

Entrepreneurship and an Enabled Business Environment

Program 4



NOS PLAN, NOS FUTURO®



NSP 2020-2022

By 2030, Aruba will have a quality-driven sustainable business ecosystem, which creates opportunities for innovative entrepreneurship, skilled and productive workforce and inclusive jobs, supported by a life-long learning environment and fostered by private public partnership

Program 4 Report
December 2019

Entrepreneurship & an Enabled Business Environment



By 2030, Aruba will....

SDG Target
4.4

Substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship

SDG Target
8.1, localized

Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 2 per cent gross domestic product growth per annum

SDG Target
8.2

Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors

SDG Target
8.3

Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services

SDG Target
8.5

Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

SDG Target
8.8

Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment

SDG Target
9.3

Increase the access of SME's and other enterprises to financial services, including affordable credit, and their integration into value chains and markets

SDG Target 9.5,
localized

Enhance scientific research, upgrade the technological capabilities of industrial sectors , including, by 2030, encouraging innovation and substantially increasing the number of research and development workers and public and private research and development spending

Strategic objectives

Stimulating New Economic Sectors

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Aruba will stimulate the promising sectors to diversify the economy and to create new opportunities for innovative entrepreneurship

Enabling a Supporting Ecosystem for SMEs

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Aruba will create a supporting innovative ecosystem that will provide effective and efficient services to enterprises and start-ups

Ease of Doing Business

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Aruba will offer effective and efficient investment climate for local and international businesses

Integrating Entrepreneurship programs in Education

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Aruba will incorporate entrepreneurship programs in education to create sustainable economic growth and sound businesses focused on the future of work and entrepreneurship

Investing in Research and Innovation

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Aruba will create a multi-annual national research program funded by the public and private sector that will have access to diverse streams (sources) of finance for entrepreneurship

Facilitating a Supportive Environment for the Labor market

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Aruba will create a supportive environment to attract local professionals, and to develop a resilient labor market and productive workforce for the future

Introduction

The Economy of Aruba has depended for many years on two economic sectors, tourism, and oil. In the last decade, economic growth has been mostly attributed directly and indirectly to the growth in the tourism sector. While the current economic figures indicate moderate economic growth (National Accounts 2014-2017, CBS), the private sector has voiced their discontent on the increasing difficulty of doing business¹. Additionally, the challenge of starting a business is also an enduring problem, especially for young entrepreneurs. The government acknowledges the concerns of the private sector and has prepared an economic plan. The economic plan seeks to address both of the points mentioned above and other ongoing concerns. Moreover, at the same time, the plan paves the road to guide Aruba towards sustainable economic growth and is geared

towards economic development in which the citizen is central and where the economic growth is in harmony with the environment. In 2019, the government of Aruba presented the economic policy “*A Strong and Resilient Economy 2019-2022*” and the vision “**To improve the investment climate in Aruba and to stimulate an innovative, competitive and diversified economy, which contributes to a higher quality of life for all citizens.**”

Promising Sectors

The economic policy aims to improve the investment climate, and in this regard, six sectors have been identified as promising sectors. These sectors are relevant for the development of entrepreneurship in Aruba, as they create new possibilities for innovative and competitive businesses.



¹ Explained in the Economic Policy “A Strong and Resilient Economy 2019-2022”



Entrepreneurship development is high on the agenda of the government and has been identified as one of the accelerators, “Entrepreneurship and Enabling Business Environment,” for the achievement of the SDGs. In this regard, it becomes essential for the government to encourage entrepreneurship development by supporting SMEs, which are crucial for the growth and development in any economy.

In the Aruban economy, approximately 4000 businesses are SMEs. Besides, SMEs represent 97 percent of all active businesses, 52 percent of employment in the private sector, and 52 percent of the total amount of wages and salaries in the private sector. Entrepreneurship is the driving force for economic growth and innovation, entrepreneurship enhances competition while boosting employment, creating new products, services, and new markets. Seeing the importance of entrepreneurship and its development, the Government of Aruba has introduced an

Entrepreneurs Development Policy to create an optimal ecosystem for businesses. The policy aims to cultivate an environment where businesses are stimulated to participate and generate growth so that they can contribute more meaningfully in diversifying the economy through the creation of jobs and wealth.

