Advancing Reinaldo Gonsalves' Model of Global Economic Insertion: Opportunities for the English Speaking Caribbean with Global Digital Connectivity

By
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Abstract:

This paper is located in what is referred to as *policy critique* within the theoretical framework of **International Political Economy** (IPE) which, by origin, seeks to problematize issues of policy. In 1994, celebrated Brazilian economist, Reinaldo Gonsalves produced an important thesis and model on how to measure a country's global insertion. At that time, Gonsalves could not have foreseen the influence of the Internet on global trade or on domestic trade policies. As such, the issue of global digital connectivity now presents itself as another pillar to measure global insertion. By examining regional Caribbean policy in this regard, this is an opportunity to advance Gonsalves' model stimulate further on the opportunities associated with global digital connectivity.

Key words: Global insertion; global digital connectivity; global political economy (GPE)

Introduction – The Gonsalves' Model of Global Economic Insertion

In 1994, celebrated Brazilian economist Reinaldo Gonsalves produced what has now become his seminal work, The Flagship of Brazil. In this work, Gonsalves presented a model of Brazil's global economic insertion which was measured by the following:

- Commercial openness = coefficient of exports over GNP[1];
- Financial openness = ratio of foreign debt to GNP;
- Third level of openness
  - "real production"
  - the amount of foreign direct investment (FDI)
  - the portion of capital stock detained by multinational corporations (MNCs).

Goncalves showed that Brazil's openness in the 1990s stood at 10% which he argued was relatively high for continental countries. In the 80s, owing to its high level of debt, its financial openness accounted for 3% of GNP, while multinational corporations (MNCs) accounted for 11% of capital stock and 32% of the country's total production. He further posited that the degree of openness was less important than the nature of a country's international insertion. In other words, if a country's openness increases its external vulnerability, then that relationship is problematic. The real issue therefore is to negotiate a place within the international system that reduces vulnerability in the face of the structures of production, finance, knowledge (technology) and trade.[2] It must be noted that his overall measurement of insertion is the same as the degree of openness. The question of vulnerability has to do with the ability to influence the global political economy (GPE) and the degree to which a country can withstand seismic global political and or economic shocks; that is, the degree of resilience.

Since the English speaking Caribbean islands are well known for their economic openness, despite their smallness, it begs the question as to our 'real' degree of global insertion. Indeed, historians will argue that the very notion of the existence of today's Caribbean hinges upon the European capitalist experiment of 'new' economic frontier development and expansion, slavery and colonialism. In this regard, we share a similar, if not common, historical experience with continental Brazil.

This paper will therefore posit that within the context of the late 20th century and beyond, the notion of global economic insertion must include **digital connectivity**. This advancement of Gonsalves' model will take into consideration two new dimensions.

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[1] The Gross National Product (GNP) is the value of all the goods and services produced in an economy, plus the value of the goods and services imported, less the goods and services exported. Because Gonsalves is measuring the insertion of a country it makes sense to use the GNP and not the GDP. GDP is Gross domestic product. For a region, the GDP is "the market value of all the goods and services produced by labor and property located in" the region, usually a country. It equals GNP minus the net inflow of labor and property incomes from abroad. (A key example helps. A Japanese-owned automobile factory in the US counts in US GDP but in Japanese GNP.) See, http://economics.about.com/cs/economicsglossary/g/gdp.htm and http://economics.about.com/cs/economicsglossary/g/gross_national.htm

[2] See Reinaldo Gonsalves, O Abre-Alas: A Nova Inserção do Brasil na Economia Mundial, Rio de Janeiro: Relume-Dumara, 1994.

1. Connectivity as a fourth pillar to the traditional precepts of economic development. In other words, today we must add digital connectivity (broadband) to the infrastructural necessities of energy, water and transportation. This takes place at the domestic level. [3]
2. When policies and programs of digital connectivity are in place, we must then seek to measure how this translates into international trade.

This is where much of the research is currently needed. At a very rudimentary level, by making the argument that the Internet has evolved into a new platform and space for international trade, we may start to examine and measure the following:

- What percentage of our trade is conducted over or through the Internet?
- How many of our private and public sector companies conduct business within this space?
- What percentage of local businesses has a presence on Internet?
- What is the flow of virtual cash through channels such as wire transfers, credit cards and Internet banking and investment?

