IC:Y Ratio	Copyright IC	Copyright Value Added (EC\$ m)	Share of Copyright GDP
Manufacturing of textiles, wearing apparel and leather	2.42	.07	0.16	0.53	.08	.08	0.1%
Manufacturing of paper products, printing and recorded media	9.61	0.42	4.06	0.53	2.15	1.90	3.2%
Manufacture of furniture	9.62	.05	0.45	0.53	0.24	0.21	0.4%
Other wholesale and retail trade	267.45	.07	19.49	0.37	7.16	12.33	21.0%
Passenger land transport	234.56	.07	17.09	0.50	8.61	8.49	14.4%
Other transportation support activities	74.19	.07	5.41	0.29	1.59	3.82	6.5%
Publishing activities	5.69	1.00	5.69	0.53	3.03	2.66	4.5%
Sound, video and television broadcasting and production activities	10.40	1.00	10.40	0.53	5.54	4.86	8.3%
Telecommunications activities	141.24	.07	10.29	0.53	5.49	4.81	8.2%
Computer and information service activities	4.26	0.35	1.49	0.20	0.30	1.19	2.0%
Activities of head offices and management consultancies	0.59	0.19	0.11	0.15	.02	.09	0.2%
Architectural, engineering and technical activities; R&D	2.97	0.19	0.55	0.15	.08	0.47	0.8%
Advertising and market research	2.81	1.00	2.81	0.15	0.42	2.39	4.1%
Photographic and other professional and technical activities	3.66	1.00	3.66	0.15	0.55	3.11	5.3%
Arts, entertainment and cultural activities	19.23	1.00	19.23	0.36	6.86	12.37	21.0%
<b>Total Copyright Value Added</b>			<b>100.89</b>			<b>58.78</b>	
Copyright Share of GDP						.021	

Source: Computed from Grenada National Accounts Using St Lucia 2016 SUT



**Table 3**  
**Contribution of Copyright Industries to Trade, Grenada 2016.**

Industry	Copyright Factors	Copyright Exports, EC\$	Copyright Imports, EC\$	Balance of Copyright Trade, EC\$
Agriculture, hunting, forestry, fishing (ISIC A-B)				
Mining, Manufacturing, Utilities (ISIC C-E)				
Manufacturing (ISIC D)				
Textiles, wearing apparel and leather	.07	21482.4	913348.4	-891866
Paper, printed and recorded media	0.42	511391.8	4917514.6	-4406122.8
Furniture	.05	10079.5	479116.7	-469037.3
Wholesale and retail trade	.07			
Transport, storage and communication (ISIC I)	.07	7320831.1	586112.3	6734718.8
Books, newspapers, journals, software etc.	1			
Audio-visual production; TV and radio broadcasting	1			
Telecommunications, internet and cable TV	.07	1023994	553377.6	470616.5
Computer and information services	0.35			
Activities of head offices and management consultancies	0.19	1023979.4	2426469.2	-1402489.9
Architectural, engineering, technical activities; R&D	0.19		141541.7	-141541.7
Advertising and market research services	1		28150122.5	-28150122.5
Photographic and other professional services	1	532989.2	134673596	-134140607
Arts, entertainment and cultural services	1	44142151.2	1767752.7	42374398.5
<b>Total Value Added</b>		<b>54586898.5</b>	<b>174608952</b>	<b>-120022053</b>
Copyright share of GDP				
Exports		1417000000		
Copyright share of exports		.04		
Imports			1430000000	
Copyright share of imports			0.12	

Source: Computed from St Lucia SUT 2016; World Bank WITS; UNSD Country Profiles

**Table 4**  
**Copyright Employment in Grenada, 2016.**

	Employment	% Share
Manufacturing of textiles, wearing apparel and leather	127	.087
Manufacturing of paper products, printing and recorded media	91	.063
Manufacture of furniture	3	.002
Other wholesale and retail trade	472	0.326
Passenger land transport	29	.020
Other transportation support activities	14	.010
Publishing activities	18	.012
Sound, video and television broadcasting and production activities	44	.031
Telecommunications activities	20	.014
Computer and information service activities	21	.015
Activities of head offices and management consultancies	53	.037
Architectural, engineering and technical activities; R&D	10	.007
Advertising and market research	13	.009
Photographic and other professional and technical activities	2	.001
Arts, entertainment and cultural activities	532	0.367
<b>Total Copyright Employment</b>	<b>1448</b>	<b>1.000</b>
<b>Total Employment</b>	<b>40912</b>	
Copyright share of employment	.0354	