In order to create an adequate ecosystem for businesses, we have to assess the current challenges and opportunities. One of the challenges that are mostly expressed in the Aruban business community is the high cost of doing business due to bureaucracy. Furthermore, with the rapid technological change and globalization, SMEs are confronted with a complex environment forcing them to think global and act locally (Glocal). Consumers are better informed and are demanding better services and new products. As the complexity increases, Aruban SMEs are compelled to have the right strategies in place to embrace these changes and

improve their competitiveness. Therefore, it is crucial to foster an entrepreneurial environment, to breed new innovative and sustainable enterprises in Aruba. Another challenge is access to finance, especially the access to finance for SME. In this regard, access to affordable finance is imperative to stimulate investments and foster entrepreneurs. Furthermore, the customer confidence survey of the CBA indicates that there is also a decrease in confidence and purchasing power.

In 2018, the DEACI, through a participative process involving key stakeholders, began to identify and define strategic objectives for the accelerator “Entrepreneurship & Enabling Business Environment.” These strategic objectives are:

- 1) Stimulating new economic sectors through the Promising Sectors
- 2) Enabling a supporting ecosystem for SMEs
- 3) Ease of doing business
- 4) Integrating entrepreneurship programs in education
- 5) Investing in Research & Innovation
- 6) Facilitating a supportive environment for the labor market

To achieve these objectives, it is necessary to take into consideration the continuous technological advancement, innovation, and education. The attention to efficiency and innovation in new business models stimulated by the introduction of e-

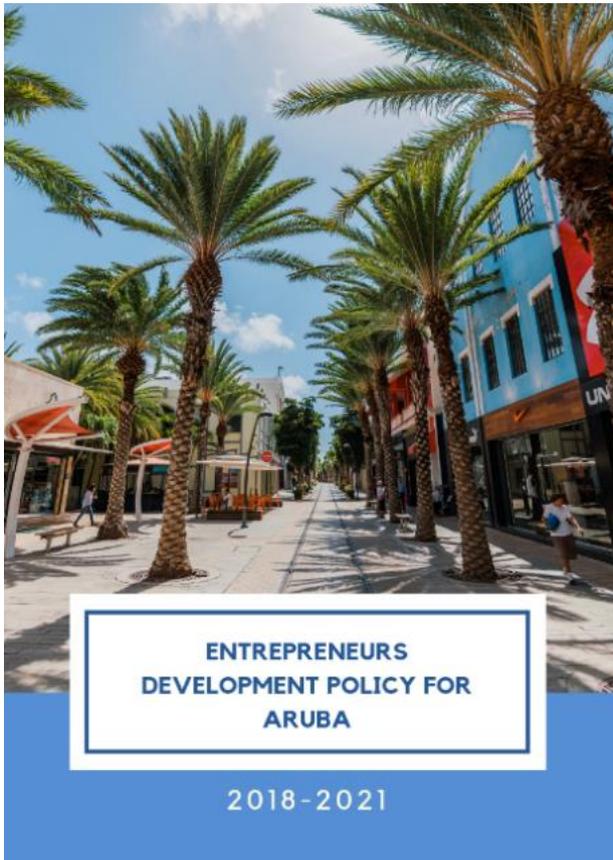
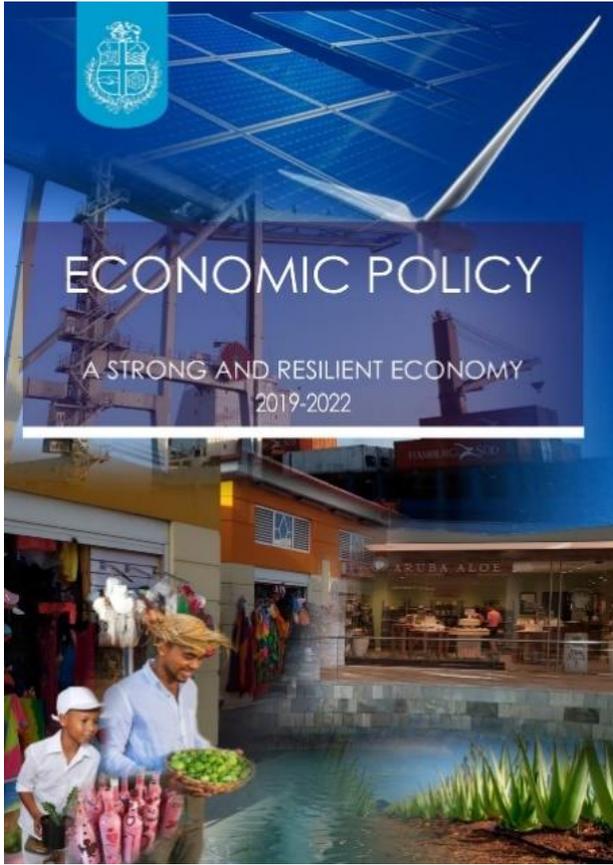
business, business incubators, and startups in the Aruban economy, will provide new opportunities for businesses to succeed. Business incubators, for instance, will give young entrepreneurs an innovative and competitive advantage, allowing them to compete within the global business environment.

