

Jamaica's need to appropriate
economic value

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**“Promoting Innovation in the Services Sector:
Towards Productivity and Competitiveness”**

Jamaica’s need to appropriate economic value*

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Introduction

The growth in services has become a significant part of the global economy, with services accounting for an increasingly significant proportion of nations' GDP and international trade (Gallouj & Djellal, 2010; Florida, 2004). In the Caribbean and Latin America, services account for approximately sixty percent of employment but reflect low levels of productivity and contribution to GDP, relative their size in the regions' economies (Tacsir, et al, 2011). In the case of Small Island Developing States (SIDS), the role, actual and potential, played by services assumes particular importance. These SIDS are generally poor in the traditional factors of production, and have a limited range of tradable products. In these economies the services sector is dominated, typically, by tourism¹ (MIF, 2007) while, on the other hand, cultural services have tended to be largely the domain of the developed world (DCMS, 2007).

Definitions and background

According to the United Nations Conference on Trade and Development (UNCTAD, 2008), "Creative or Cultural Industries" can be defined as the cycles of creation, production and distribution of goods and services that use creativity and intellectual capital as primary inputs. These industries involve a diverse array of sectors including film, music, visual and performing arts, advertising, crafts, design, fashion and architecture as well as cultural goods and services. The social and developmental potential of the Cultural Industries is signalled by the predominance of Micro, Small and Medium Enterprises (MSMEs) and entrepreneurs in these industries. According to UNCTAD, this is especially the case at the design/creation/concept stage where individual and creative talent mean entrepreneurs are constantly generating new ideas. Since creativity, uniqueness and authenticity are among the more sustainable forms of competitive advantage available to MSMEs, the cultural industries present viable wealth-creating potential for a wide array of persons, where the barriers to entry are relatively low and the potential for economic value lies within the services produced.

The economic contribution of the creative industries to global trade has increased over the past decade. In its analysis of the Creative Industries over the period 1996 to 2005 UNCTAD (2008) found that exports in Creative Services (advertising, architecture, design, producing, etc.) grew by 8.8% per annum, which was faster than the overall growth rate of all creative industry goods and services. Exports of Creative Goods (often the end products of creative services) grew by 143% over the same period and the overall export value of Creative Industry goods and services was US\$424.4 billion in 2005 compared to US\$227 billion in 1996. These economic trends are an indication of the increasing importance and economic value of creative industries to growth and development. While these trends suggest that there are reasons for optimism, from the perspective of developing countries, it is important to realise that the vast majority of this growth and increase in the value of earnings are attributable to developed economies. Unfortunately, SIDS demonstrate a significantly negative balance of trade in creative and cultural goods and services (Nurse, et al, 2007). The case of Jamaica merits particular attention.

Rationale for selecting the cultural industries

The rationale for selecting the area of Cultural Industries for examination is threefold. Firstly, the Cultural Industries contribute significantly to the economies of both developed and developing countries. This economic significance has increased in the past decade as economies strive to be more innovation- and service- driven in order to find new competitive advantages. Secondly, given their

¹"(1)...tourism is the principal source of foreign currency generation for 83% of developing countries, and is the principal "export" activity for one-third of the poorest countries; (ii) tourism is the second-largest source of foreign currency generation for the world's 40 poorest countries; (iii) over the last decade, tourism has been the only sector in which poor countries have consistently generated a trade surplus."

reliance on creative and intellectual expression as the main inputs, the Cultural Industries represent a viable path to wealth creation for MSMEs, entrepreneurs and those with limited financial, though not creative, resources. In the case of Jamaica, the poor are an extraordinary and disproportionate source of much of the creativity that is associated with the country. Creative expression and intellectual capital are resources as abundant among the poor as they are in large corporations. Thirdly, the Cultural Industries represent opportunities for cultural preservation and national identity and their dissemination through the arts, language, cuisine and film create valuable externalities. The economic value of these cultural elements, harnessed through the Cultural Industries and, well-managed, can bring prosperity to populations for whom wealth-creation is often a distant prospect. These factors have significant economic, social and cultural implications for MSMEs in Jamaica specifically and developing economies in the wider LAC region.

The Jamaican context

In the case of Jamaica, services account for 76% of the country’s GDP. Based on 2010 data, services accounted for 76% of the Gross Domestic Product (GDP) of Jamaica with service exports accounting for 63.6% of overall exports. Over 69% of the employed labour force was engaged in the services sector. (See Figure 1: Gross Domestic Product 2010.)

An examination of the structure of the export earnings from the Services sector is instructive. See Figure 2, below.

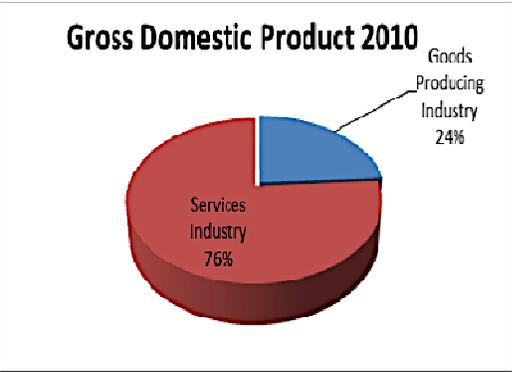


Figure1: Gross Domestic Product.
Source: Jamaica Economic and Social Survey 2011

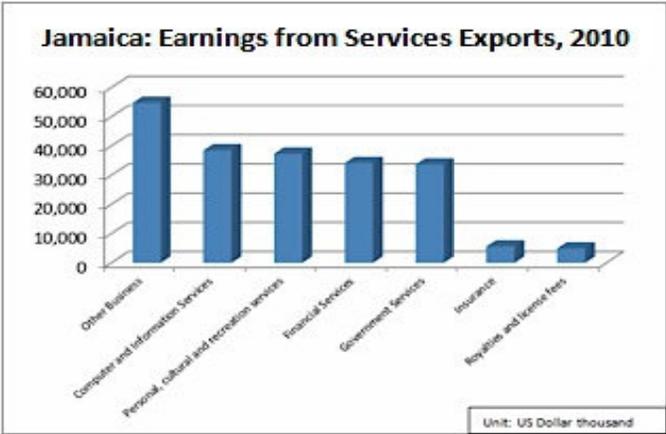


Figure 2: Jamaican Services Exports, 2010.
Source: STATIN, 2010

It is noteworthy in the context of the international popularity of Jamaican music that earnings from royalties and license fees represent by far the lowest value of export earnings, relative to other service segments.

Jamaican culture has a presence on the stages of the world and in the minds and hearts of people that is far larger than might be expected from a Caribbean island of just under three million people. Jamaica’s recognition as a national brand ranks 64 (currently the lowest it has been for a number of reasons) in the world out of 110 countries². The major sources of this country brand placement are its music, its athletes, and its cuisine (Anholt, 2006). Taken together, the country’s culture could well be

²It has been recognised that Jamaica’s image has experienced deterioration in recent years, with the Future Brand country branding index (CBI) 2011-2012 only placing Jamaica at 64 [out of 110 countries]; a placing which was down two from the year before. While the country excels in some disciplines, its relatively poor performances in others have greatly impacted upon its brand. Its relatively low-quality of life, unflattering record of being one of the most murderous countries in the world and still seen as one of the most homophobic societies in the Western Hemisphere despite its welcoming culture has significantly hindered its public and cultural diplomatic development.

<http://howtoattractpublicsandinfluencestates.wordpress.com/2012/08/11/jamaicas-brand-at-50/>

described as its most visible export. From Reggae music to Rastafarianism, to its gastronomic fare (Jamaican Jerk, Jamaica Blue Mountain Coffee), Jamaican MSMEs and entrepreneurs create services that expand the international popularity of Jamaican culture. This cultural dissemination and popularity produce positive externalities, most readily seen in Jamaica’s tourist industry. The story of Reggae Sunsplash, one of the cases in this study, demonstrates the capacity of Jamaican music to exert spill-over effects, especially in the tourism sector. Broader conceptualisations of innovation have made the role and potential of the cultural industries more evident in their capacity to contribute to economic growth. In the case of small island economies such as Jamaica with limited resources and without the capacity to achieve scales of production due to inherent small size, the cultural industries are of particular significance.

Jamaica is a good example of the potential of Cultural Industries to provide a platform for the use of cultural elements to create economic value. Yet, given this high profiled international positioning, the economic returns to the country from the products of its culture fall far short of reasonable expectations. In 2011, according to data released by the International Federation of the Phonographic Industry (IFPI), for example, Jamaica's earnings from music sales and royalties were reported as having increased by 41 per cent to US\$7.3 million, despite a US\$1.5 million dip in regional music earnings. These numbers must be viewed in the context where other data on Reggae music sales for the same year (see Table 1, footnote 3) suggest that international reggae earnings were US\$141.9 million³ and paint a picture of a nearly twenty-fold negative balance of trade between returns to Jamaica and global sales.

This study attempts to contribute to an understanding of the extent to which innovation in Jamaican cultural services in the context of a weak Intellectual Property Rights infrastructure might help to explain both the prominent positioning of the country’s cultural services and its failure to appropriate the economic returns. The areas selected within the domain of culture are: Music: Live performances and the production and delivery of content; Athletics: The design and delivery of services in the arena of athletics and brand development and management which support and sustain excellence; Services in the Theatre, specifically, non-traditional theatre with a focus on individual and community development; and Tastes of Jamaica, with services related to the production and delivery of culinary services.

The work focuses on the economic and developmental impact of service innovation in the Cultural Industries in Jamaica, including marketing innovations. This refers to the varying and specific ways MSMEs position themselves, capture and maintain customers, build brand equity and ultimately strive to deliver value to their customers. The study draws attention to how the absence of a supporting legal framework, including IPRs, has a deleterious impact on SMEs’ sustainable appropriation of value.

3

**Estimated Global Reggae Earnings 2011 (USD
Millions)**

<i>Physical</i>	41.79
<i>Online</i>	15.75
<i>Mobile</i>	15.32
<i>Publishing</i>	19.74
<i>Live</i>	40.5
<i>Public Rights Societies</i>	8.80
Total	141.90

Source: Global Reggae Index

It is worth noting that this same source estimated that Reggae was expected to sell an estimated 33 Million MP3 Singles in 2011. The Bob Marley Brand would account for 64% of this market. It is also worth noting that the Marley brand benefits from assertive IP protection.

Literature

The review of the literature covers four areas that are germane to the work: (1) Services; (2) Innovation in Services; (3) Cultural and Creative Industries and their relationship to Intellectual Property Rights; and (4) Productivity in Services and Measuring Service Performance.

(1) *Services* Given the nature of services, which are usually indistinguishable between performance and consumption⁴, innovation typically comes in the form of new processes, marketing innovations and unique ways, in the case of cultural services, to commercialize creations. In that sense innovation is not static, but is a process with several stages. These stages include concept formulation, models/prototype testing, market research, financing and product launch. It should be noted that at any point along this continuum the unique mix of ideas, creations and inventions of entrepreneurs are vulnerable to replication or exploitation by more well-resourced rivals.

(2) *Innovation in Services* Innovation is not only idea generation but also the development of unique concepts into actual products and services that provide value to specific consumer markets. Innovation is, therefore, developing a new idea *and* putting it into practice (Kalanje, 2006). This definition serves to distinguish invention from innovation (a view also posited much earlier by Schumpeter according to Cantwell's interpretation [Cantwell, 2001]). Invention and discovery, on their own, are not viewed as innovation without entrepreneurial effort or commercialization (the process of converting, combining and/or applying new inventions, technologies and discoveries to solving existing problems or providing a desired benefit). Cantwell also argued the point of application being an important part of the process of innovation when he addressed the distribution of innovation profits. He argues that it is not always the technology leader or primary innovator who sees the greatest growth from innovations, but firms capable of learning and identifying "the most productive industrial applications" for these innovations. In the European Green Paper (1995) on innovation, this point of exploitation of concepts is underlined: "...innovation is taken as being a synonym for **the successful production, assimilation and exploitation of novelty** in the economic and social spheres". It was this imperative for the commercialisation and exploitation of novelty that led to a change in the range of cases that were originally to be considered, which included fine art. After a number of interviews were held it became clear that the requirement for putting ideas into practice within a sustainable commercial framework was something that individuals and MSMEs in the segments of interest found it hard to consider, since in their views, their work is intrinsically novel and thus sufficiently, from their perspective, innovative.