Source: CDB Copyright Database

# 07 CONTRIBUTION OF COPYRIGHT TO PRODUCTIVITY AND DEVELOPMENT

Productivity growth is a key channel helping an economy increase its GDP per capita and, hence, contribute to its development (ul Haque, 1995). An estimate of the copyright industries' contribution to economy-wide productivity can be obtained by using the ratio of the copyright sector's estimated contribution to GDP and its estimated contribution to employment. In Grenada, the contribution of copyright to GDP in 2010 was 4.7%, and the contribution to employment was 3.6%. Thus, the index of the copyright sector's contribution to productivity was 1.31. This indicates that productivity in the copyright industries was 31% higher than productivity in the overall economy. In contrast, the data for 2016 points to a sharp turnaround in the performance of the copyright industries. Their share of GDP fell to 2.1%, while their share of employment remained approximately stable at 3.54%. Moreover, the relative decline in the contribution to output led to a decrease in productivity contribution of about 60%. This relative decline is most likely due to underinvestment in the development of the copyright industry.

Since capital production is the main basis for raising affordable national living standards, these data indicate that it is in the country's best interest to boost investment in expanding the share of the copyright industry in GDP compared to its share in employment. This strategy aims to enhance the sector's contribution to overall productivity and productivity growth. In broad terms, this is achieved through investment strategies that effectively promote the sector's innovation, enhance its supporting institutions and boost its contribution to the output of capital-producing sectors. The latter increase is partly achieved by enhancing the linkages of the developing copyright industry with the domestic production system, augmented by stimulus from both domestic and export demand. Successful strategies that increase productivity relative to unit costs may have identifiable delays before validating the initial investment. This validation occurs through the growth of savings and financing capacity at an increased rate and level.

The strategies that lead to productivity growth in the copyright sector are specific applications of the general strategies required to achieve economic productivity growth, as established with global data

by James and Hamilton (2022). The relevant strategic factors are: (i) the capital share of GDP, (ii) the quality of institutions and (iii) the level of technology in the economy. Based on data from 128 countries up to 2019, James and Hamilton (2022) used Rubin's counterfactual modelling to empirically show that investing in upgrading these strategic factors leads to development. The level of development achieved by any country, such as Grenada, depends on the set of characteristic elasticities linking the strategic factors to GDP per capita and the level of country investment effort put into upgrading them. Model estimation revealed that the characteristic elasticities of countries such as Grenada are 2.33 for the capital share of GDP, 1.75 for the quality of institutions and 1.42 for the level of technology. These parameters are individually and collectively greater than 1, signalling that a country such as Grenada could rapidly improve its living standards by investing in upgrading its competitive strategy. In contrast, since the characteristic constant term is -1.92, a country such as Grenada would likely lose ground if it failed to improve these strategic variables.

It is generally understood that an industry's contribution to the growth and development process reflects a combination of the industry's share in GDP and the growth and transformation achieved within the industry, assuming other potential contributing factors are held constant. Further, this analysis extends to any industry's contribution to the set of capital-producing industries. Each capital-producing sector contributes to productivity growth and development through (i) its internal growth achievements and (ii) its share of the total production of the capital-producing sectors. The copyright industries are elements of the capital-producing industries in the economy.

Estimates from the WIPO report of 2012 (James, 2012) reveal that the copyright sector contributed 4.7% to Grenada's GDP in 2010. It is also known from the data provided by the UNSD in Table 1 that, in 2010, the capital-producing sectors contributed 58% to Grenada's GDP. Thus, in 2010, the copyright sector contributed 8.1% to the output of Grenada's capital-producing sectors. This contribution fell to 4% in 2016. Using the capital elasticity mentioned above, which is applicable to countries such as Grenada, the data imply that a 1% increase in the copyright share of



GDP contributed 2.33\*.081% or 0.19% to the GDP per capita growth in 2010. This elasticity decreased to 2.33\*.04%, or only .09%, in 2016. These findings suggest a general principle: the higher the rate of growth of the copyright industries' share in GDP and capital-producing industries, the more significant their contribution to the economy's development.