Social entrepreneurship² is gaining more relevance, and these ties beautifully with the concept of sustainable development. The main objective of social entrepreneurship in doing business is to have a social impact within society, rather than make a profit for the owners or shareholders. Such an enterprise operates by providing goods and services for the market in an entrepreneurial and innovative way and uses its profit primarily to achieve their objectives. This kind of social innovators, in addition to innovative businesses, will create the right mix to push the Aruban economy to a higher degree of sustainability.

Lastly, the private sector needs to be able to analyze the market and make strategic business decisions based on sound data. Moreover, the public sector needs data to monitor and evaluate policies and to adapt them if needed. The availability of sound data will play an important role in the monitoring and evaluation of the proposed targets and actions.

² Social enterprise is defined as follows: “A social enterprise is an operator in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders. It operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its

profits primarily to achieve social objectives. It is managed in an open and responsible manner and, in particular, involve employees, consumers and stakeholders.”



4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Aruba adopted the SDGs to achieve a better and more sustainable all-embracing future for our citizens. With the NSP we demonstrate that we have strengthened our efforts to achieve our goals.

By stimulating entrepreneurship and enabling e business environment, we support the following goals.



4.1 Stimulating New Economic Sectors

Aruba will stimulate the promising sectors and create new opportunities for innovative entrepreneurship

Overview

Investing in the promising sectors; *Tourism, Knowledge-Economy, Agriculture, Logistics, Circular Economy, and Creative Industries* will create more opportunities for entrepreneurship. These promising sectors can be developed from the current economic pillars of Aruba and will have the ability to generate additional economic growth for the island, creating a regional presence with international engagement and be achievable in a foreseeable period. However, diversification will require significant engagement from all actors in Aruba for the next ten years³ and beyond (as outlined in Aruba's Investment Strategy). The investments in these sectors should encourage sustainable development and contribute to the export of services and products from Aruba. In this respect, it is important that the investments needed are sustainable and that they take into consideration the fragile natural ecosystem of Aruba.

In 2017, the baseline for the promising sectors was prepared. The aim of the government is that these sectors will grow to represent at least 15 percent of the GDP by 2030.

Desired outcome 1

Investment Strategy and Plan for diversification is implemented

Economic diversification is essential to any economy as it protects the economy over time and ensures limited exposure to single points of failure. In order to achieve this diversification, there is a need for a comprehensive investment strategy in Aruba. An investment strategy that will need to be geared towards economic growth and diversification; quality job-creation for locals; more income for the National Treasury; as well as stimulating local investments.

For diversification to take place, innovation and business development have to play an important role in Aruba's investment strategy. Innovation encourages the dissemination of technology in all aspects of Aruba's economy. It can lead to clusters consisting of technology firms, suppliers, and

research institutes. Innovation can also lead to the improvement and efficiency of domestic firms that cater to the local and international markets. Lastly, Innovation can be used to generate sustainable solutions to key challenges that we, as a small island, face on the road towards Agenda 2030. To stimulate investments, an effective promotion plan has to be implemented, and the necessary investment climate has to be fostered.

Actions

- A. Prepare and implement an Investment Strategy and Plan
- B. Prepare and implement a Promotion Plan
- C. Create international accepted investment incentives

³ See Economic Policy, A Strong and Resilient Economy 2019-2022, section Promising Sectors, page 43

Desired outcome 2

Awareness and knowledge on international opportunities for trade and export identified and available for entrepreneurs

SMEs need to expand their market, especially if they want to be globally competitive. This is often difficult in Aruba due to the limited size of the market, which restricts production capacity (economies of scale). Other constraints impeding SMEs to explore the possibilities to export are the lack of financial resources to increase the production capacity and the lack of information regarding export. Furthermore, setting up an export business can be a lengthy process and will require more effort from SMEs. Therefore, it is the government's role to assist the SME with the necessary information tools in order to expand the opportunities in trade and export.