Many expressions are used to describe or characterize what is meant by innovation in the context of services. These include: "process innovation", "incremental innovation", "radical innovation", "technological innovation", "non-technological innovation", "marketing innovation" and "organizational innovation", among others. All seek to distinguish a particular type or model of innovation strategy employed by service firms. Gallouj and Savona (2008) present a taxonomy of the classes or theories of service innovation in their review of the Service Innovation debate. In it they present three (3) main approaches to conceptualizing service innovation, according to schools of thought over the years of research in the area. The following is a summary of these approaches, which are instructive for our purposes in understanding innovation in the Cultural Industries:

The *technologist* or *assimilation* approach to service innovation: this school of thought sees innovation in services as, for the most part, the assimilation of already existing (or externally created) technologies by service firms to improve or change their processes. The main example of this is the

⁴Goods and services are being sold and consumed independently of each other less and less frequently; rather, they are increasingly being offered as solutions, systems and functions. More generally, service or information is now the main component of many goods. Thus the boundaries between sectors are becoming increasingly blurred and there is an increasing uncertainty as to the precise nature of 'products'" (Gallouj & Djellal, 2010).

onset of Information and Communication Technologies (ICTs) and their incorporation into service firms such as financial firms and consultancies (Knowledge Intensive Business Services). It is pointed out that Barras' Reverse Product Cycle (RPC) model for service innovation is one clear argument for this type of approach. In his RPC model Barras posits 3 distinct stages of service innovation based on the life cycle of the service organization. In the first stage the firm discovers a new technology and assimilates it *incrementally* into its production/service process to gain efficiency improvements. As the firm goes higher up the learning curve and the market matures the firm undergoes *radical process innovation* and completely changes many of its processes to achieve improved quality and standardization. In the final stage the firm undergoes *radical service innovation*, engaging clients more by using the technology and completely changing service delivery. This approach to innovation in services ignores almost completely the significance of any non-technological forms of innovation and, according to Gallouj (1998) seems to apply mainly to ICTs and financial services rather than being generalizable. Most of these types of innovations are also seen as "supplier dominated".

The *service based (differentiation)* approach to service innovation seeks to highlight the non-technological innovations that are characteristic of the service sector and which are often disregarded in more technology-based approaches to innovation. This approach is mostly about highlighting the specificities of different service sectors and identifying innovations within those sectors that make a difference in specific areas. Examples include work done in identifying innovation in the retail industry (based on the evolution of shop formats and increased consumer interaction), and the financial services, where financial products are broken down into a set of characteristics and innovation is seen as the addition, subtraction or recombination of characteristics into new financial products. This approach seeks to rebalance the view of innovation in services by shifting the focus away from just pure technology adaptation to sector specific, non-technological activities, behaviours and characteristics whose change or recombination can result in innovative new services and markets.

The *integrative (synthesis)* approach to service innovation is, as the name suggests, a combination of approaches in recognition of the increasingly blurred line between goods and service providers. Many goods are inextricably linked to the combination of services that complement them. In the same way, services are becoming increasingly standardized and transformed into goods for sale by service providers. An instance of this is a consultancy firm that has developed such expertise in delivering a particular service in a particular way that they are able to standardize the methodology and sell it as a product (whether in the form of publications, books or training). Because of this synthesis researchers no longer see the need for distinguishing innovation in goods from innovation in services but rather innovation in products (good, service or combination), with the definition of a product being the "**set of vectors of characteristics and competences**" that satisfy consumer needs. This definition of a product allows us to view innovation in a more contemporary sense, understanding that most services involve the interaction of competencies (those of both the service provider and the customer); technical characteristics; and service (delivery) characteristics to ultimately deliver consumer value. Innovation, according to this approach, is therefore the "*changes affecting one or more elements of one or more vector characteristics (technical and service) or of competences*". An example in our context of the Cultural Industries is the Busha Browne and Walkerswood lines of Jamaican sauces, which are combined with other services such as recipes, suggestions, how-to instructions, cultural tours, and other complementary brand elements.

In addition to these more commonly occurring forms of innovation in the literature, there is a reconceptualisation of the innovation in service model that looks specifically at innovation in the creative services (Miles & Green in Gallouj & Djellal, 2010) and considers the following fifteen components as being more appropriate indicators for the creative services. These are: (1) General administrative activities and financial management; (2) Business model (more specifically, revenue model); (3) Value chain location and positioning; (4) Communications beyond the boundary of the firm; (5) Internal communications; (6) Back-office and backstage production processes; (7) Transactions; (8) Marketing and customer relationship management; (9) Content and symbolic substance of product; (10) Performance and front-stage production processes; (11) Product format;

(12) Delivery of product; (13) User interface with product; (14) User interaction; (15) User capabilities. These components of innovation in the performance based cases of the Theatre and Music, as well as the management services in the area of sports seem more suited to assessing the performance and productivity of these cases, while the delivery of culinary services seems more susceptible to analysis along the more standard lines of assimilation, differentiation and synthesis.

In “Service Innovation: development, delivery and performance”, Tidd and Hull (Gallouj and Djellal) develop a five-part framework based on strategy, process, organisation, tools/technology and systems (SPOTS). In this view, “Strategy provides focus; process provides control; organization provides coordination of people; tools provide transformation and transaction capabilities; and system provides innovation.... We hypothesize a balanced strategy of RRR (rapid, reiterative, redevelopment) as being associated with higher service performance” (252). We consider this framework particularly applicable to a consideration of innovation in services in relation to the cultural and creative industries. See Figure 3, below:

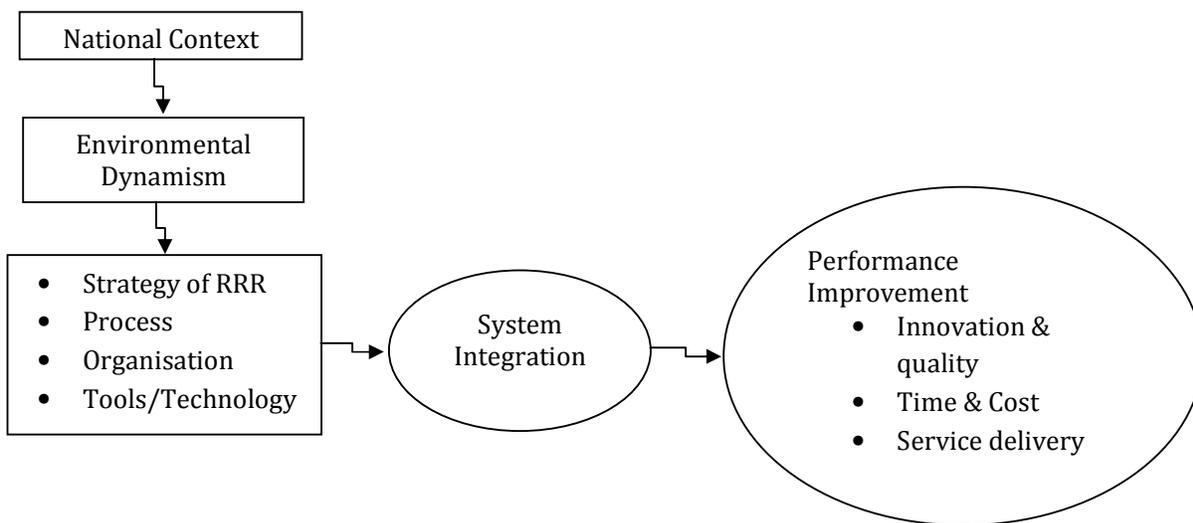


Figure 3: Performance SPOTS Model (Source: Tidd & Hull)

(3) Cultural Industries and Intellectual Property Rights Weak IPR systems pose threats to service innovation (both to existing IPR infrastructures and to the use of IPR by firms). A weak IPR system removes the incentive for MSMEs to innovate by reducing the profitability of innovation (WIPO, 2012). Also, weak IPR systems tend to minimize investment in new ideas and innovations from MSMEs for whom investing in protecting their IP is costly although they fear losing out to copycats (Handke, 2006). In either case, a weak IPR system increases the opportunity cost of innovation to MSMEs and limits the potential of its development impact. IPR (and its importance to the prosperity of MSMEs in developing economies) tracks current global economic trends. Small businesses no longer only compete locally but also globally, oftentimes against more powerful and well-financed competitors (James, 2007). They are vulnerable to exploitation if a strong IPR system is not in place. This IPR system includes accessible and affordable IP Services (IP Audits, Legal Services, and Monitoring), accompanied by an effective and efficient IP Infrastructure which includes laws, regulations, public institutions, public education systems, enforcement apparatus, and public-private cooperation, are critical components of a well-functioning IPR system (UNCTAD, 2008). Intellectual Property, in all its forms, creates the environment for and enhances service innovation, productivity and ultimately prosperity in the cultural industries (OECD, 2009). Santagata (2006) goes so far as to raise the possibility that MSMEs, working together, have the potential to establish collective IPRs over the distinctive products and services in the form of trademarks that can protect against infringement, stimulate new investment and maintain common quality standards. This study pays particular

attention to the role of IP in the cases examined and makes recommendations for both public policy and firm-level practice to improve innovation in the Cultural Industries in Jamaica.

Further, Gallouj and Savona draw attention to the importance of the intellectual property values in their discussion of brand value:

“Brand names have a significant intangible dimension that can be applied to services...the precise definition of a service concept, the affirmation of an intellectual property right with regard to the concept and the company’s respect for its commitments are also important conditions that protect a company....A constantly renewed innovation is the standard by which an advantage maintained over a certain period can be measured” (Gallouj and Savona in Gallouj and Djellal, 2010).

In summary, the nature of the Cultural and Creative Industries necessitates a strong IPR system to provide returns to creative expression; encourage investments in creativity by minimizing risk; prevent the exploitation of intellectual assets; and ensure that the economic value from their commercialization accrues to the rightful owners (Mendonça, Santos Pereira, & Godinho, 2004). IPR Services and a strong IPR infrastructure are integral to the productivity, innovation and the overall success of MSMEs and entrepreneurs in the Cultural Industries (UNCTAD, 2008; OECD, 2009; Kalanje 2006). IPRs support creative expression by providing producers and intermediaries with the means through which they can protect, own and be the main beneficiaries of their ideas and inventions. A strong IPR regime, thus, facilitates the process of innovation and the marketing of resulting goods and services. The shortfall in the appropriation of value may be attributed, at least in part, to the fact that Jamaican firms that trade internationally face chronic challenges, among them notorious issues of brand infringement (WIPO 2012). The iconic nature of many of the island’s products and the services associated them, often result in strong demand in international markets and act almost as an inducement to non-Jamaican firms to pose as Jamaican and thus compete for the market created by Jamaican brands. The Jamaican Sauces and Spices that are among the cases studied are illustrative of these issues. The outcome is that inauthentic versions of products, and the services that are embedded in them, are sold internationally, with the major portion of the proceeds going to the infringers. There is an association, then, between service innovation in the arenas of culture and issues of Intellectual Property Rights, particularly in relation to micro, small and medium sized service providers. An important objective, therefore, is to try to understand the underlying issues which might account for this disjuncture and might therefore form the basis of policy and action in the future.

(4) Productivity in Services and Measuring Service Performance Productivity is generally understood to be a measure of output in relation to inputs used. Therefore the normal productivity equation is as such: **Quantity Output/Quantity Input**. Output, in manufacturing terms, refers to the number of items produced while inputs generally refer to some resource or factor of production (labour, energy, capital, land), or combinations thereof. The problem with defining what is meant by productivity in services is defining what is meant by *service output*. Given the often immaterial nature of service output, the interactivity and resulting co-production, there are no simple ways to quantify the output of a service (what is an output in a doctor’s visit: the consultation, the diagnosis, the recommendation, the treatment or being cured?). Consumers care very little about volume in service delivery because, generally, only one “unit” of the service is purchased at a time and each service delivery interaction is generally unique, based on consumer preferences and competence, as well as service provider competence and technical capacity. Given this lack of standardization normal approaches to productivity measurement are insufficient and often only serve to undervalue service performance and productivity⁵.