The overall contribution of the copyright industries to Grenada's productivity growth and development depends on the level of investment put into expanding the copyright share of GDP by growing the copyright sector at a faster rate than GDP. The GDP of Grenada grew at an average (trend) rate of 3.3% over the ten years between 2010 and 2019. Using this trend growth rate as the minimum projected growth rate over the next five years implies that the copyright industries' output must grow at an annual rate greater than 3.3%. Further, this minimum growth rate may need to be raised as a policy target to maintain the sustainability of any public debt that supports investment. This sustainability also depends on whether the growth rate exceeds the interest rate on the public debt. If such a rate of growth in

the copyright industries could be achieved, it would substantially boost Grenada's capacity to raise its GDP per capita and achieve its development goals.

If productivity is interpreted in terms of the flow of labour inputs augmented by the knowledge, skills and self-confidence of workers, then achieving a targeted annual growth rate greater than 3.3% will depend on the growth of labour productivity in the copyright sector, the enhancement of knowledge, skills and self-confidence of workers in the copyright sector and the increase in the number of workers employed in the copyright sector. The specific distribution among the contributing components can be determined by national priorities. Such simultaneous growth is achieved through sector-targeted investment strategies that enhance the capacity of the copyright industries to innovate, upgrade their supporting institutions and boost their contribution to the output of capital-producing sectors. The actual GDP per capita growth will ultimately depend on the efforts invested in developing other capital-producing sectors as well as in enhancing institutions and technological capacity within the copyright sector and the wider economy.

## 08

## SUMMARY AND POLICY IMPLICATIONS

The available evidence indicates that the shares of capital-producing industries and copyright industries within the capital-producing sector in Grenada's GDP have been declining. The copyright industries grew more slowly than the overall economy and the general capital sector. Even in that context, key elements of the copyright industry demonstrated a substantial capacity to compete in both local and export markets. Additionally, the evidence suggests a general underinvestment in developing the copyright industries, which could be reversed with specific policy initiatives. These policy initiatives should be considered in the context of efforts to develop the economy by prioritising the growth of the export-oriented domestic capital sector as the economy's fastest-growing sector. In formulating policies to support the copyright industries, the country should be guided by the general principle that it can boost its capacity for intraindustry trade and rapidly build up its foreign capital assets by deploying its abundant supply of labour in sectors that heavily rely on the

production, use and export of domestic capital output, including those generated by the copyright sector. Six specific policy areas are identified.

First, the primary focus of copyright-enhancing policies should be on activities in the copyright sector that can be exported via high-speed internet. Good examples of these and related justifications are the elements of the iconic cluster of arts, entertainment and cultural industries, including the carnival industry, which have proven to be strong net exporters. Associated with these industries are the film and video game sectors, which use a creative infusion of modern digital technology. A concerted effort should be made to increase institutional, technical and investment financing for Grenada's carnival, music festivals and emerging film festival industry, expanding where possible to include video game production. Currently, these elements of the copyright industry primarily rely on retained earnings and personal resources to fund their investment

efforts. Given their demonstrated successes and potential for rapid growth relative to the rest of the economy, updated policies should include the introduction of instruments to increase access to innovative development financing and incentives to encourage utilisation. Capacity-building at the Grenada Development Bank can be an element of this initiative, as the Bank already offers funding for small businesses across a diverse range of industries. However, incorporation into regional institutions, such as the new Eastern Caribbean Enterprise Fund, is likely to be the most successful in creating access to inclusive financing. Regional institutions have a greater ability to achieve economies of scale and scope compared to country-based institutions.

All the above activities should be supported by investment to develop the following high-quality exportable output: (i) education, which is a capital output that is also exportable on the high-speed internet as well as through presence in the country and, therefore, as viable tourism; (ii) health and social services, which is also a capital output that can be exported as viable tourism and (iii) museums, which rely on a rich historical heritage that can be repackaged and developed as viable tourism exports.