Actions

- A. Prepare and implement an Export Policy and Plan
- B. Create and implement an awareness program for entrepreneurs on trade and export opportunities and facilities
- C. Continue with training for entrepreneurs that want to export

4.2 Enabling a Supporting Ecosystem for SMEs

Inno
vation

Lab

A business environment where businesses can innovate, grow and have the same opportunities, will be in place

Overview

For SMEs to develop and contribute to sustainable economic growth, there has to be an enabling ecosystem in place. Some of the challenges we confront in Aruba are the lack of innovation in the private sector, the high levels of bureaucracy in the government, lack of fair competition due to a high amount of oligopolies, and not having an efficient and unified platform in which experienced entrepreneurs can share their knowledge and experience to young and new entrepreneurs. In the coming years, attention will be focused on these four areas.

Desired outcome 1

Technological innovation in all sectors including promising sectors is stimulated and created

Innovation is needed in both the public and private sectors. Entrepreneurs will have to modernize and implement new business models and technology in their businesses if they want to compete in the market. Consumers are more aware of new products and services that are becoming more accessible and readily available with the use of the worldwide web. At the same time, the government is preparing a roadmap to introduce eGovernment, facilitating services to both businesses and citizens.

Actions

- A. Introduce an innovation award for the most innovative SME of the year
- B. Organize training in new technologies for SME with FUTURA
- C. Introduce a startup visa

Desired outcome 2

Innovation labs, business incubators, and a center to stimulate Social Entrepreneurship is established

The continuous technological advances and innovation in the business world will

force traditional businesses to adopt and adapt to the new technologies to stay in business. Those businesses that can leverage technology and innovate will be the ones to grow and expand their business. The creation of innovation labs and business incubators is essential, as they will provide the local entrepreneurs with more possibilities to engage in new business models and create new technologies. The government has established FUTURA to support the innovation labs and support new business opportunities such as startups, and tech-enabled companies. In this new business ecosystem, corporate social responsibility and social entrepreneurship are increasing in relevance. When speaking about sustainability, we can focus on green/blue economy (circular economy), a growing market for businesses that use ocean resources while protecting this vital resource. Businesses operating in the green/blue economy will create economic growth in a sustainable way in which the environment is protected. Another critical action to support SME's is to adopt and implement international standards for production and trade of products and services and to create a sustainable certification label, facilitating trade for local products and services in the international market.

Actions

- A. FUTURA will continue to stimulate innovation at all levels of the community
- B. Continuously support the Incubator Platform
- C. Prepare awareness program for CSR and SE
- D. Introduce a Quality Infrastructure for metrology, development of standards and quality evaluation (including an accredited laboratory that can certify international standards)

Desired outcome 3

A peer-to-peer or entrepreneur-to-entrepreneur platform is in place for young or established entrepreneurs

Starting a business can be daunting, so having the knowledge of the specific business sector, customer's preferences, and experience in doing business is vital. It is important to have platforms in which experienced and retired entrepreneurs share their experiences, allowing new and inexperienced entrepreneurs to understand the challenges better and to take advantage of the opportunities when starting a business.

Actions

- A. Create a unified and efficient platform that consists of experienced and retired entrepreneurs who are willing to donate their time as coaches
- B. Use platforms for young entrepreneurs to meet and exchange experiences and knowledge

Desired outcome 4

Fair competition law, policies and supervision is enforced

Fair trade is necessary when we want to attract investors locally and globally. Having a fair level playing field is one of the main assets one can offer as a country to investors. In many countries (EU, USA, and the Caribbean), the introduction of fair trade law⁴, policy, and supervision has contributed to fair competition between businesses and has favored consumers interest.

Actions

- A. Create a regulatory framework to curb the creation of monopolies and cartels in the market (Competition Law)
- B. Support a Fair Trade Authority that supervises compliance with the National Ordinance on Competition, the AFTA

⁴ Pending approval by the Parliament

Overview

The biggest complaint of the private sector is the high cost of doing business in Aruba. This high cost starts with the inefficiencies within the public sector in areas such as issuing permits and licenses, outdated legislation, lengthy tax and customs procedures. In this regard, the vision of the government to transition to an E-government, simplify procedures, and reduce red tape will stimulate entrepreneurship. Special attention will be given to the administrative and legislative reforms needed to facilitate e-business. These are growing internationally, and their effects are already being felt in the local market. The government will continue to implement tax reforms and enhance customs procedures, which are important steps towards the reduction of the cost of doing business. Another important constraint is the growing amount of illegal businesses, which affect the competitiveness of legally established businesses. The continuous collaboration between the private and public sectors will be further stimulated through the creation of a public-private platform, the Aruba Trade Board, to optimize businesses and to stimulate trade and investment. The government will facilitate the business and fiscal climate by simplifying the procedures and reducing the cost of starting and doing business

Desired outcome 1

Administrative and legislative reforms for e-business are in place

Internationally, businesses are increasing their presence and conducting more business processes on the internet and/or digitally. These e-business processes include buying and selling products, supplies, and services, servicing customers, processing payments, managing production control, collaborating with business partners, sharing information, running automated employee services, recruiting, and more. However, it is necessary to have the administrative and legal framework in place to regulate e-business.