This presentation is very limited in its scope considering the time allocated. However, I will address very briefly what this global digital connectivity is all about, examine where we in the Caribbean stand currently in the face of this revolution and finally throw out some challenges to our policymakers, academics and business people to seize the opportunities that abound.

[3] Singapore has made great strides in this regard and best serves as an island-state model. See *Totally Connected, Wired and Wireless – Singapore: An Intelligent Nation, A Global City, Powered by Infocomm*, Report by the in2015 Infocomm Infrastructure, Services and Technology Development Sub-Committee. Info-communications Authority of Singapore, June 2006, 49pp. For more details on Singapore Infocomm Technology Federation, please visit www.sitf.org.sg .

What is Global Digital Connectivity?

Global digital connectivity is a brave new world where international actors and global citizens are explicitly connected to each other in real time by and through enabling technologies. Now this paper is not meant in anyway to be a technical discussion on such technologies for that is way beyond my academic scope or research interest.

My primary interest is in identifying the research gaps as a means to prod our policymakers into broadening their thinking when it comes to economic development policy. In fact, from a policy standpoint, in the Caribbean, there is a need for more sectoral linkages at both the national and regional levels. I therefore see the issue of global digital connectivity as one of those enablers for policy integration. This is my interest, at both a personal and academic level.

I posit therefore that global digital connectivity is the latest frontier in the ongoing industrial revolution. Some may wish to enter into the philosophical debate as to whether or not industrialization as a process ever stopped and if global digital connectivity is part and parcel of a post industrial reality. From the realistic perspective of policy, such a debate does very little to attend the immediate needs of 11 million Caribbean citizens. What we do know, however, is that this social economic force hinges upon a number of factors that we in the Caribbean need to carefully examine if we are to develop a policy agenda that will respond to this need and reality.

I see global digital connectivity driven by the following:

1. The advancement of broadband, nanotechnology and data compression;
2. The global banking and finance industry
3. The incursion of multinational corporations and the erosion of the nation-state (broadly defined as globalization)
4. The education industry driven by virtual and online learning as well as cross-border research
5. Online social networking
6. Telecommunications and integrative technologies linking satellites and mobile telephony
7. Demand for real time information by global consumers and supplied by a few dominant global media and content providers
8. A global entertainment industry that provides its content over the internet to a new generation of consumers born 1980 and thereafter.[4]
9. The intertwining reconfiguration of the global political economy into interlocking large regional blocks that provide for cross border trade and movement of professionals.
10. Increased demand for openness and transparency in Western liberal democracies which is driving e-government solutions.

I'm sure that other factors can be identified but all of the above have contributed to shaping a new human reality in this early 21st century. There is a global tug-of-war going on between insatiable

[4] See, John Palfrey and Urs Gasser, *Born Digital: Understanding the First Generation of Digital Natives*, Basic Books, 2008, 288pp. This text tells us the obvious but their sociological perspective stresses the basic thesis that this digital generation will completely reshape our world. This is the policy implication that is problematized by this paper.

consumers and profit-driven suppliers. In fact, even though we speak of the Dot Com boom and collapse, since then there has been a quiet resurgence in Internet transformation and technological advancement. Having lived through the crazy boom of the Dot Com in the 1990s as a young professional, from my own observance, I can state that investors today are a lot more cautious and demanding.

There was a period in the USA when venture capitalists threw millions of dollars behind young techies to produce the next great internet wonder without care about ROI and profit. The collapse that followed has brought us back to reality and investors now seem more prone to demanding sound R&D. Let me share an example of how crazy the Dot Com era got.
In 1998 I attended a trade show in the USA where a venture capitalist explained what was known as the Pop Effect. This was simply where new Internet companies issued IPOs and because of extremely high demand, they were able to pre-sell their shares to large mutual funds, so that the 10% or 20% remaining shares on opening day would create a pop effect (excessive demand) because not enough were left to meet the very high demand. This pop effect therefore sent share prices through the roof and the Internet companies raked in millions of dollars. Of course we know how this fairy tale ended. Nonetheless, ten years later, we are now witnessing a more conservative approach to investment in Internet technologies and a few dominant global players from that era have survived: to name a few, Google, Amazon and Ebay. The newest frontier, however, is the integration with mobile phone technology. This latter point has a lot to do with evolving social behavior and consumer demand.