⁵ “...performance in service activities cannot be captured solely through the notion of productivity....It is preferable, therefore, to adopt a multi-criteria method of evaluation that takes account of the many and various facets of performance, which include technical performance, of course, but also commercial performance (measured in monetary and financial terms), civic performance (measured in terms of fairness, equality of treatment, social cohesion, and respect for the environment) and relational performance (measured in terms of quality of interpersonal relations, empathy and relations of trust)” (Gallouj & Djellal, 2010).

In measuring service productivity, quality and customer satisfaction play a vital role in the definition and therefore assessment of productivity. Gallouj and Savona discuss this by presenting the argument made by Griliches (1992, cited in Gallouj and Savona, 2008) about the problem with measuring productivity in services. Particularly, Griliches points out that the difficulty in accounting for consumer interaction in the production of service output and in detecting changes in service quality are two of the key factors affecting measurement. How, for example, is quality change accounted for in pricing? One way is to use Hedonic Pricing Methods (HPM), which account for variations in preference for the characteristics of a certain good or service in order to put a value (or cost) to those specific characteristics (Moulton 2001, cited in Gallouj and Savona, 2008). The most common use of HPM is the housing market, where the cost or value of environmental factors is measured based on comparing the willingness of consumers to pay a premium for a particular house, as opposed to another similar house in a different location, based on better external environmental factors (clean air, proximity to business or recreational areas, less crime, etc.). Similarly, the variations in quality between two seemingly similar services can be valued based on the revealed preference of consumers (their willingness to pay a premium for one and not the other). In doing so one is able to measure the impact (productivity) of different service characteristics.

Rutkauskas and Paulaviciene (2005) also recognize the need to consider quality in the definition of service output and therefore the measurement of service productivity. They see variations in service quality as an important (and sometimes the only) way to measure productivity in services. That is to say an increase or decrease in service quality (according to the dimensions of quality in that service) would signify an increase or decrease in productivity respectively (relative to the changes in input quantity and quality). As such Rutkauskas and Paulaviciene posit a slight variation to the normal productivity equation to account for the treatment of quality variations in measuring service productivity: Quantity of Output and Quality of Output/Quantity of Input and Quality of Input.

Similar characteristics and quality based methodologies of conceptualizing and measuring innovation in services are shared by Hertog (2010) in his book *“Managing service innovation: firm-level dynamic capabilities and policy options”*. In it Hertog represents a 4 dimensional model for assessing service innovation. These dimensions are: the service concept; the client interface; the service delivery system; and the technology options. He states that innovation can occur in any one or with a combination of these dimensions. This is consistent with the integrated approach to service innovation as occurs in most of the literature.

The determination of productivity in the cultural services is a particularly difficult subset of the innovation-productivity nexus in the service innovation literature. In the context of the current work, there is an element of productivity for which consideration should be given: the, albeit difficult to measure, concept of impact. This is in line with Stoneman’s definition of “soft innovations” (2007). He defines soft innovations as “...changes in either goods or services that primarily impact upon sensory perception and aesthetic rather than functional appeal” and where the significance is to be judged on the basis of impact. We see this as particularly applicable to cultural industries and, in the instance of this work, to the theatre case.

Method

The approach to undertaking the study of the cases consisted of mixed methods. A list was made of the likely examples within the Jamaican Creative and Cultural industries and possible cases were considered in the following segments of the creative and cultural industries: Fine Arts; Music (Live Performance and Recorded Music); Theatre (Popular and Non-Traditional); Athletics; Culinary Products and Services (Jerk Sauces and Spices). A review was then done of publicly available material in these segments to validate the depth and reliability of the firms. A follow up assessment was made of the specific firms and individuals who might be available and willing to be interviewed

and provide firm-level data. A first round of preliminary interviews was done with leading firms and organisations in each of the target segments to get a sense of the extent to which their processes and organisations would enable an analysis of their activities within the framework of the study. On the basis of these preliminary interviews the decision was taken not to proceed with the Fine Arts segment, where members of the grouping were willing to elaborate on their individual excursions into innovation, but were not particularly interested at the time in question in the processes of distancing that might lead to an examination of innovation as a construct for the Jamaican Fine Arts in general. The decision was taken to proceed with Non-Traditional Theatre, rather than popular Jamaican theatre, since it seemed more likely that data would be readily available from the former.

Interviews were then undertaken with firms and individuals in the four segments under review, namely, Non-Traditional Theatre; Music, both recorded and live performances; Management Services in the area of athletics; and Culinary Products and Services. The interviews were semi-structured and consisted of questions that probed to understand the genesis of the business; its marketing initiatives and management structures; the types of innovation that were undertaken; what initiatives led to the sustainability of their operations; the extent of the firms' internationalisation; the impact of the innovations, if any, on the profitability and sustainability of the firms; and what the impact of the firms' innovations might be on the Jamaican creative and cultural industries overall. The responses form the basis of the reporting on the cases that follows.

Attention is drawn to the issues surrounding data collection: In addition to the customary issues of the unavailability of data, firms and individuals were extremely reluctant to provide responses to the questionnaire, citing what they considered the 'intrusive' nature of the questions. They were insistent that they struggle on their own to survive and did not see why they should facilitate the presumed process of policy design when, in their view, no policy exists, is unlikely to exist in the future, and such arrangements as exist, do not serve their interests. In order to derive some quantitative information more open surveys were done with thirty-three MSMEs in the Music, Culinary Services, and agribusiness exporting firms. The details of these interviews are reported in Appendix 1. The interview protocol for public sector entities that was prepared by CINVE/IADB was administered to five public sector entities. The responses to these interviews are reported on in Appendix 2. A summary table of follows the presentation of each set of cases.

Case 1: Music: Live performance

Reggae Sunsplash is the iconic and symbolic representation of live performance in the development of Jamaican popular music. Lasting from approximately 1971 to 1993, Reggae Sunsplash was responsible for the development of many innovations in the business of live performances in Jamaica. As it was to turn out, this might also well have meant that they were on the bleeding edge of innovativeness.

Types of Innovation Reggae Sunsplash represents a combination of processes of innovation: It is a radical innovation that embodies new product conceptualisation and development; its services are a new creation that it implements; it demonstrates significant marketing innovation, including front and back office services; it has multi-agent roles. It is a clear instance of the reconceptualisation in innovation in the creative services (Miles & Green in Gallouj & Djellal, 2010). This is its story.

What was its genesis? Reggae Sunsplash was the coming together of four (4) people with a passion for Jamaican music. Two (2) of them had a small company called Micron Music. Micron Music attempted to change the structure of the domestic music market, in which two (2) big, in the context of Jamaica, companies controlled the relationships with the artists for whom they were making recordings and whom they paid approximately 7 Jamaican cents per copy sold. Micron analysed the economics of the situation and came to the conclusion that it was possible to pay 25 cents to the artists and still be profitable. So Micron made an offer to the artists of 25 cents per copy sold. Since Micron did not own production facilities and were reliant on the two (2) big companies who owned and operated the production facilities to make the records, they were shut out and down by these companies.

In the meantime, the principals of Micron had developed strong relationships with the performing artists. This resulted in their getting the distribution rights to an important album, Bob Marley's *Natty Dread*, and with minimal resources they managed to sell 25,000 copies locally, which was 4 to 5 times as many copies of any album previously sold. They were also the first people to put Bob Marley's image on a T-shirt – although they did not have the resources to continue any significant merchandising thrustor clear intellectual property rights to enable them to benefit from any merchandising done by others.

As they hung out together, they conceived the idea of a performance that would bring together several artists and satisfy an insufficiently met demand for live music in Jamaica. Thus was born Reggae Sunsplash in 1971, owned by a company incorporated as Synergy. Synergy approached the Jamaica Tourist Board (JTB) with the idea of developing hotel packages for the summer tourist season which was almost completely dead – most hotels laid off staff, did their refurbishing or completely shut down in the summer. JTB has been thinking of how to address the slow summer season and was considering introducing cheap packages, “Singles Week”, targeting mostly US students. Instead, the principals of Reggae Sunsplash proposed an 8-day, 8-night programme of entertainment geared towards a much broader audience, including family shows. They developed a proposal, with a logo done by a German designer. When negotiating with the JTB and hotel proprietors, they faced the underlying perception that local artists were weed-smoking rastas, bound to lower the tone of the hotels. More substantively, they were faced with the fact that they had no money to finance their proposal, leaving them in a weak negotiating position. JTB eventually negotiated an arrangement with them in which it would develop 2000 summer packages to which they would add US\$ 70.00 to cover the costs of the entertainment to be provided by Synergy/Sunsplash. This US\$ 140,000 would not be given to the principals of Synergy, but would be used by JTB to represent the start-up capital of Reggae Sunsplash. In addition, each partner was required to put up US\$2,000.00 of personal funds to show commitment. This they managed to do, in some instances by pledging their homes. The artists were immediately supportive of the initiative, including the big names – Bob Marley, Jimmy Cliff, Third World - and did not ask for advances or contracts, seeing this development as being in everyone's interest.

Then things started falling apart. JTB reduced its targeted numbers to first, 1000 and then 500. They eventually delivered 23 packages. The proposers lost the personal assets they had pledged. They faced major issues for which they had no competences: chief among them being security costs and ticket fraud.

So came the second year. Sponsorship continued to be a major problem. The banks had repossessed their assets. They went to Tuff Gong to talk to Bob Marley who offered to perform for US\$ 11,550. Bouyed, they rented the football field at Jarrett Park in Montego Bay and put on the show again. By this time word of mouth had got around overseas and there continued to be a dedicated local following. All the hotel rooms that had been empty in all previous summers were sold; people were sleeping on the floors in Miami Airport waiting to get into Jamaica. The proposers had to help the hotel managers by going out and finding staff to meet the demand. Bob Marley's and Third World's performances are still the subject of ecstatic recollection. Andrew Young, then mayor of Atlanta who was visiting, said he wanted to see the phenomenon. In 1979 they had some sponsorship from Desnoes and Geddes in the form of Red Stripe Beer. They left 6 fellows to guard it and came back to find them passed out and all the beer consumed.

This year was followed by the elections of 1980, up to that time, the most violent in the country. JTB took the view that no tourists were going to come to Jamaica and so there was no hope of their support. So Reggae Sunsplash came back to Kingston to the Rannie Williams Centre. The artists continued, remarkably, to support the show – with Carlene Davis, Peter Tosh and Black Uhuru staging performances that are still talked about. And still Reggae Sunsplash did not make a profit. With the change of government, they were told that there would be no support from the public sector. After many efforts to change minds they were invited to a meeting with American lawyers and told that government would provide funding for a 90% stake in the proceeds and, in addition, would pay them US\$ 35,000 to produce the show. They pressed to be allowed a 20% stake and were called in to a press conference to sign the contract – which they had not seen up to that point. Since the press was there, they all agreed to pretend to sign the contract. As it turned out, when they got to read the contract it indicated that this 80/20 arrangement was to last for 5 years. They proposed 50:50 and the government refused. They lost all sponsorship. The Health authorities declared there was a polio epidemic and there were to be no public gatherings. Although subject to much public pressure they went ahead and, for the first time, made a profit, and again, filled the hotels.

In the meantime, the government built the Bob Marley Centre (1983) and invited the World Music Festival to perform. Reports suggest that this was not successful and the Bob Marley Centre was abandoned and fell into major disrepair. Reggae Sunsplash decided that this is what they had always wanted: a venue that could become the stable home of the festival. They spent the proceeds from 1982, when they did make a profit, on refurbishing the facility and put on the show, in spite of the venue's lack of security. Once more the hotels had 100% occupancy rates, higher rates than the best winter periods. In spite of this, the hotels, in their quest for hard currency, reduced local booking availability to 20%. In order to secure some rooms for locals, the festival had to keep shifting the dates. They went back to Montego Bay, where that year there were 25,000 attendees on one night, outgrowing the capacity of the park, with the attendant problems. "It became dangerous." They moved back to the Bob Marley Centre the following year.

Potential investors said they would put up money if the festival could get a long term lease on the venue. This was not to be. They operated for 6 years on year-by-year arrangements – refurbishing offices, installing street lights, and building a stage, nonetheless. By 1987 there were nights with 30,000 people. Then there was payola which they refused to pay. A newspaper article citing a psychic's prediction that the Centre would sink followed. The 17,000 people who had bought tickets by 11 that morning did not attend. As if all of this were not enough, the festival was caught in the prevailing high interest rate policy. Their loan of J\$1,200,000 moved from an interest rate of 23% to 92.5%. As this was happening, their use of the Bob Marley Centre was curtailed: new government policy earmarked it for housing development.