Actions

- A. Prepare legislation for e-business
- B. Introduce legislation for e-business
- C. Revise and modernize the legislation for Business licenses (Vestigingsverordening)

Desired outcome 2

Public support services to enterprises through a single access e-window for services and procurement is in place

To start a business, entrepreneurs have to comply with several conditions and go through different processes depending on which license or permits that specific type of business requires. Many times, the same documents are required at different public institutions, and the processing time of each request can be a lengthy one. The government aims to align the processes between the different public institutions in order to facilitate the process of starting a business. This will be part of the eGovernment roadmap, and one of the first steps within the roadmap will be to introduce a digital e-window for all government services to enterprises. This digital e-window will be part of the eGovernment policy and will initiate with the standardization and digitalization of core processes - within the government and between cooperating agencies. This e-

window involves a redesign of government administrative procedures for efficiency and transparency. Ultimately, providing the private sector with better and faster service.

Actions

- A. Assess, revise and simplify processes at each public institution related to services for business
- B. Standardize core processes
- C. Align processes within and between different public institutions to reduce the level of bureaucracy and red tape
- D. Introduce e-forms accessible through the website for request of licenses and permits
- E. Create an E-Window for government services, online payment and registration including information on how to start a business

Desired outcome 3

An action-driven Public-Private Platform (Aruba Trade Board) is created

Aruba has a high dependency on import for almost all products consumed on the island. Accessing new markets with high quality and competitive prices for these services and products is important for the purchasing power of the Aruban citizen. On the other hand, the government of Aruba is committed to continue to create economic activities to support the diversification of the economy. The internationalization of Aruban businesses will be necessary to make Aruba more visible in the regional and international markets for investment and trade. In this respect, the government has a shared responsibility with the private sector to improve trade by stimulating exports and

investments from abroad. Through the ATB both the public and private sectors will be able to discuss the policies and actions needed to develop a sustainable investment and trade possibilities.

Actions

- A. Prepare Ministerial Decree for the ATB
- B. Prepare Action Plan for the ATB

Desired outcome 4

Tax procedures simplified to improve the business environment and fiscal climate

The government started to carry out in 2018 an extended tax reform, that will be done in 4 phases. During the first phase, the income tax, wage tax, and land tax will be transformed. As of January 1, 2019, the rates for wage tax and income tax have been changed in such a way that a total of 30,000 people do not pay taxes at all. Besides, the wage tax rate for 25,000 people will be modified in such a way that they will benefit from the change. Several measures are being taken to ensure that retirees benefit from it. The land tax rates have been adjusted so that the lower-income groups will profit from the tax transformations, and the non-residents will contribute more than was previously the case.

Furthermore, there will be a reduction of income tax on dividends from 25 percent to 10 percent. During the second phase, the indirect taxes will be transformed (among others the BBO, the import duties and a further elaboration of the sin taxes). The third and fourth phase will also bring.

Actions

- A. Implement Fiscal Reform Phases 1-4
- B. Evaluate fiscal reform

4.4 Integrating Entrepreneurship programs in Education

#KIDSPRENEURSHIP

"because every child needs entrepreneurial skills to thrive in the 21st century"

Aruba will incorporate entrepreneurship programs in education to create sustainable economic growth and sound businesses focused on the future of work and entrepreneurship

Overview

To create sustainable economic growth and sound businesses, entrepreneurship programs will be established at all levels of education. It is well known that with the technological evolution we are facing, jobs in the future will require different and specific skills.

The need to introduce entrepreneurial skills and innovative life-long learning is imminent. Therefore, it is pivotal that entrepreneurs programs are also accessible for adult education. Several private institutions supply courses and workshops for adults in different disciplines regarding the knowledge and skills needed to manage and operate a business. The Chamber of Commerce of Aruba and IDEA at the DEACI also provide entrepreneurs programs and several workshops each year to help entrepreneurs that already have a business or citizens that are interested in starting their own.