By way of real examples let's examine three global media events and the role that global digital connectivity played.

1. 1998 – The Death of Princess Dianne. I was residing in Caracas, Venezuela chatting with a colleague in Barbados online and we were watching the same cable TV station and commenting on the event.
2. 2008 – The Obama Phenomenon. President Obama is the first president of the postmodern era to embrace the power and opportunities presented by this digital connectivity. Indeed his Inauguration in January 2009 was watched by billions across the globe over the Internet. Of particular note was the integration of streaming video provided by CNN and real time feedback though the social network Facebook.
3. 2009 – The Funeral of Michael Jackson watched by billions on cable TV and over the Internet.

These three examples may seem quite simple on the surface but they really speak to the underlying nature of man's curiosity, the need to be socially connected and our insatiable demand for news and information, however frivolous. Whether or not there are powerful players controlling and reshaping our behavior, this new demand for global digital connectivity is forcing suppliers to constantly up their ante. On the demand side, we are also starting to see the effect of Web 2.0 where consumers are reshaping the web by providing content by the minute. So, as we demand faster connectivity, the supply of broadband is increasing and the volume of data that is transferred by the nanosecond is beyond any one person's imagination.

Openness in Liberal Democracies

The tenth driver above also demands some attention. As liberal democracies in the West advance and mature, the new generation born into the Digital Era will be more and more demanding of their governments and politicians.[5] This new generation, already accustomed to instantaneous news and information, the ability to shop and conduct other social behaviors online, will demand a similar kind of instant response and practical engagement from their representatives and their governments. So much has already taken place and as we speak, so much is transforming on a daily basis in this connected space.

1. We saw the Obama effect during his campaign and how this has now influenced liberal democracies across the globe to follow suit in an effort to mimic his success by controlling this space and this new generation of voters.
2. As President, Obama has heralded a new era of openness and engagement through the Internet by way of blogs, social networking and other digital media. For example, we now get news daily coming out of the White House over the Internet.
3. There was the use of SMS text messages in the Madrid train bombing that quickly mobilized voters to change their government when they felt the response from the sitting government was inadequate.
4. Citizens in Estonia will vote using text messages in 2011[6].
5. Citizens in liberal democracies are also demanding their services online and this has given rise to the responding e-government solutions, not only for information but also for practical needs like passports and other government controlled documents.
6. There is also a demand to control personal consumption and track personal information in real time:
    a. Air travel
    b. Courier packages – DHL, Fedex, UPS
    c. Online banking and access to personal funds
    d. Online shopping
    e. Online social networking: professional and otherwise
    f. Online entertainment: music downloads, movies, blogging, video interaction
7. We also saw how the Red Cross mobilized globally to raise funds for Haiti using this technology.

In other words, information is no longer in the private domain of governments or quasi-state agencies. In liberal democracies, citizens have demanded a right to information at all time, especially as it relates to the individual. So individual citizens are now demanding their right to personal items like bio data, medical and academic records and or any files held on them. In fact, online social networking is also, by large measure, a contributing factor to the breakdown in

[5] This openness is not without controversy. There's much legal wrangling taking place in the US and Western Europe over issues on controlling Internet Service Providers (ISPs) in respect of allowing their consumers to infringe on copyright or even have open access to child pornography and issues relating to the support of terrorism over the Internet. See, Ian Brown, "*Internet self--regulation and fundamental rights," Index on Censorship, Vol. 1, March 2010,* University of Oxford - Oxford Internet Institute. http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1539942

[6] See, http://www.euinside.eu/en/faces/for-or-against-e-voting-the-example-of-estonia; http://news.cnet.com/8301-1035_3-10122656-94.html

secrecy. In other words, the exponential growth of data and the proliferation of information on the Internet make the notion of information secrecy a misnomer.
There are literally hundreds of tools and applications online for sharing information on under topic under the sun.

The Current Caribbean Reality in the face of the Digital Revolution

I will start by stating that this presentation/paper is more about questions and provocation towards our academic and business communities, than it is about answers. The first such question is have we or we have not missed the boat on the high seas to the Digital and Information Revolution which has taken place at the end of the last century and continues to steam ahead at amazing speed. If indeed we have missed the opportunity then there is a series of ensuing questions that should challenge our academics for answers:

b. Why is the Caribbean so seemingly slow to adopt and implement new technologies?
c. What are the inhibitors to creating a culture of innovation?[7]
d. Do we see the benefits?
e. Culturally, do we wish to participate or are we happy and satisfied with our position on the periphery within the status quo?
f. If not, what macro social and economic policies can be put in place today to engender a culture of innovation?