Having no physical assets and no intellectual property rights, the principals lost everything.

Yet many enduring innovations developed out of Reggae Sunsplash. The tours that currently form an important feature of Jamaica’s international music scene were strengthened by the initiatives of Reggae Sunsplash. In between the summer festivals they developed Sunsplash tours to the USA, UK, Europe, Japan and 'one-off' concerts in South America. The US tours saw "artiste packages" developed for the first time. Prior to this development only Bob Marley and Jimmy Cliff were prominent enough to embark on their own tours. Reggae Sunsplash built tours based on what they had become adept at: combining talent. These tours went into venues some of which had never before entertained the idea of Reggae concerts; among these were Radio City Music Hall, Greek Theaters in Los Angeles and San Francisco and Universal Amphitheatre. These packages went to 30-40 US cities on a single tour. When they went to London, Crystal Palace’s football ground was sold out in 1985 and 1986, with 25,000 people in attendance. The tours continued throughout Europe for a 5-6 year period. In addition, Synergy videotaped the Montego Bay concerts and found ready broadcast markets in Japan. They also had comparatively good success with Pay-per-view in the USA between 1989 and 1993. No other Jamaican product had ever before been packaged on PPV. Reggae Sunsplash also went to Japan (85?) in partnership with Japanese promoters for "Reggae Sunsplash Japan." The following year, the Japanese promoters staged the festival as "Japansplash" which became the largest one-day concert in Japan for many years. They were excluded from participation and with inadequate legal and no intellectual property arrangements they were without recourse.

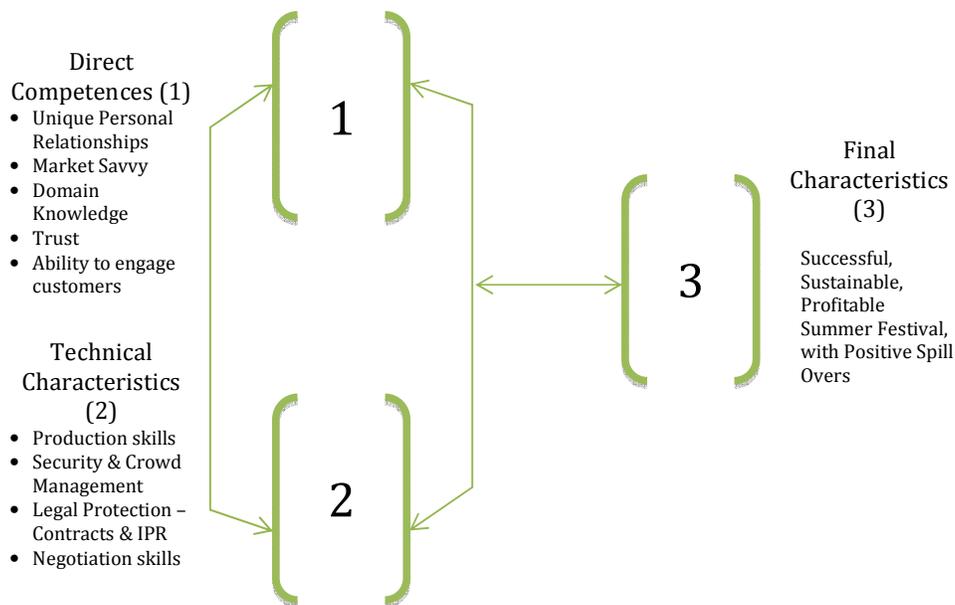


Figure 4: Reggae Sunsplash: Service Model (Adapted from Gallouj, 2002)

The success of the model is predicated on having the requisite mix of Direct Competencies and Technical Characteristics. Reggae Sunsplash lacked the Technical Characteristics, particularly Security and Crowd Management; Legal Protection in contracts and Intellectual Property Rights and, it can be argued, Negotiation Skills and so was unable to sustain success, and critically, reap economic returns based on the periods of success, in the absence of proper contracts and Intellectual Property Rights.

Summary Table of Case

CASE: MUSIC (LIVE PERFORMANCE)	
<i>Innovation Description & Type</i>	
Product	✓New entertainment packages; development of international group tours
Process	✓Cross-industry (pubic/private; tourism); performers' sense of ownership
Organisational	✓Collaboration among proposers; bringing on of new skill sets
Marketing	✓Strong, with internationalisation of results & (USA, Canada, Europe, Japan), presence; shows
Technological	X
Mixed	✓Combination of innovations: service concept; client interface; service delivery system
<i>Determinants & Mechanisms</i>	
Drivers	International Demand, Popularity; Pull effect of Tourist Industry
Facilitators	Local Capacity; Performers' commitment
Impediments	Absence of appropriate physical facilities; Poor contracts; Poor IPR
<i>Impacts</i>	
Productivity	Low, if judged in terms of financial return to principals; High if judged in terms of spill-over effects
Markets - Share	Initially strong in Reggae category, and unique show but declining
Differentiation	Initially strong but diminishing due to copying by overseas performers& infringement
Competitiveness	Deteriorating as more players enter field
Successful strategies	Focus on spill over effects on tourism industry; special events – Pay per View
<i>Policy Issues</i>	
Programmes	Uncertain incentive programmes; political interference
Interactions w Public Officials	Mistrustful
Success (Reasons)	Temporary nature (shifting policies, ad hoc, unreliable decision – making)
Failure (Reasons)	Inadequate policy framework; poor public infrastructure
<i>Hypotheses</i>	
Innovation Generates Positive Impacts	✓ But hard to sustain without deliberate actions and focus
Public Supporting Actions are Positive	✓Expectation not met as a result of role of interventionist politics

Table 1: Summary of Performing Music Case

Case 2: Non-traditional theatre

What is the genesis? The chief mobiliser (CM) looked at Jamaica and recognised that serious change was necessary, though, she said: I did not understand as much then as I do now. Guided by a belief that social change happens from within, the question became: how to reach and motivate people from marginalised communities and suffering from poor educational qualifications? How could their potential be released? She worried that when people talk about building capacities they generally refer to things that are measured from the outside – with the HEART programme a metaphor for this: cosmetology is the area with the largest number of graduates. She was interested in building capacity from the inside – promoting self-esteem at the level of the individual and community development at the meso level. This approach is not, in and of itself, strictly speaking an innovation in the sense of designing something unique, since there are models for this approach to theatre, the most notable of which is the work of Enrique Buenaventura in Cuba with Teatro Escambray. There is also a Jamaican model with Professor Honor Ford Smith and the Sistren group. In both these instances the focus is more on general community issues, rather than on the explicit role of performance as an antidote to violence.

CM belonged to a more traditional theatre company that wanted to stage the Nigerian Nobel Laureate Wole Soyinka's play "The Beatification of Area Boy" which had unusual resonance with life in Kingston. The only theatre that was appropriate for the staging was the Ward Theatre in the heart of downtown Kingston where the association with crime and insecurity was particularly strong. This meant that theatre goers, who were mainly from "uptown", the customary patrons of the theatre, were unlikely to want to venture downtown, since they were anxious about the security of their cars; were uncomfortable with undertaking the short walk from the car park to the theatre; and feared being badgered for money by the many people who were certain to be hanging about the environs of the theatre. The social innovation in theatre resulted from the response to this confluence of negative forces. The decision was taken to engage the young men who were perceived as the perpetrators of the things feared as part of the cast – not on-stage, at first, but as prologue to the production.

The communities surrounding the Ward Theatre were mobilised and "local leadership" a euphemism for the "Dons" who controlled power in the communities, gave permission for the theatre company's personnel to go into the communities. The theatre personnel took a team of artists, with sound equipment and started to perform in the street. They told the crowd that had gathered to come to the Ward Theatre at a particular time. On that day more than 100 people turned up, thereby beginning a six-month intervention on violence prevention through creative activities. Wole Soyinka had, in the meantime, agreed to direct the production and the communities understood that when he held the auditions, people from the communities would be invited to try out and if they were good, would have an equal chance of being selected. People from warring communities began to speak to one another and develop relationships, no longer standing huddled in hostile groups in separate corners.

During this time there was a fresh outbreak of violence in some of the communities. The participants in the experiment were encouraged to develop a performance piece as a way of understanding and processing what was happening around them. They wrote a song about violence downtown and the need to stop the wars. This song became a TV commercial which was aired frequently. This acted as a critical confidence- booster. After six weeks the auditions were announced. Soyinka required that each person create his or her own material and selected twelve performers for the play. This demand changed the nature and future of the project, since the creation of the material was, itself an opportunity for learning, and the material created demonstrated an authenticity, and unexpected content. Instead of a regular audition, the content created enabled the theatre people, with the community participants, to create a musical, *Border Connections*. The revue was performed for Soyinka and was open to the public. Community members were encouraged to bring their friends and families. People who had never conceived of going to the theatre filled the Ward Theatre. At the end of the production, several young people who used to hang out around the theatre went on to HEART

(the national training institute) which modified its curricula to deliver training programmes for theatre arts. Some of the young people went into stage management, lighting, and costumes. What started as an anxiety about crime and violence around one of the iconic theatres in the region, ended with a new theatre company with a completely new set of approaches to community and individual development. The work started with a focus on violence, initially viewing it largely as inter-community conflict. Later the realisation of the link between poverty and violence became clearer and changed the agenda of the theatre company's acts.

CM drew attention to the fact that the cultural products that are associated with Jamaica in the international mind are the products of the populations in these communities of conflict. This is where the creative, innovative talent and their expressions emerge in response to the prevailing social situations. The contradiction between being hailed for creativity and the sense of betrayal from being marginalised from the island's economic and social development increase the sense of alienation in the communities.

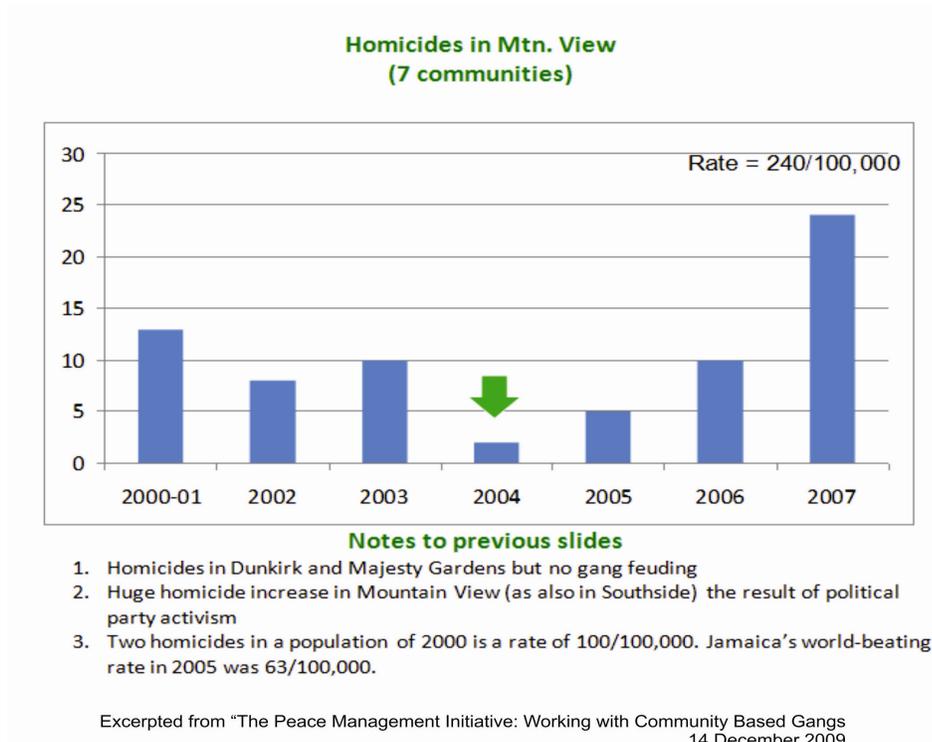
This non-traditional theatre art was studied by the Department of Psychiatry at the University of the West Indies and it became described as Cultural Therapy. Through the interventions of theatre and its creative work, the practitioners dealt with inherited pathologies that had social and cultural impacts. They began to discern that the levels of protracted violence that formed the backdrop to the lives of people in the communities resulted in what came to be viewed as a type of borderline post traumatic stress syndrome, with high levels of hyper-vigilance; low levels of trust; and little or no sense of connection. Working through games and performance-oriented activities, people came to share their life stories. They developed a repertoire of songs that were collaboratively created; and vignettes created around their experiences in the communities. Creating performance pieces requires collaboration and was seen to lead to empathy, respect and the esteem earned from audience approbation.