Desired outcome 1

Entrepreneurship programs and awareness institutionalized for adult education

The entrepreneur's policy 2018-2021 presents a series of activities that are necessary to stimulate entrepreneurship in Aruba. Institutionalizing entrepreneurs programs and awareness is one of the main activities indicated. Programs should be available through the Chamber of Commerce, Enseñansa pa Empleo and IDEA/DEACI to facilitate and provide education to entrepreneurs and future business owners. At the same time, it is crucial to develop and increase the number of courses supplied by Enseñansa pa Empleo, IDEA, and others. IDEA will also seek partnership with relevant agencies to integrate entrepreneurship and innovation as a key component of the education curriculum and life-long learning vision in order to foster a culture of risk-taking, creativity, resourcefulness, and innovation.

Actions

- A. Continue implementation of the Entrepreneur's Policy

- B. Continue with workshops/training for SMEs
- C. Continue with the program Kid\$preneurs with BIG Ideas
- D. Develop an entrepreneur's program/curriculum for all levels of secondary and tertiary education
- E. Introduce curriculum for entrepreneurs at secondary schools
- F. Create specific programs for adult education
- G. Continue with Business Course "Empresario Prepara I & II"

Desired outcome 2

An environment for employers to facilitate continuous education of their employees, including for the future of work, is created

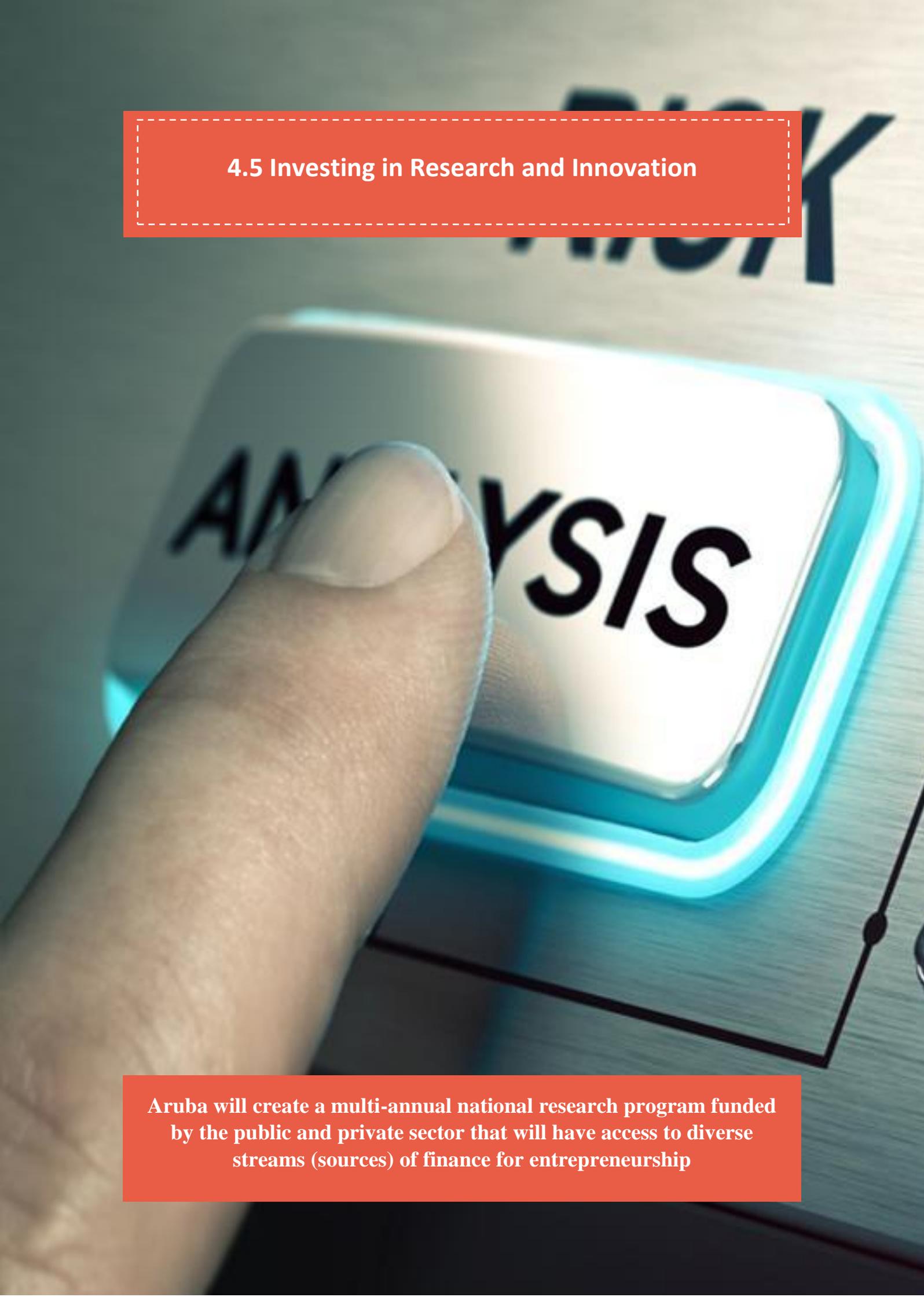
As companies are changing the way they do business, they need employees that have the skills for these new challenges. Employers should continuously invest in their personnel in order to stay competitive in the market.