At the core of the above problematique is the hypothetical suggestion that the English speaking Caribbean suffers from a collective technological backwardness that inhibits a desire to or ability to be innovative in thought and action. When taken at face value, this is a damning indictment of our reality but when we start to delve and look further at the behavior of the key actors and drivers in our political economy, it is not so damning afterall. In fact, these questions sit squarely in the real Caribbean politics and economics.

Certainly no one can deny the limited penetration in this region of the following:

1. E-government
2. E-business and e-commerce by our native companies
3. Even a slow adoption of new technologies by multinational companies that have traditionally dominated business in the region.

Let's take for example two sectors where MNCs are dominant actors in the Caribbean. We have banking and finance on the one hand and telecommunications on the other. It is obvious that investment in telecommunications is a key driver to social economic development and that the degree to which its technological platform advances can either act as an inhibitor or driver in the banking and finance industry. In addition to this investment is the end user who is digitally curious and driven by some social need/hook to connect with others that is also a major driving force.

Unfortunately in the Caribbean, our colonial experience has left us with a false sense of affinity to things British or emanating from the British Commonwealth; so that the dominant players in these two sectors have their head offices residing in London and Toronto. Though globally, the UK and

[7] See Jonathan Lashley, PhD, "*The Entrepreneurship Challenge in a Time of Change*" SALISES, University of the West Indies, Cave Hill, Barbados. Paper for SALISES 8th Annual Conference, St. Augustine, Trinidad and Tobago. March 2007. In this paper Lashley theorizes entrepreneurship and shows correlation between innovation and development, suggesting this to be a missing link in the Caribbean's economic development.

Canada are among the leading countries of the industrialized West, they still are not among the top ten countries in the world when it comes to innovation. This is not denying their ability or their culture of innovation but one can easily submit that MNCs coming from cultures that are conservative in nature, into an ultra-conservative region like the Caribbean, will find a green field for risk aversion. See below where both Canada and the UK sit on the global innovation index. They are quite below the top ten countries.

Current and forecast innovation index

	2004-08		2009-13		Change in rank
	Index	Rank	Index	Rank	2009-13/2004-08
Japan	10.00	1	10.00	1	0
Switzerland	9.71	2	9.70	2	0
Finland	9.50	3	9.53	3	0
US	9.50	4	9.44	5	-1
Sweden	9.44	5	9.42	7	-2
Germany	9.40	6	9.49	4	2
Taiwan	9.37	7	9.44	6	1
Netherlands	9.16	8	9.16	9	-1
Israel	9.13	9	9.20	8	1
Denmark	9.08	10	9.06	10	0
South Korea	8.94	11	9.05	11	0
Austria	8.93	12	8.98	12	0
France	8.88	13	8.96	13	0
Canada	8.87	14	8.83	15	-1
Belgium	8.79	15	8.89	14	1
Singapore	8.76	16	8.75	16	0
Norway	8.73	17	8.75	17	0
UK	8.72	18	8.58	19	-1
Ireland	8.50	19	8.57	20	-1
Australia	8.50	20	8.61	18	2
Hong Kong	8.44	21	8.46	22	-1
Italy	8.44	22	8.46	21	1
New Zealand	8.24	23	8.40	23	0
Slovenia	7.74	24	7.80	24	0
Cyprus	7.62	25	7.72	25	0

Source: A New Ranking of the World's most innovative countries by Economist Intelligence Unit, 2009 .

For example, in 1998 the author worked in the offshore financial sector and from personal experience, I can share the difficulty we had to get Cable and Wireless to provide adequate and cost-effective services to conduct online trading in Barbados. Not only did their monopolistic structure render them cost-prohibitive, but their technological backwardness forced our company to find circuitous ways to get the job done in order to service our international clients. This meant investing in our own satellite antenna and importing decoders from the USA. Fast forward to 2008 and I am transferred from Barbados to Trinidad to work for an American MNC. Now, there is Scotiabank in Barbados and Scotiabank in Trinidad. Can you imagine that the two are not linked? I have a CSME skills certificate which allows me to work in the CARICOM region, but were I to move to different islands, I'd have to open separate Scotiabank accounts in each island.