Unfortunately, the theatre company was unable to convert all these victories into sustained commercial success. Their energies became increasingly focused on an ongoing struggle to find resources to continue the work. Among the things that CM thought mitigated against the possibility of success was the issue of the lack of adequate infrastructure with the absence of accessible performance spaces. After 15 years of work, she expressed the view that this is not work which is valued.

Work in Mountain View Mountain View, inclusive of Burgher Gully, has an estimated population of 2,000 persons and represents 11.3% of the population of the Down Town Development Area. There are an estimated 8,480 households with an estimated household size of 3.9 persons with Female headed households (FHH) being larger on average (52%). Between 2001 and 2002 there was an enormous flare up in violence, associated with political gangs. Led by the Peace Management Initiative a ceasefire was brokered and the leadership brought together. The theatre group was invited to design a programme to address the situation and, hopefully, to get combatants to observe and hold the ceasefire. AYF pursued what was by now its tested methodology: set up a Sound System on a corner and start to play music and perform. This attracted lots of young people who joined the impromptu performances to show off their particular skills. These were mainly young men. AYF followed this by inviting everyone who was interested in participating in a programme to come to a neutral space – since there was nowhere in any of the communities that would be generally acceptable. Meetings were set up at the Edna Manley College for the Visual and Performing Arts. The majority of people who came were women, and generally, older women – who had not been seen before – only 3 of the 30+ participants were young men. AYF learned that the young men could/would not leave their communities for at least 3 reasons: it would make them vulnerable to being held by the police; it would make them accessible to their adversaries; and it would leave their communities unprotected and thus vulnerable. Their women were their surrogates. Two women greeted and hugged each other and said that although they had been friends at school, they had not seen each other in 40 years because of the community divisions. The Social Development Commission is reported to have said that what was achieved in terms of community cohesion in 6 months by AYF, their normal social

work methods had been unable to achieve in 6 years. The work was institutionalized in the formation of the Integrated Mountain View Development Council and the Dispute Resolution Foundation trained the leaders who had emerged from this programme in mediation skills and helped them establish a network that would go into different areas at the first sign of strife. See Figure 5 below. 2007 was an election year. The spike in murders speaks for itself.

Figure 5: Homicides in Mountain View



Performance and Impact The issues of assessing performance and impact are generally difficult in relation cultural industries. They are particularly difficult in the case of non-traditional theatre discussed here. In this case, we are guided by the view and focus on the assessment that "...civic performance (measured in terms of fairness, equality of treatment, social cohesion, and respect for the environment) and relational performance (measured in terms of quality of interpersonal relations, empathy and relations of trust)"(Gallouj&Djellal, 2010) as indicators of performance.

Summary Table of Case

CASE: NON-TRADITIONAL THEATRE	
<i>Innovation Description & Type</i>	
Product	✓New entertainment packages; new performance pieces
Process	✓Engagement of violence-prone communities in developing theatrical material; engagement of performers', communities' sense of ownership
Organisational	✓Engagement on basis of concept, of Nobel Laureate as Director, who brought new approaches to auditioning and selection process
Marketing	✓Local – through television skits
Technological	X
Mixed	✓Service concept (gang members as protectors, development of new skills); new category - Cultural Therapy; community (client) interface leading to reduction in inter-community strife
<i>Determinants & Mechanisms</i>	
Drivers	Gang violence, social anomie
Facilitators	High levels of leadership voluntarism; leadership competences
Impediments	Absence of appropriate physical facilities; little funding for social interventions
<i>Impacts</i>	
Productivity	Low, if judged in terms of financial returns; High is judged in terms of spill-over effects in reduction in murder and mayhem
Markets - Share	Low
Differentiation	Strong – only player in fieldwith particular approach to violence reduction
Competitiveness	Low: non-commercial nature of activity in context of low public support
Successful strategies	Spill over effects leading to community cohesion; new skills development
<i>Policy Issues</i>	
Programmes	Inadequate support for NGO-led social & cultural programmes
Interactions w Public Officials	Pleasant but not outcome driven
Success (Reasons)	X
Failure (Reasons)	Inadequate policy framework; poor public infrastructure; absence of funding
<i>Hypotheses</i>	
Innovation Generates Positive Impacts	✓ But hard to sustain without deliberate actions and focus
Public Supporting Actions are Positive	✓Expectation not met in context of few public resources to support development of public goods – and services

Table 2: Summary of Non-Traditional Theatre Case

Case 3: Innovation in management services: athletics

The University of the West Indies (UWI), the premier academic institution and research university in the English-speaking Caribbean and in the British tradition, does not seem to be the most likely place to become the premier location for an athletics programme. How did this happen? The University, Mona Campus, appointed an elite Jamaican athlete and Olympian to the post of Sports Development Director (SDD). Hitherto the UWI was mostly looking at sport as a regional matter in which its students participated across the Caribbean in regional championships, inter-collegiate challenges and national teams. SDD's vision was much larger than this and she describes spending a significant amount of time getting UWI to buy into the concept of being a serious player in arena of sports, in particular, athletics. She saw them as having so much to offer to so many. She compared their potential with the neighbouring University of Technology and their first mover advantage in the field of elite athletics and their track club, MVP. It was her view that UWI had a potential competitive advantage as a research university, well-positioned to do research into physiological testing, nutrition, and to begin to address the general questions being asked about Jamaica's extraordinary performance in sprints.

SDD's goal was to see an International High Performance Training Centre for Jamaica with IAAF support, located at UWI, with a focus on sprints and hurdles. She lobbied successfully for this, and courted the best coaches to buy in to the programme. Glen Mills was asked to join the programme as Head Coach and agreed to come on as Sprint Coach. Glen Mills's coming on presented an opportunity for restructuring, adding new areas to the suite of athletics, including hurdles, middle and long distance, jumps and throws.

SDD's enthusiasm and excitement, even in retrospect, are evident as she described how pulling this together took time "to convince and inspire". The Principal of the Mona Campus took a more hard-nosed approach and made it clear that his support for the development of the programme was contingent on bringing stronger management and business approaches to the concept. He insisted on an analysis of the people, strengths and costs that SDD's vision required, and thought that the initiative required being managed as a project and brought on a Project Manager. This resulted in the preparation of a three-year business plan.

UWI agreed to give scholarships and designate physical facilities to the programme. These were to play an important role in the development of the programme, and led to a strong sense that both the people and the programme had a home of their own. (This must be compared with the ongoing for and absence of a permanent home as evident in the cases of Reggae Sunsplash and the Non-Traditional Theatre group.) Having a home and recognition as part of the institution, not to mention now having the Principal as a champion, led to the ability to do more development work and to engage other UWI faculties who saw in the elite athletes a source of research opportunities. SDD sees the nurturing of the athletes that this arrangement enabled as an important outcome, and speaks of the need for structure and support systems, in which the athletes need to know: "This is your job. Identify and isolate."

In addition to having a three-year business plan, a home, coaches and a champion, the programme needed an international –standard athletics track. One of the athletes who was a part of the programme, Usain Bolt was approached and asked to contribute to the establishment of the track. He agreed to contribute 150 metres and 4 lanes, but the need was for 8 lanes. Bolt improved his offer and agreed to give 6 lanes if UWI would give 2, to which they agreed. There was still a need for 250 more metres of international level track. Bolt went to his sponsors, Puma who came to see what had been done and if people were serious. When they saw the commitment, readiness and seriousness, they decided to contribute the rest so there were now 8 lanes of high quality track. SDD reports that "the new track completely changed dynamics."

Racers Track Club became the athletes' organisation and was considerably strengthened by these developments, going through a period of relationship building. It became registered as a company and began to facilitate wider processes that focused on taking very little in financial terms from the earnings of the athletes. SDD considers the programme athlete-centred and guided by a strategy, with sense of direction and clarity about the way forward.

Measuring performance and impact In the London 2012 Olympics, 7 of 12 medals won by Jamaica went to UWI athletes. In athletics, as opposed to the other cases considered, there are objectively verifiable indicators of performance: times and distances about which people do not argue. In Jamaica great attention is paid to the World Championships and the Olympics and builds a desire in the athletes to be the best in world, thus driving higher levels of performance. SDD was insistent that it is possible to achieve higher levels of performance through training and made reference to one of Jamaica's legendary coaches, Stephen Francis, who would go out into the countryside, find talent and coach to transform talent into performance. This drives performance in the classroom, as well, "so the dumb athlete is now an oxymoron."

Performance and excellence are no longer associated with backgrounds of privilege. SDD felt that the more privileged have more options and when there are set backs they move on to explore them. On the other hand, those with less try again, and harder. They understand that excellence in athletics provides a bridge to success and financial reward.

At the aggregate level, there is very little information available on earnings, but it is generally believed that a significant part of the revenues come to Jamaica thereby contributing to stronger economic conditions. SDD made the point that revenues vary with contracts which, in turn, vary with colour of the medals and noted that money is available to high performing athletes, and that there is a need to see sport as an industry that receives the attention of a business. UWI has shown that, with a strong management approach, cultural industries, such as sport, can be sustainable, organised, benefit from Intellectual Property Rights for athletes and good contractual agreements, in short, professionalism.

International competitiveness is not sustained without many types of infrastructure that the proponents cannot always provide. In the case of athletics in Jamaica, the state provides strong training institutions (G.C. Foster) that have built a cadre of physical education teachers who are interested in sport and highly competent coaches. When they graduate they go out across the island and start programmes in sports where none existed before. Competition in sports is enhanced in basic, preparatory, primary and high schools which now compete in various forms of school championships. The presence of these institutions significantly enhance the prospects of the industry of sports. Missing, however, is training for agents and related representative.

The state, through international treaties and conventions, must perform a regulatory function that is critical to the ongoing participation and success of the country's athletes: drug testing. Its failure to establish and fund appropriately the organisation charged with this function and to report in accordance with best practices and the rules of the game imperils Jamaica's reputation and the athletes' prospects.

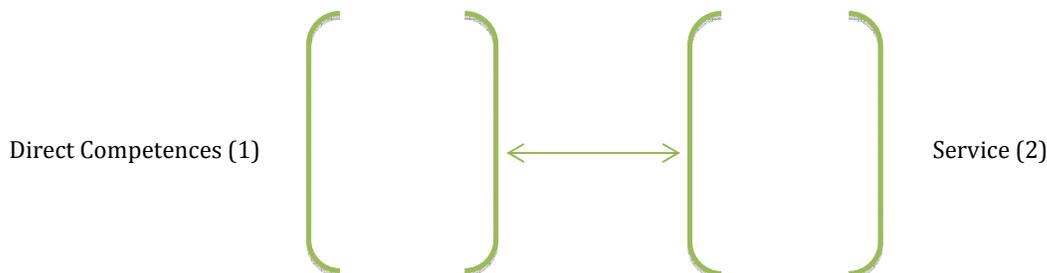


Figure 5: Athletics Management Services Model: Sport, 'Pure' Intangible Service (Adapted from Gallouj, 2002)

Summary Table of Case

CASE: INNOVATION IN MANAGEMENT SERVICES: ATHLETICS	
<i>Innovation Description & Type</i>	
Product	✓Management services to athletes
Process	✓Business discipline; focus; leadership commitment
Organisational	✓ Athlete centred; professional, with strong intellectual support (UWI)
Marketing	✓Strong support from sponsors – national and international; brand protection
Technological	X
Mixed	✓Combination of innovations: Management; UWI’s Business Approach
<i>Determinants & Mechanisms</i>	
Drivers	✓Long, strong traditions; high levels of talent; developed capacity in many subsets; local public attention; international athletic meets
Facilitators	✓UWI, Utech; Major International Brands (Puma, Addidas, Diamond League)
Impediments	Sources of funding; need for more physical facilities
<i>Impacts</i>	
Productivity	✓High: Number 2 in world per capita in London 2012 Olympics – not untypical
Markets - Share	✓High – demonstrated in medal count and international focus of attention
Differentiation	✓Strong – World leader in sprints
Competitiveness	✓Strong – vide sustained performance in segment
Successful strategies	✓Focus; discipline; spill over effects (tourism industry and special events)
<i>Policy Issues</i>	
Programmes	✓Training institutions
Interactions w Public Officials	✓Good
Success (Reasons)	✓Training environment; national attention
Failure (Reasons)	✓Risk – inadequate regulatory implementation
<i>Hypotheses</i>	
Innovation Generates Positive Impacts	✓ But hard to sustain without deliberate actions and focus
Public Supporting Actions are Positive	✓Yes, but poor performance of regulatory function high risk

Table 3: Summary of Innovation in Management Services: Athletics Case

Case 4: Culinary services - Busha Browne

What was the genesis? The founding principal (FP) had experience in the nascent fashion industry of Jamaica where significant amounts of revenue had been earned and was a prime mover in the establishment of the Jamaican Fashion Designers Guild which achieved annual sales of US\$2,000,000. In the course of this work, he observed the passion for Jamaica that was evident among international buyers of Jamaican products. This included a meeting with Andrew Goodman of Bergdorf Goodman which led to the showcasing of Jamaican products. FP understood the economic value to be derived from a commitment to adding value; to the culture of place; and promoting a relationship to product authenticity. This was the beginning of the Busha Browne line of sauces and spices.