In Grenada, a relatively high percentage of individuals in microenterprises, especially in the copyright sector, seem to have tertiary education. Nonetheless, the copyright sector tends to rely mainly on informal culture-based skills rather than formal skill-intensive education and training. This is the third area for policy intervention. Deliberate policies are necessary to enable the industry to provide a firm anchor for long-term development. The appropriate policy steps are as follows:

- Formal, skill-intensive schooling must be introduced at all levels of the education system to cultivate highly skilled graduates capable of pursuing entrepreneurial opportunities in the creative sector and copyright industries. Some of this has started in educational institutions like T.A. Marryshow Community College, but the effort needs to be expanded to all levels of schooling, including primary education.
- Regarding immediate steps, extensive skill-intensive training would be appropriate for the large pool of unemployed young individuals. They are highly likely to engage in risk-taking behaviour, especially in the copyright industry.

Considering the need to shift towards highly educated entrepreneurs and employees in the

copyright industries, gender-sensitive policies appear necessary to accommodate the evolving patterns of education and skill development. In recent years, women have increasingly dominated the pursuit of tertiary education. However, in the overall sociology of the copyright sector, men are also relatively well-educated. Simultaneously, there is a large pool of unemployed young people in Grenada, which provides an opportunity to attract workers into copyright-based industries. This constitutes the fourth area of policy intervention, and the immediate policy implications include (i) capitalising on the favourable trend of participation by tertiary-educated individuals by designing gender-sensitive incentives for the sector, including access to financing, supportive public infrastructure and promotion of foreign investment and exports and (ii) undertaking further study of the participation trend of men and women to encourage and facilitate greater female participation.

The fifth area of policy action is attracting foreign investment into the domestic capital sector. Policymakers must consider improving efforts to attract foreign direct investment to boost the prospects of the domestic capital sector, supported where necessary by suitably negotiated official development assistance. The domestic capital sector of Grenada is currently underdeveloped. Therefore, the government must not only focus on raising productivity, profits and savings but also on transforming these savings into the production of capital goods and services. Furthermore, increased profitability in the copyright sector and other export-oriented domestic capital sectors allows for the payment of higher premiums for skills. This can encourage the drift of skills into the copyright sector from traditional agriculture and even traditional tourism. Success in this regard will involve deliberate efforts to build and diffuse knowledge, skills and self-confidence among the workers (and managers) in the local copyright industries. This includes bridging technology and knowledge gaps and benefiting from technological spillovers from imports. The skills of workers are also relevant to conduct scientific research or engage in creative activities guided by scientific analysis. An immediately useful policy reorientation would be encouraging imports of relevant capital goods and services over imports of consumer supplies. This overall policy reorientation can be supported with appropriately designed regional and international cooperation.

The sixth area of policy action is the harmonisation of copyright laws of Grenada and the OECS members, given the creation of a unified economic space



within the OECS. Grenada has enacted a Copyright Act. However, it is recommended that Grenada urgently strengthen its existing laws by signing the Rome Convention and all WIPO treaties. Some of the urgency arises from the fact that digitisation is growing rapidly, leading to a growing need to adapt both the education system and Grenada's trade and commerce strategies.

Overall, the general recommendation is to accelerate the development of skills and business practices to participate in an increasingly digital global economy as producers of copyrighted content. Policies targeting the copyright sector should deliberately focus on increasing the incentives for firms to build capacity to deploy digital technology in all phases of production and exports, including establishment,

innovation and growth. It is worth noting that the firms in Grenada, which responded to the requests for data to develop the industry profile, generally supported the aforementioned approach to policy design in support of their operations. They emphasised on (i) enforcement of the laws to reduce piracy of copyrighted products and enhance their capacity to monetise their created works; (ii) creation of new financial instruments and products for firms operating in the copyright sector, particularly those firms whose operations involve a low level of physical assets, as well as building awareness of their availability, especially in rural communities and (iii) partnerships with St. George's University and the Community College to provide the skill-intensive training needed to develop the domestic capital industries.

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