A colleague of mine who was working in the hospitality sector expressed similar frustrations as he moved from Barbados to St. Lucia, to Trinidad to St. Kitts. Within the spate of 12 months he had to open four separate accounts to transact simple everyday living.

What does this picture show us?

1. The dominant MNCs in the region are themselves behind the innovation curve.
2. Conservatism comes at a high cost:
    a. Risk aversion
    b. Slow adoption of new technologies
    c. Breeds a culture of fear and resistance
    d. Inhibits a culture of innovation.
3. Additionally, at the global level the Caribbean is far behind in the e-readiness index. Take a look at the latest rankings for 2009.

Economist Intelligence Unit e-readiness rankings and scores, 2009

2009 rank (of 70)	2008 rank	Country	2009 score (of 10)	2008 score	2009 rank (of 70)	2008 rank	Country	2009 score (of 10)	2008 score
1	5	Denmark	8.87	8.83	36	36	Slovakia	6.02	6.06
2	3	Sweden	8.67	8.85	37	37	Latvia	5.97	6.03
3	7	Netherlands	8.64	8.74	38	34	Malaysia	5.87	6.16
4	11	Norway	8.62	8.60	39	41	Poland	5.80	5.83
5	1	United States	8.60	8.95	40	40	Mexico	5.73	5.88
6	4	Australia	8.45	8.83	41	39	South Africa	5.68	5.95
7	6	Singapore	8.35	8.74	42	42	Brazil	5.42	5.65
8	2	Hong Kong	8.33	8.91	43	43	Turkey	5.34	5.64
9	12	Canada	8.33	8.49	44	49	Jamaica	5.33	5.17
10	13	Finland	8.30	8.42	45	44	Argentina	5.25	5.56
11	16	New Zealand	8.21	8.28	46	50	Trinidad & Tobago	5.14	5.07
12	9	Switzerland	8.15	8.67	47	48	Bulgaria	5.11	5.19
13	8	United Kingdom	8.14	8.68	48	45	Romania	5.07	5.46
14	10	Austria	8.02	8.63	49	47	Thailand	5.00	5.22
15	22	France	7.89	7.92	50	53	Jordan	4.92	5.03
16	19	Taiwan	7.86	8.05	51	46	Saudi Arabia	4.88	5.23
17	14	Germany	7.85	8.39	52	58	Colombia	4.84	4.71
18	21	Ireland	7.84	8.03	53	51	Peru	4.75	5.07
19	15	South Korea	7.81	8.34	54	55	Philippines	4.58	4.90
20	20	Belgium	7.71	8.04	55	52	Venezuela	4.40	5.06
21	17	Bermuda	7.71	8.22	56	56	China	4.33	4.85
22	18	Japan	7.69	8.08	57	57	Egypt	4.33	4.81
23	23	Malta	7.46	7.78	58	54	India	4.17	4.96
24	28	Estonia	7.28	7.10	59	59	Russia	3.98	4.42
25	26	Spain	7.24	7.46	60	63	Ecuador	3.97	4.17
26	25	Italy	7.09	7.55	61	62	Nigeria	3.89	4.25
27	24	Israel	7.09	7.61	62	61	Ukraine	3.85	4.31
28	27	Portugal	6.86	7.38	63	60	Sri Lanka	3.85	4.35
29	29	Slovenia	6.63	6.93	64	65	Vietnam	3.80	4.03
30	32	Chile	6.49	6.57	65	68	Indonesia	3.51	3.59
31	31	Czech Republic	6.46	6.68	66	64	Pakistan	3.50	4.10
32	38	Lithuania	6.34	6.03	67	67	Algeria	3.46	3.61
33	30	Greece	6.33	6.72	68	70	Iran	3.43	3.18
34	35	United Arab Emirates	6.12	6.09	69	66	Kazakhstan	3.31	3.89
35	33	Hungary	6.04	6.30	70	69	Azerbaijan	2.97	3.29

Note: A four-decimal score is used to determine each country's rank.
Source: Economist Intelligence Unit, 2009.