Actions

- A. Develop awareness programs for

employers about the importance of training and education of their employees

- B. Intensify courses supplied by EpE
- C. Implement awareness programs

A close-up photograph of a hand pressing a glowing blue button. The button is rectangular with rounded corners and has the word 'ANALYSIS' printed on it in a bold, black, sans-serif font. The button is illuminated from below, creating a bright blue glow. In the background, another button with the word 'ANALYSIS' is visible, but it is out of focus. The overall scene suggests a high-tech or futuristic environment.

4.5 Investing in Research and Innovation

Aruba will create a multi-annual national research program funded by the public and private sector that will have access to diverse streams (sources) of finance for entrepreneurship

Overview

A great need exists for a multi-annual national research program that is funded by the public and private sector⁵, propelling businesses, and our economy with the current and upcoming technological advancements. In this regard, cooperation with international institutions and academia, such as the University of Aruba with the SISSTEM program, will be stimulated.

Furthermore, improving access to diverse streams (sources) of finance for entrepreneurs will be critical to foster new and innovative business solutions, products, and services.

Desired outcome 1

Improved access to diverse streams (sources) of finance for entrepreneurs

Entrepreneurs, especially SMEs are lacking the financial resources for investment. Local financial institutions are extremely averse to risk and are therefore hesitant to finance young and/or new entrepreneurs that have a new service or product on the market. Access to capital is critical for innovation. Startups, tech-enabled companies, social entrepreneurs, and e-business find it difficult to access financial resources from local banks. Qredits, a Dutch company established in Aruba since 2017, is making loans available for up to AWG 100.000 for SME projects. Still, this is not enough, and other sources of finance should be made available and stimulated.

Actions

- A. Research other financing sources
- B. Create awareness and education programs on how to use crowdfunding, Angel investors, etc.
- C. Collaborate with local banks to create microfinancing possibilities

Desired outcome 2

Multi-annual national research programs funded by public and private sector with international possibilities and in collaboration with the University of Aruba and other universities are in place

Innovation is crucial in this new era of business. Companies compete on who has the best and newest service or product. Doing business has changed in the last 15 years, and customers are becoming more demanding. The small scale of business in Aruba makes it almost impossible for them to invest in research and development. The costs are too high for a small business to endeavor in research or develop new products. The idea is to create a national research program together with international institutions and the University of Aruba, funded by the public and private sector.

Actions

- A. Create an NRP at the University of Aruba
- B. Look for models that have worked in other countries for Public/Private funding
- C. Draft an agreement with the private sector to co-finance the NRP

⁵ Such as WEB, ELMAR, SETAR and other big private companies



4.6 Facilitating a Supportive Environment for the Labor Market

Aruba will create a supportive environment to attract local professionals, and to develop a resilient labor market and productive workforce for the future

Overview

Entrepreneurs need an effective labor market information system and employment services, and at the same time, they need qualified employees. The government and private sector will create opportunities for the decent and inclusive labor force. The Government will also create effective policies to support the inclusiveness of immigrant workers in the labor market and create incentives to attract local professionals from abroad to share their expertise in local businesses and projects. There is also a need to revise the labor laws and policies to stimulate productivity, responsibility, and a positive attitude towards work, as well as more flexibility in working hours.