Busha Browne's promotional material tells the story. In 1836, Howe Peter Browne, 2nd Marquess of Sligo returned to Westport, Ireland, taking with him memories of the spicy and exotic dishes he had been served during his governorship of Jamaica. Known as "The Emancipator of slaves", the noble Marquess had earned himself a renowned place in Jamaican history for his two - year term of office. The Marquess of Sligo was charged with supervising the first stage of Emancipation that was widely unpopular with the planters for whom the abolition of slavery was seen as a sure road to financial ruin. As a consequence, many of these planters subsequently sold their estates to the local managers who were known as "Bushas". A descendant of the family Sligo, Charles Adolphus Thorburn Browne - known as Charlie Browne - spent most of his 75 years cooking, even as a boy in the kitchen of his family home, Tryall Estate, in Hanover, Western Jamaica. Later, cooking became a hobby, and he retrieved from his family archives recipes for authentic Jamaican sauces, jams, pickles and condiments made from a variety of exotic Jamaican fruits and vegetables. Two hundred years later, selected recipes from this source form the foundation of the products that are now prepared and bottled under the Busha Browne brand.

Busha Browne's innovation is the explicit incorporation of Jamaican plantation culture into its products. There is a focus on continuous tweaking of product lines to incorporate more of the Jamaican experience. This is evident in its Compendium of Jamaican Cookery, which is celebrated by chefs around the world, with recipes with historical perspective. It continues to search the archives for recipes that are used to widen and diversify the product range. Further, in packaging and customer service, with accompanying recipes, there is an insistence that what they sell is the experience of Jamaica, based on healthy products of artisanal production, bottled by hand within thirty-six hours of reaping and which preserve Jamaican traditions. Busha Browne see themselves as having fifteen innovative products which they market as bundled services to high end markets. Unlike most Jamaican products that trade internationally, Busha Browne is innovative in never having seen the "ethnic" market as their target, but designed their products, promotion and placement explicitly for a "cross-over" market.

It is important to note that Busha Browne sees the Introduction of new technologies as a significant part of their business model. The most notable of these technological introductions was the Fast Pan Kettle. This introduction was most unsuccessful because it did not maintain the essence of and could not be marketed as having the artisanal touch.

FP is conscious of the importance of travelling and spends approximately 180 days per annum on the road, staying in touch with customers and attending trade shows.

Busha Browne has received 14 awards for the quality of their labels. There are two Japanese books on the company. Pan Jam, one of the largest Jamaican companies bought Busha Browne and retains FP to run the company, as well as two other food-related companies - Jablum, growers and exporters of Jamaican Blue Mountain coffee and own 65% of Tortuga that makes rum-based cakes.

Busha Browne falls well within the SPOTS model and demonstrates how strategy, process, organisation and tools can lead to successful and sustained innovation. Further, Busha Browne provides a strong case of the embedding of services into products, so as to make the distinction meaningless. This integrative approach, mentioned earlier, demonstrates innovation in products (good, service or combination), where the definition is a “set of vectors of characteristics and competences”.

Summary Table of Case

CASE: CULINARY SERVICES	
<i>Innovation Description & Type</i>	
Product	✓ Range of innovative products, regularly tweaked and projecting Jamaican plantation history and culture
Process	✓ Based on strategy of artisanal production and speedy delivery
Organisational	X Traditional business model
Marketing	✓ Strongly customer-focused; internationalisation; market visibility
Technological	✓ Simple and careful, in line with strategy
Mixed	✓ Service embedded in product, supported by add-ons – recipes, tours, books
<i>Determinants & Mechanisms</i>	
Drivers	✓ Strong market demand; historical recipes; brand protection
Facilitators	✓ High levels of leadership market savvy and trade show participation
Impediments	Raw materials
<i>Impacts</i>	
Productivity	✓ Good rate of conversion of products into services
Markets - Share	✓ Good – highly regarded in category, winner of many awards
Differentiation	✓ Strong, related to brand and strategy
Competitiveness	✓ Good – continue to enter markets with most demanding customers
Successful strategies	✓ Strong international marketing; customer service orientation
<i>Policy Issues</i>	
Programmes	Bureau of Standards Jamaica: certification required for international trade
Interactions w Public Officials	Cordial, but company works hard to reduce dependence
Success (Reasons)	
Failure (Reasons)	
<i>Hypotheses</i>	
Innovation Generates Positive Impacts	✓ Requires customer focus, market savvy, technological and service innovations, good management, brand protection, to convert to profits
Public Supporting Actions are Positive	Neutral

Table 4: Summary of Culinary Services Case

The public sector perspective

The questionnaire designed by CINVE was administered to the four public sector entities among the ministries and agencies with most responsibility for policy affecting the creative industries plus one organisation that has worked very closely with those agencies over many years, including chairing several public sector boards. The responses were interestingly bifurcated (See Appendix 2). In general, the public sector agencies saw themselves as doing the things necessary to put in place the policies necessary to support the creative industries: embarking on the design of a policy framework for MSMEs; strengthening the Bureau of Standards Jamaica to support the regulatory framework to be able to certify the standards required for international trade; increasing the number of extension officers available to the agriculture sector; improving procurement policies that enable SMEs to bid on government tenders, among others. Almost universally, they cite the Planning Institute - led document “Vision 20-30” as the source of their agency strategy. The view of the fifth organisation (the one that has worked closely with the strict public sector agencies is that their position that they support innovation in general and services in particular, is nominal, at best. The responses to the following question are illustrative:

Question 14: Are there new policy measures being developed for services & related innovation?

Response 1: Vision 2030 facilitating development of new policy measures for Services in, for example, Health & Wellness, and Professional services.

Response 2: Vision 2030.

Response 3: Unaware of any plans

Response 4: Development of renewable energy. There should not be a double tax on solar panels as is the case presently

Response 5: Unaware of any plans

The agency that seemed most aware, as a practical matter, of the requirements of the services environment is The Jamaica Intellectual Property Office (JIPO) that has the critical mandate of administering the intellectual property systems, which include the registration of Trade Marks, Industrial Designs and Geographical Indications, the administration of Copyright and Related Rights, and the administration of the Patent System, New Plant Varieties and Layout-Designs (Topographies) Act. Since its inception, JIPO has undertaken several activities to enhance the development and protection of intellectual property rights in Jamaica, which are aimed at enhancing and facilitating business competitiveness. In addition, The Ministry of Industry, Investment and Commerce; the Ministry of Agriculture and Fisheries; JAMPRO/Jamaica Trade and Invest (JTI) through the Jamaica Coalition of Service Industries also work were responsive to the questionnaire.

This disjuncture of perception between the public sector agencies is further emphasised by the interviews that were held – or where prospective respondents stoutly refused to be interviewed – with the firms, with their insistence that they are not supported by public policy.

Policy implications

If the public sector is really committed to the things that it claims, as are evidenced in the responses to the survey, they must restore the firms’ belief in their sincerity and must demonstrate a more consistent record of enacting enabling legislation. It is also a matter of increasing urgency that efforts be made for the designation, through new construction or retrofitting, of a permanent performance space to enable the many opportunities for live performances. It is hard to accept that Jamaica, the country that for the past sixty years has been the source of a highly popular music genres and has produced a series of outstanding international music icons (Bob Marley, Peter Tosh, Shaggy to name a few) does not have a dedicated performing space anywhere on the island.

Discussion

The evidence is clear that Jamaican firms and individual entrepreneurs are highly engaged in the creative and cultural industries in an array of forms. They show responsiveness to the demands of the local and international marketplace, and are particularly productive (in terms of pure creativity) when there is strong local demand, accompanied by high levels of expectations as to quality and standards. In the area of culinary services, the flavours and recipes that are developed emerge from the preferences of the local palettes with the preference for flavourful, indeed, spicy foods. These preferences that have to pass muster with the locals are then parlayed into products and services for the international market. This is demonstrated in all the cases: Jamaican expectations of high performance in athletics become transposed into high levels of performance on the international stage. The genesis of Reggae Sunsplash was in order to satisfy local demand for live performance. Here, once more, one sees the parlaying of meeting local demand into developing and satisfying international demand. In the case of non-traditional theatre, the motive force was to address a situation of crime and violence that was impeding the development of a traditional theatrical presentation at a theatre that had become surrounded by social pressure.

The extent of the internationalisation of the cultural and creative industries in all the cases is worthy of particular attention: The innovation in athletic services plays out on the stages of the world, through the Olympics, World Championships and Diamond League meets, in particular. Beyond the athletics themselves, there are positive externalities in the positioning of the Jamaican brand and the iconic status of the star athletes – Usain Bolt, Shelly Ann Fraser Price and Asafa Powell are a reflection of the development of the programme but emerge from a long tradition of athletic prowess. The range of Busha Browne’s products with their embedded services are in markets around the world: the Caribbean, North America, Europe and Japan, and has held and grown market share over many years in a competitive market space. Reggae Sunsplash, while it lasted, was in all the major markets of the world. The non-traditional theatre, while seeming to be highly local, in fact had international presence: through invitations to share its methods and train others in them in several cities in the United Kingdom, especially those with large West Indian immigrant populations; through several of the young people whom it trained who went out into the world in Europe and North America; and through the presentations that CM has done on the work in South Africa, Australia, Colombia, North America and the United Kingdom.

Evidence from the cases suggests that leadership commitment plays an important role in the start-up of the innovation, but that performance over time requires more. The drive to convert ideas into innovative services seems to come from key individuals who have the passion, vision and persistence, often against the odds, to realise the innovation. This is clear in all the cases and is most apparent in the case of Reggae Sunsplash where the proposers went so far as to pledge their homes to underwrite the innovation. The cases also suggest that this is necessary but not sufficient. Where there has been most sustained successful performance there is the presence of management and business approaches, as in the cases of athletics, with the support of UWI, in particular the Campus Principal’s insistence on a three-year business plan; and in the case of Busha Browne, where the marketing savvy and product and service orientation of the founder was backed by the corporate discipline of a large Jamaican conglomerate that bought the company and retained the founder’s services. While there is insufficient data from the responses in the cases to be definitive about the extent of the performance in terms of revenue, it appears that financial returns are correlated with management effectiveness. Reggae Sunsplash and the non-traditional theatre have not survived. Busha Browne has grown and Pan Jam bought its local competitor, Walkers Wood, which retains its brand identity but is run, largely by the Busha Browne founder. In addition, they have expanded into other products – Jablum, Blue Mountain Coffee and Tortuga, with their rum-based cakes. All of these products are traded internationally. The issue of physical infrastructure is a recurring pattern – both its presence and its absence. In the case of athletic services, the capacity of UWI to provide space: performance track; to house the High Performance Training Centre; to provide scholarships that gave access to living space, all symbolised

in the sense of “having a home of our own” proved critical in the ability of the programme to focus on performance and sustainability. In the case of Busha Browne, physical space with the specifications necessary to meet international quality and regulatory standards was a given. In the cases of Reggae Sunsplash and the theatre the absence of physical space proved insurmountable challenges. In the instance of the theatre, once the signature performance at the Ward was over, finding space in which to rehearse and perform that was available, appropriate and affordable undermined the group’s ability to continue. The case of Reggae Sunsplash, each year moving from place to place, spending funds on building stages, putting up fences for security and generally preparing for a festival that lasted for one week was never going to be a sustainable proposition. In addition, this instability made it impossible to raise equity or bring in partners with capital.

