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RIAC IMPERATIVES FOR A POST-COVID RECOVERY IN THE AMERICAS

Prepared by the Government of Ecuador, as Chair Pro Tempore of the Inter-American Competitiveness Network (RIAC), under the framework of the Americas Competitiveness Forum that took part on Thursday, February 25, 2021

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Introduction

Based on the work performed by the Inter-American Competitiveness Network (RIAC) during 2020-2021, under the leadership of the Government of Ecuador, as RIAC Chair Pro Tempore, this document compiles RIAC's main recommendations for a Competitiveness Agenda for the Americas focused on the Post-COVID Recovery.

The priorities presented in this document build over the inputs shared by the delegations of Member States of the Organization of American States (OAS) that participated in the [Preparatory Meeting](#) of the XI Americas Competitiveness Forum (FCA) held on November 24, 2020, and the deliberations of Ministers and High-Level Authorities of Competitiveness during the FCA that took place on February 25, 2021.

Imperative Lines of Work: Proposals and Solutions for a Post-COVID Recovery

As a call for action for the OAS Member States to urgently design and implement policies, strategies, and programs aimed at reducing their vulnerability and building long-term resiliency in response to the COVID-19 pandemic, the Government of Ecuador as RIAC Chair Pro Tempore presents the following imperative lines of work for a post-COVID recovery that will allow for prioritizing and continuing the actions through RIAC.



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Private-Public collaboration is at the core to implement these priorities.

1. Digital Transformation, MSMEs Readiness, and Citizenship

It is vital to ensure access to information and communication technologies to the people, paying special attention to micro, small, and medium enterprises (MSMEs) and vulnerable groups.

It is imperative to close gaps regarding access to technology, education, economic opportunities, and social mobility to accelerate an inclusive digital transformation and improve competitiveness.

It is recommended to increase investment in education and reskilling the workforce to focus it on the required skills needed for the new economy and Industry 4.0 towards key sectors in the region. In parallel, citizens' business skills must be encouraged from an early age to widen the possibility spectrum that people could have in the short, medium, and long term.

Considering the changes accelerated by new technologies, it is essential to implement a specialized approach for MSMEs to understand their needs and advance their digital presence. Spaces for interaction between academic institutions, companies, and business development organizations must be promoted to better understand MSMEs' recurrent challenges.

2. Innovation-driven Business Development and Empowering Entrepreneurs

It is acknowledged the importance of promoting the empowerment and innovation-driven business development for countries to compete in the knowledge economy, modernize industrial processes, increase efficiencies in business practices, and adapt to market changes to satisfy the demand and consumers' needs.

It is also essential to increase and maintain funding for high-quality science and applied and experimental research as vital inputs to propel technology-based innovation.

Another recurring factor in the region is implementing mechanisms to dynamize and facilitate access to credit for MSMEs and entrepreneurs to ensure liquidity in the market and promote inclusive business development.

Promoting collaboration between the government, private sector, academia, and civil society is key to advancing technology transformation, local development, and a renewed business culture to address the health, economic, and social challenges resulting from the COVID-19 pandemic. Likewise, it is recommended to ensure the participation of traditionally marginalized groups (such as women, indigenous peoples, people of color,

and LGBTQ+) in policies and strategies for economic recovery, commerce, and entrepreneurship to create jobs and promote innovative business.

3. Improving the Regulatory Environment, Trade Facilitation, and Regional Value Chains

Strengthen and improve regulatory environments for business development with models that promote transparency and accountability to eliminate continued corruption as a priority.

It is important to promote employment formalization simplifying administrative processes, allowing companies and their workers to find speedy and efficient procedures. Moreover, it is key to promote measures for trade facilitation, modernizing exports and imports processes, and implementing digital solutions that allow a swift transmission of information.

To promote trade and investment, it is key to strengthen regional and global value chains of goods and services based on re/rear shoring strategies, raising awareness on the importance of fostering intraregional trade and investment and reliable offer and supply channels.

4. Climate Adaptation and Post-COVID Recovery

To design and implement comprehensive and inclusive policies and strategies, it is essential to identify and prioritize sectors that require specialized support to contain the negative effects of the pandemic over the medium and long term, such as the tourism industry and other services.

The resiliency approach and reducing vulnerabilities to external and internal shocks are key elements to building a sustainable economic recovery and a new competitiveness agenda for the Americas.

To promote adaptation to climate change, public policies and socially responsible business practices that ensure environmental conservation, promote the circular economy and other eco-friendly production methods, and sustainable consumption must be promoted, considering the context where they are implemented. To that effect, environmentally sustainable and inclusive investment in infrastructure, social security, and housing must be fostered.

Strengthening regional cooperation to share best practices, tools, and strategies through the RIAC allows the implementation of economic and productive changes in a sustainable manner and fosters local technologic development. The RIAC Covid-19 Ideas Accelerator is a great platform available to the OAS Member States for this purpose.