Desired outcome 1

Incentives developed to attract local professionals from abroad

Aruba and many other SIDS have their unique characteristics in terms of development, and brain drain is an issue that can create a risk in reducing our capacity to accumulate human capital, which is considered a fundamental engine of growth. Due to the small scale of the economy, young educated citizens, after completing their studies abroad, do not return to work as professionals or entrepreneurs on the island. Furthermore, the retirement age has increased to 65 years, maintaining the older generation longer in the workforce and therefore limiting the entry of the younger generation into the labor market. The restriction to hire new personnel in government institutions also limits the possibilities for younger professionals to enter the labor market in Aruba. The Government implemented incentives for these young professionals to return, such as a reduction of 30 percent of their loan if they return to work in Aruba within three years of having completed their studies. Still, the availability of work in their respective fields can be limited. Which is one of the reasons to stimulate investment in the Promising Sectors, to create new

jobs for professionals. A second possibility is to attract local professionals on the basis of projects, allowing them to continue with their careers abroad but to contribute to the local market through specific projects.

Actions

- A. Prepare study to identify why local professionals do not come back to work in Aruba
- B. Create a policy for special incentives that do address study results to attract local professionals
- C. Create and maintain a platform for local professionals abroad to collaborate in local projects and businesses

Desired outcome 2

Productivity, responsibility, and a positive attitude towards work is improved

Some businesses often complain that employees do not have the right attitude towards their jobs and that they have the impression that the labor laws protect the employees too much. Employers should be aware that change is led by personal example and positive changes. How employees are treated determines the

future of the organization. Labor market regulation requires both fairness and flexibility. These should not be mutually exclusive, and a sound inclusive regulatory framework and policies should be possible. There is the general obligation to have decent jobs, including fair pay and protection of the rights of the worker. On the other hand, there is an obligation from the employee to be productive and responsible for his/her job. Therefore, the labor laws will be reviewed and where necessary, adapted and modernized, keeping in mind a balanced responsibility of both employer and employee.

Actions

- A. Create tripartite to discuss labor laws
- B. Modernize labor laws
- C. Organize periodically information sessions for employees and unemployed persons about their rights and obligations at work

Desired outcome 3

Opportunities for a decent and inclusive labor force is offered

Aruba has limited local labor, and about 44.3% of the employed population is foreign-born. Importing labor from abroad has several consequences for Aruba (social, education, housing, healthcare, etc.). Some citizens have the capacity and desire to contribute to the local market and economy, but require some (level of) assistance due to educational deficiency, physical or mental disabilities. With the necessary assistance and support, these citizens can be productive and valuable members of the society and can contribute and participate in the labor market. The labor laws should enforce fair and equal pay for similar jobs in the labor market.

Actions

- A. Create special programs for mentally and physically challenged citizens to participate in the labor market
- B. Create more awareness workshops/training on Social Entrepreneurship for entrepreneurs
- C. Prepare the older people (55 plus) to participate actively into the labor market
- D. Create policies and procedures to insure that job vacancies are filled with local labor force

Desired outcome 4

Effective labor market information systems and employment services are available

Labor market information is necessary for both businesses and employees. The DPL is collecting information on available jobs and unemployed persons but requires a digital system to facilitate and complete this process. As already indicated, E-government can make a difference and facilitate the process of finding the right job or the right employee through a digital information system.

Actions

- A. Create a digital information system for the labor market

Desired outcome 5

Effective policies to support the inclusiveness of immigrant workers in the labor market is in place

Due to the lack of sufficient workers in some specific areas, there is a continuous need to import workers from abroad. It is

important to have programs to assist those workers and their families to fully integrate into the local community. Furthermore, it is important to provide the necessary education to low skilled immigrant and at the same time, stimulate all immigrant workers to learn our culture and language.

Actions

- A. Adapt policies to support the inclusiveness of immigrant workers in the labor market
- B. Implement policies to support the inclusiveness of immigrant workers in the labor market

Acronyms

A				Technology, Engineering and Mathematics
AFTA	Aruba Fair Trade Authority			
ARINA	Aruba Investment Agency	SMEs		Small and Medium Enterprises
ATB	Aruba Trade Bond			
C			U	
CBA	Central Bank of Aruba		UN	United Nations
CBS	Centraal Bureau voor de Statistiek		USA	United States of America
CSR	Corporate Social Responsibility			
D				
DEACI	Department of Economic Affairs, Commerce and Industry			
DPL	Department of Employment Services			
E				
EU	European Union			
G				
GDP	Gross Domestic Product			
I				
IDEA	Initiative for Business Development Aruba			
N				
NRP	National Research Program			
S				
SDG	UN Sustainable Development Goal			
SE	Social Entrepreneurship			
SIDS	Small and Medium Enterprises			
SISSTEM	Sustainable Island Solutions through Science,			



L e a v e a m a r k

ARUBA DEPENDS ON YOU

Entrepreneurship & an Enabled Business Environment

NSP 2020-2022