Another recurring issue is that of contracts. In all cases, the presence of proper contracting procedures is directly related to the performance of the services under consideration. In the case of the athletic services, the athletes, in particular the elite ones, have agents and individual managers who ensure that they operate within the bounds of and with respect for their contractual obligations. With Racers Track Club, there are clear, administered procedures for the Club’s and the athletes’ respective obligations. The environment of having legally binding contracts governs all aspects of people’s behaviours and sets and maintains expectations of performance. In the case of Busha Browne, there are agreements in place between the company and its representatives in the market place. These are not always written agreements, but knowledge of and respect for industry norms and practices have the weight of formal contracts. Players who play fast and loose with the norms find it hard to get their products onto supermarket shelves and to get the best buyers. The case of Reggae Sunsplash is replete with the effects and high costs to the business and its sustainability of not having enforceable contracts and Intellectual Property Rights in place. The situation with JapanSplash is the most poignant of these.

The emphasis placed on the benefits to be derived from having good contractual arrangements in place does not suggest that legal frameworks are the *sine qua non* of innovation in services. All the cases show that relationships are of paramount importance: the readiness of the artists to perform without contracts or advances in the case of Reggae Sunsplash; the close relationship between Busha Browne and Whole Foods; the extraordinary engagement of a Nobel Laureate with members of communities in downtown Kingston; and the ease with which Usain Bolt donated a significant portion of a running track, using his personal resources and then brought on Puma, and Puma’s readiness to make the donation that completed the track. Good relationships enhance the productivity and performance of service innovations.

The persistent infringement of the Intellectual Property of Jamaican products and services has a significant negative impact on the profit potential of Small and Medium-sized Jamaican enterprises and the growth in sales of authentic and iconically Jamaican products and services⁶. The issue of Intellectual Property Rights is a fundamental one in all the cases. Again, in the instances where there are contracts, registered companies, registered brands and trademarks, there is the possibility of asserting and enforcing IPRs, thereby enabling the owners to receive the economic value that is inherent in them. Almost as important as being able to assert and enforce property rights, is the existence and knowledge of the existence of these rights for the deterrent effect on would-be infringers. Again, the case of Reggae Sunsplash is the most illustrative. The owners did not register their IPRs. When the Japanese changed the name of the festival from Sunsplash to JapanSplash, they had no recourse. When the business finally folded, they had no enforceable rights that endured outside of or beyond the summer festival, in spite of having created so much that was innovative and in which they could have registered their IPR.

It is sometimes argued that an active IPR enforcement environment has a chilling effect on innovation, the creation of new services and the adding of value. On the other hand, as is demonstrable in the

⁶The Competitiveness Company has a collection of several infringing products passing off as Jamaican Blue Mountain Coffee, Pickapeppa Sauce, several versions of Jamaican Jerk Seasonings, Jamaican Scotch Bonnet Pepper sauce, to name a few.

cases considered here, firms' failure to register, police and enforce their IPRs risks that the value that they create is captured by others and provides them with no economic returns from their innovation, ending in business failure. This has implications at the national, aggregate level. When Jamaican firms innovate and create economic value from which they do not benefit, the opportunity to develop thriving Jamaican cultural and creative industries is significantly diminished and the potential for sustained economic growth and prosperity destroyed.

Recommendations

Everyone, both public sector interests and private players need to pay serious attention to Intellectual Property Rights, thereby improving the general environment for the international defense of marks and brands. As part of achieving this, the Jamaica Intellectual Property Office needs to be strengthened, and pieces of long-pending legislation that would make it easier and less expensive for firms to register their IPRs need to be completed. These include the signing of the Madrid Protocol and ensuring the passage of Geographical Indications Legislation & Accompanying Regulations. As a complement to these activities, there needs to be an increase in training opportunities for MSMEs in IPR.

Initiatives to increase awareness and understanding of contracts as an integral part of an increasingly sophisticated global environment should be undertaken. Related to this is the need to improve firms' capacity to negotiate and understand contracts better through targeted training.

Where the public sector is the only competent authority to carry out regulatory and certifying functions that enable international competition (as in the case of drug-testing in athletics) these must be discharged at the highest levels of competence so that the performances of those who perform in the international arena are not called into question. Too much depends on this to be casual about the discharge of these responsibilities.

An unexpected finding of the cases is the critical role played by having a physical space for performances, as was evident with Reggae Sunsplash and the non-traditional Theatre group. Given the limited capacity of the state under the present and for the foreseeable future to directly address this, creative ways to rehabilitate and make available much of the abandoned and convertible space in Kingston should be pursued as a public-private partnership.

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Annex 1: Results of survey

The survey was administered to thirty six firms. Ten were from the entertainment industry, fifteen from the sauces and spices export cluster and 5 from the general foods group.

The firms were asked to answer questions in a number of categories as set out as below:

1. Innovation activities,
2. Financing of innovation activities,
3. Results of innovation activities,
4. Sources of information for innovation activities,
5. Factors hampering innovation activities
6. Connection to the innovation system
7. Organization of the work process
8. Quality check activities
9. Basic information on the enterprise, employment and economic performance

General Foods Survey

1. The innovation activities

Innovative activities undertaken varied. They included: In-house R&D, External R&D, Acquisition of capital goods, Acquisition of Hardware, Acquisition of Software, Technology Transfers and Consultancy, Engineering and Industrial design, Management and Organizational design, Training of Personnel. A combination of activities was used. One of the five firms used the whole range of activities, another used all except for acquiring capital goods. Two used In house R&D. One used external R&D and acquisition of hardware. They all achieved positive results except for one who still has to complete evaluating outcomes.

Only 1 firm reported training staff. This question was considered intrusive.

2. Financing of innovation activities

With respects to financing of innovation activities, only 2 firms were willing to provide information on how much they invested which was Ja\$780,000 and Ja\$3,010,000. Two firms reported that all their financing came from reinvesting profits. One did not report on this activity. One firm's financing came from 85% of their profits, 5% from suppliers, 5% from resources other than customers and suppliers, and 5% from commercial banks. The other enterprise gave the following breakdown: - 1) reinvestment of profits 6%; 2) contributions of partners 2%; 3) suppliers' resources 35%; 4) customers' resources 15%; 5) related enterprises' resources 30%; and 6) resources from other public or private enterprises (not included in 3, 4 and 5) contributed 12% financing of innovation activities.

3. Results of innovation activities

The innovation activities of four of the five firms resulted in the production of new goods to both the enterprise and the international market. Three benefitted from new process innovations, both to the enterprise and the international market. Three firms reported organizational innovation and two market innovation. One firm admitted that 75% -80% of the value of sales to the internal market and exports respectively, was a result of their technologically new or significantly improved products. These products already existed in the market. Eighteen percent of this company's exports were from technologically new or significantly improved products.

4. The degree of relevance for economic impacts as a result of the developed innovations

The degree of relevance for economic impacts as a result of the developed innovations was rated. The following were used as measures:-

Product: Improved quality of products (goods or services)

Increased the variety of supplied products

Market: Allowed to preserve the enterprise's market share

Increased the enterprise's market share

Allowed creation of new markets

Process: Increased productive capacity

Increased productive flexibility

Reduced costs of labour

Reduced use of raw materials and inputs

Reduced use of energy

Others: Improved the impact on other aspects related to environment, health and/or safety

Allowed completion of NATIONAL regulations or standards

Allowed completion of INTERNATIONAL regulations or standards

Improved harnessing of personnel's capabilities

Increases the productivity of the firm

Improved quality was rated high by all firms on the relevance for economic impact. One company rated all factors, and another, improved productivity alone as highly relevant. Two rated improvement on other aspects related to environment, health and/or safety, allowing completion of national & international regulations or standards as high. One firm rated allowed to preserve the enterprise's market share, Increased the enterprise's market share, allowed creation of new markets, increased productive capacity, increased productive flexibility, reduced costs of labour, reduced use of raw materials and inputs as medium.

5. Sources of information for innovation activities

Firms used varied sources of information. Universities, research or technological centers, sources internal to the firm were rated high by all firms. One firm used the whole range of information sources.

6. Factors hampering innovation activities

The responses to obstacles to innovation were varied. Obstacles fell into three broad categories: – entrepreneurial or microeconomic; mesoeconomic or market; and macroeconomic. Most firms thought that entrepreneurial and macroeconomic obstacles contributed most to preventing innovation. Market forces were rated low or irrelevant.

7. Connection to the innovation system

The firms in the general foods group were connected to at least four (4) innovation agents. With Universities, technological centres, laboratories and government agencies being the most connected. Only two (2) firms had cooperative agreements and three (3) are members of networks.

Only one firm reported receiving support from any innovation programme.

Two firms reported changes in staff recruitment criteria. One reported constant change in qualifications, ability to cooperate and communicate, ability to adapt, responsibility and quality awareness, while the other also reported changes in the ability to cooperate and communicate and responsibility. The others did not report any change in criteria for staff recruitment.

8. Organization of the work process

Change was constant for the two of the three firms that reported on this area. One reported change in consumer interaction, and an increase in the development of manuals and procedures. The second firm reported constant change in: proportion of qualified work specialization, development of manuals of procedures for work processes, interaction with consumers, interaction with other enterprises, cooperation between workers, cooperation with Management. The third reported increased change in all aspects of work.

9. Quality Check Activities

Four companies have quality control points and tracking sheets for each point. Three had certified processes or products. Two firms had ISO and HACCP certification processes and products certified by the Jamaica Bureau of Standards. One firm reported having a process certified by the Bureau of Standards and products certified by the Ministry of Health.

10. Basic information on the enterprise, employment and economic performance

The five participating firms are limited liability companies with a wide range of the number of years of doing business ranging from 28 to 91 years. Only 2 firms gave some employment and economic performance details. These firms both agreed that as a result of the innovation there was improved economic performance. One firm reported that their market share increased with exports improving by 3% and installed capacity utilization by 5%. The other firm while declining to give details reported that their installed capacity utilization increased 100 - fold. There was a change in the professional category of workers at one firm. At the other firm the technical and professional staff increased and employees were reduced, while at the other the same number of workers was maintained.

With respect to economic performance; firm's total income; the variation in sales of goods or services produced or marketed by the enterprise; percentage of exports in the enterprise's total sales; % capacity being used; variation in the installed capacity comparing before and after innovation, again only 2 firms reported. One firm increased the use of its installed capacity from 30% to 100%, while the other firm had a much smaller increase of 5%. This last firm also had an increase in exports performance of 3% and their overall market share increased.

The Spices and Sauces Cluster (Culinary Services)

Reports were made on questions 1-3, 8 and 9 of the survey. Fifteen 15 companies were surveyed.

1. Innovation activities

All firms reported having special recipes as a result of in house R&D

2. Financing of innovation activities

Firms reported that financing for innovation activities came either from reinvestment of profits or contributions of partners. Processes being used were the standard ones for making sauces and spices. Innovation was in the products themselves.

3. Results of innovation activities

The spices and sauces firms reported constant new product innovations for both the enterprise and the international market. Firms had several new products at any one time and were constantly trying to improve on their last recipe.

9. Quality check activities

Six (6) companies reported having quality control points. Only 2 firms reported being HACCP certified. All firms were pursuing HACCP certification and were at different stages in the process.

10. Basic information on the enterprise, employment and economic performance

The fifteen participating firms are limited liability companies with a wide number of years doing business ranging from 7 to 134 years. The staff compliment of these firms is small, often seasonal. The group reported that they do not employ a lot of professional or technical staff.

With respects to economic performance all 15 firms reported that the percentage of exports in the enterprises' total sales ranged from 30-85%.

Music Cluster

1. Innovation activities

As a creative industry the entertainment industry is always being creative and innovative in how they produce music.

3. Results of innovation activities

Only 2 firms reported innovative products which were sold on the international market

6. Factors hampering innovation activities

Obstacles in the music industry were either mesoeconomic or macroeconomic. Eight (8) firms had an mesoeconomic obstacle which consisted of varying degrees of inadequate financial resources to active support for penetration of overseas markets. Macroeconomic obstacles reported were inadequate knowledge on markets.

One (1) firm reported having inadequate knowledge in modifying products, developing packages and to meeting foreign regulations, standards and cultural preferences which could be regarded as scarce development of institutions related to Science and Technology.

10. Basic information on the enterprise

The type of legal entity was not identified in the entertainment survey. These companies are however registered legal entities providing services for both local and international artistes.

Appendix: 2: Qualitative Data: Public Sector Interviews on Jamaica's Service Innovation

Topic	MIIC	JIPO	JCSI	MoAF	Foga Daley
A. NATIONAL POLICY CONTEXT					
Q1. How would you characterize public support for service innovation in your country?	Support strong. Programmes, agencies that aid service innovation: JIPO, Digital Jam 2.0, <i>VISION 2030</i> , Public Sector Modernisation Programme	Support strong. IP services for Creative Industries increasingly used. Highlighted Govt.'s examination of tourism value chain.	Support strong. JCSI cited its own existence as indication of strong support.	Support strong. Highlighted projects promoting mobile device use to facilitate operations of farmers.	Appearance of strong support illusionary since innovators not well recognized.
<i>Strategy and innovation system level</i>					
Q2. Is there a national innovation strategy in place? If yes, what role do services & service innovation promotion have?	Yes. Support growth of business services firms: diversification of financial services sector; telecommunications infrastructure expanded. Vision 2030 selected Sector Strategies for the Financial Services sector.	Yes. Cited Vision 2030.	Yes: 1) through Network of Coalitions in Caribbean. 2) Vision 2030 - National Export Strategy; 3) Aid for Trade, all with mandates for service innovation.	Yes. Increased services to farmers - under Vision 2030.	No. Vision 2030 is impractical as 'strategy' for not being dynamic. Need an appreciation of ICT & strategy towards infrastructure to support it.
Q3. Present diagram illustrating key innovation policy actors, relationships on national/regional levels.	Cabinet leading through Vision 2030 followed by MIIC and their agencies, followed by lists of regional policy actors including food policy and IP offices across region and academia.	Permanent Secretary (PS), not stating which ones, is leader, through inter-agency meetings, JBDC and JIPO, which then relate to other regional IP institutions.	MIIC ->JAMPRO->PIOJ. Caribbean Export Development Agency, Caribbean Development Bank, Caribbean Network of Coalition of Service Industries. IDB critical.	Minister of Agriculture ->PS -> organs in Ministry. Regionally CARICOM directs policy.	Foga Daley simply puts "Government (as enabler)" relating to ICT and Other Sectors.
Q4. Policy actors with recognized services and related innovations?	Task Force on Logistics, Bureau of Standards Jamaica (BSJ), and the PIOJ.	Legal and professional services.	Task Force on Logistics, BSJ, PIOJ, CEDA, CDB, Caribbean Network of Coalition of Service Industries, and IDB.	CARICOM.	JBDC, JAMPRO, SRC, UWI, Mind Institute for National Development, banking/insurance sector.
Q5. Actors most relevant & active in service innovation policy design & delivery?	MIIC, JIPO. Ministries, Agencies. PSOJ, CSI, Professional Associations. UWI, UTECH, NCU, Regional Organizations: CEDA, CARICOM, CDB, ECLAC.	MSMEs. JBDC, HEARTTrust, MIND, CARICOM (ICT for Development), Council for Trade, Economic Development.	Note that actors who design also execute. UWI, UTECH, as different types of actors,.	CARDI, IICA, CARICOM, CARDI, FAO	Ministry of Science, Technology, Energy and Mining most relevant.

Topic	MIIC	JIPO	JCSI	MoAF	Foga Daley
<i>Key Service Industries in the Country</i>					
Q6. Which service industries in your country are most important ones?	No response	No response	No response	Research, extension services, training	ICTs (multi-media, telecommunication, software development, agri-business/processors).
a) In terms of size of the service industry (share of GDP, employment)	Tourism	Tourism, but Health Services industry has most value in terms of employment.	Data scant. Services (72%). ICT, Creative Industries need to be “areas of focus”.	Extension Services, Tourism, Sugar: share of GDP, employment.	Specific to size of employment: financial sector.
b) In terms of R&D activities of the industry	Educational Services, Energy Industry	Health Industry: research in, use of indigenous materials resulting in products. CANASOL, ASTHMASOL, Aloe Vera, Bay Rum.	Not enough. JAMPRO facilitates research studies on the Services Sector and in Innovation in Services.	“Crop Production”, “Animal Research” industries: genetics and breeding R&D entities.	ICT and Creative Industries conduct most R&D.
c) In terms of industry’s other innovation activities (excluding R&D)	Management Services’ process innovation, in particular; Energy Industry more generally.	Health Industry; specifically food-related preparation. Examples: bath assistant; hardening mild steel using Blue Mountain Coffee shells.	Creative Industries and ICT	Plant Quarantine, Veterinary Divisions’ Export Facilitation, Fisheries Division, rural development.	Training: having innovative activities outside of R&D.
B. POLICIES PROMOTING SERVICE INNOVATION					
<i>Policies and measures supporting SUPPLY of innovative services</i>					
Q7. Identify & describe policies & measures specifically targeting services innovation by promoting supply of service innovation.	Energy policies target promotion of supply; Education policies focus on delivery of early childhood education; proposed policy for small businesses to provide recognition, encouragement of service innovation.	Not permitted to target any specific sector: raise awareness of potential GIs: Rum; Jamaica Jerk; Blue Mountain Coffee; Logwood Honey; Scotch Bonnet Pepper; Cocoa; Jamaica Bammy; and Castleton Clay.	Not aware of any measures specifically targeting promotion of service innovation supply.	Import Replacement Policy, Agro Parks, CARDI	Little promotion of supply service innovation occurs as very little training or funding for R&D takes place.
Q8. Identify & describe (sector) neutral innovation policies & measures	Support of BSJ: promotion of standards; support of SRC - technical policies that focus on innovation and technical capacity.	Provision of service through advice on Intellectual Property Rights.	“E-Government” leading to “cross-cutting” innovation policies technological area; with implications for Services Sector.	ICT significant impact on marketing & technical support. Restructuring of RADA - doubling number of extension officers.	Suggest direction public-private collaboration could head: coolaboration between private & public legal organisations.

Topic	MIIC	JIPO	JCSI	MoAF	Foga Daley
<i>Policies and measures supporting DEMAND for innovative services</i>					
Q9. Describe policies & measures that seek to promote service innovation by creating demand for novel services.	Public procurement of innovative services whenever there is innovation. MSME policy that seeks to exploit creativity, entrepreneurial culture of Jamaicans. Vision 2030: Tourism, Energy for consumer services to facilitate competitiveness.	High-end services & IP laws amended to create environment for innovation. BSJ responsible for, standards. Awareness raised through academia, trade, professional associations, public institutions, a prime to increase demand.	BSJ's National Quality Awards, CSI's efforts with Mutual Recognition Agreement promoting service innovation, create demand for novel services. National Stakeholder Consultations help to raise awareness.	Import substitution encouraged to promote agro-processing. Work with private sector to develop/distribute adaptive seeds. Persons directed toward agriculture as alternative.	Jamaica's fiscal dilemma and broken public procurement process acting to stymie latent demand for innovation.
<i>Policies and measures seeking to develop FRAMEWORK CONDITIONS AND INFRASTRUCTURE for service innovation</i>					
Q10. Describe policies & measures that seek to create favorable framework conditions for service innovation.	Monopoly position of the telecoms de-regulated; Free Zone companies now able to have own service providers. DIGIPORT, subsidiary of LIME, previously responsible for this. Continued focus on ICT training.	Regulatory reform, for example of service provision in the Free Zone or of the various Commodity Boards, are integral in encouraging innovation.	JCSI consider training and education, for example through institutions such as HEART/NTA, or a Farmer Field School, as critical to foster innovation.	Regulatory reform: Free Zones, Commodity Boards. Training & education, e.g. through institutions such as HEART/NTA, Farmer Field School.	Want new regulations for ICT and networks.
C. CHECKLIST OF POLICY MEASURES					
Q11. List most important policies, measures seeking to promote service innovation by targeting new types of innovation actors, novel types of innovation activities and innovative business solutions.	Investment in ICT & Services sector & Productivity Centre will bring in new players and lead to employee driven innovation. Engage with MSME Alliance, a local NGO.	New types of innovation actors: mainly NGOs, MSMEs and large companies. No user and/or employee driven innovation policies; internal competition to register Trade Marks. GIs used to promote local traditions while using renewable resources: e.g. placing dunder on potash to convert to compost as main fertilizer / manure in cane fields.	Great interest in Services, taking "macro" approach using MOUs with leading sector entities: Jamaica Exporters' Association, Ministry of Foreign Affairs & Foreign Trade, MSME Alliance. Included in MOU is mechanism for tracking data on Services.	Facilitates innovation by encouraging groups and farmers to work collectively for value chain improvement. Service innovation advanced by encouraging ecological responsibility working with NEPA, RADA, doing Land Husbandry.	Engagement of new types of actors is needed and that the examples given in the question are feasible for Jamaica.

Topics	MHC	JIPO	JCSI	MOAF	FOGA DALEY
Q12. List most important policies, measures seeking to promote service innovation related competencies and capabilities.	Creation of knowledge, investigation of legal framework for IP, among measures. Govt. institutions -JBDC & HEART/NTA alliances to address local competencies and capabilities.	Training most important policy, measure promoting service innovation related competencies, capability. Recognition in Vision 2030.	Not aware of policies that promote service innovation related competencies & capabilities.	Working on Knowledge Management Information creating network of information, working at regional level.	Not aware of any policies which promote service innovation related competencies and capabilities.
Q13. Indicate most important policies, measures that in your country seek to promote markets and infrastructure as a driver of service innovation.	National Development Bank smart financial solutions, Digital Mobile Money. BSJ standards. Amendments to IP Regulations to widen scope of Patents: international standards of best practice for Services. MSMEs engaged in development. Companies in Services sector able to tender on contracts.	Unaware of any measures to promote markets and infrastructure.	Emphasis on innovation friendly regulation has been directed by the International Financial Services (IFS) housed at JAMPRO - recommendation included in Don Wehby report.	Support 'Buy Local', 'Import Substitution' programmes. Public procurement resources provided to RADA through CDF; 'grades & standards manual' supports marketing, increasing use of local products.	Smart financial solutions can be found which can act as drivers of service innovation for companies' R&D. GCT should not be charged on innovation.
D. FUTURE DEVELOPMENTS AND SERVICE INNOVATION POLICY NEEDS					
Q14. Are there new policy measures being developed for services & related innovation?	Vision 2030 facilitating development of new policy measures for Services in, for example, Health & Wellness, and Professional services.	Vision 2030.	Unaware of any plans.	Development of renewable energy .There should not be a double tax on solar panels as is the case presently.	Unaware of any plans.
Q15. Can you recognize any gaps that could be addressed by new service innovation related policy measures?	Greater attention needs to be paid to joint ventures for new trade agreements. Productivity Centre & BSJ have begun to improve productivity of Services. Absence of secure financial transactions for which policies are being developed. New insolvency legislation being promulgated to address issues of bankruptcy.	No gaps.	People do not understand how Services relate to them.	Inadequacies in Food Safety Modernization Act, transportation network, traceability, other standards hinder internationalization. Govt. could play role by incentivizing investment in refrigerated trucks. Need for increased mechanization, good agriculture practices, use of renewable energy.	ICT presents opportunities for internationalization. Opportunities not being recognized. E.g.: 70% of Foga Daley's services are international, but not included as exports. Debt, unemployment issues hamper productivity of services. Voluntary work could address these gaps.

Topics	MIIC	JIPO	JCSI	MOAF	FOGA DALEY
Q16. Other relevant issues and comments related to the emerging service innovation policy.	No other relevant issues now.	Policies need to be better thought through.	ICT providing innovation in Services. More Service providers doing significant work from home; however not being captured by the formal statistics.	Farmers: increase productivity, reduce costs, lift level of education. Young persons, persons with leadership potential to be encouraged to enter Agriculture.	Jamaican economy being held ransom to interests of private security firms, they benefit to detriment of remainder of economy.

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