Opportunities for the English-speaking Caribbean

In the midst of this apparent backwardness, opportunity abounds. From my short stints having spent six years working in government, rest assured that there is no more need for policy papers, consulting reports and expensive studies. I know from experience that this work has already been done and the real challenge we face is to correct the implementation deficit. Unfortunately the technology is changing at a more rapid pace than we can even dust off the reports; however, I have an instinctive belief that there is still a lot to be salvaged from these reports. It is truly time for us to implement. I have identified the below areas as opportunities that we can seize.
All of this demand above will change our politics and how we respond to the needs of citizens and implement attendant policies. It is noteworthy that a number of political parties in the Caribbean already have very active web pages and we are seeing more and more politicians engaging their constituents in spaces like blogs, Facebook and other online social networking fora.

1. The dominant language in global digital connectivity is English and we in the English-speaking Caribbean have a natural advantage in this regard; not only as consumers, but also to develop solutions that can be sold over this space in English.
2. One such solution is our Education. The Caribbean can take advantage of the global commoditization of education. We have a long tradition for excellence in our primary and secondary education and opportunities abound for educational products:
    a. Online and virtual training
    b. Ebooks and interactive Internet technologies
    c. Openness of our university content
        i. Blogs
        ii. Access to research online
        iii. Streaming video
3. We need to invite the key MNCs to sit down with CARICOM and offer solutions that will promote regional experience, especially those players in Banking and Telecommunications. These players have access to integrative technologies and can do a lot to assist the region in this regard. These players can:
    a. Increase transparency at a regional level
    b. Facilitate business integration
    c. Advance the regionalization agenda
4. There is a global demand for Caribbean cultural content:
    a. Music
    b. Art
    c. Film
    d. News
    e. Festivals
5. Linkages can be made to our existing tourism product to our creative and cultural industries to development new products and business models using the Internet.
6. E-government needs to expand at a more rapid rate.
7. Political parties who actively engage their constituents using the Internet will benefit from gaining a new generation of voters.

8. All of this amounts to business opportunities that are waiting to be created and seized. When one considers the short distance between the islands it's not difficult to imagine flourishing business in the following areas:
    a. Banking
    b. Courier services
    c. Cross-borders consumer trade using the internet like we currently use Amazon and other providers out of the USA.
9. There are also endless opportunities for research and development to address the existing gaps.
10. Our governments also need to address the issue of the ratio to R&D as a percentage of GDP.

Here's an example of the leading countries in the world and their spend on R&D.

R&D as % of GDP: Sweden tops list of OECD countries

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Sweden	–	3.605	–	4.169	–	3.848	3.624	3.795	3.741	3.634
Finland	2.864	3.16	3.344	3.302	3.355	3.43	3.448	3.479	3.449	3.473
Japan	3.005	3.021	3.043	3.123	3.165	3.199	3.167	3.323	3.394	–
South Korea	2.342	2.252	2.393	2.59	2.532	2.631	2.847	2.98	3.225	–
US	2.61	2.664	2.746	2.761	2.66	2.656	2.587	2.619	2.658	2.684
Germany	2.272	2.395	2.454	2.461	2.49	2.52	2.486	2.485	2.536	2.528
Denmark	2.045	2.177	–	2.387	2.508	2.575	2.485	2.452	2.463	2.538
Austria	1.781	1.9	1.941	2.067	2.14	2.258	2.255	2.443	2.456	2.565
France	2.139	2.159	2.148	2.197	2.23	2.168	2.15	2.099	2.097	2.081
Canada	1.758	1.795	1.912	2.088	2.041	2.031	2.051	2.014	1.941	1.893
Belgium	1.863	1.938	1.972	2.076	1.943	1.885	1.865	1.838	1.885	1.893
United Kingdom	1.785	1.856	1.848	1.823	1.821	1.779	1.71	1.757	1.779	–
Netherlands	1.895	1.959	1.825	1.804	1.724	1.756	1.782	1.737	1.732	1.727

Source: OECD, 2008.

To seize the above opportunities I can only stress the need to reshape policy and stop seeing the Internet and global digital connectivity as an afterthought and rather as an integral approach to conducting our social behavior in all spheres.

Returning to Gonsalves

The next stage of my research will be to develop the coefficient for measuring the rate of global digital connectivity on a national level by examining the key data options above together with the following:

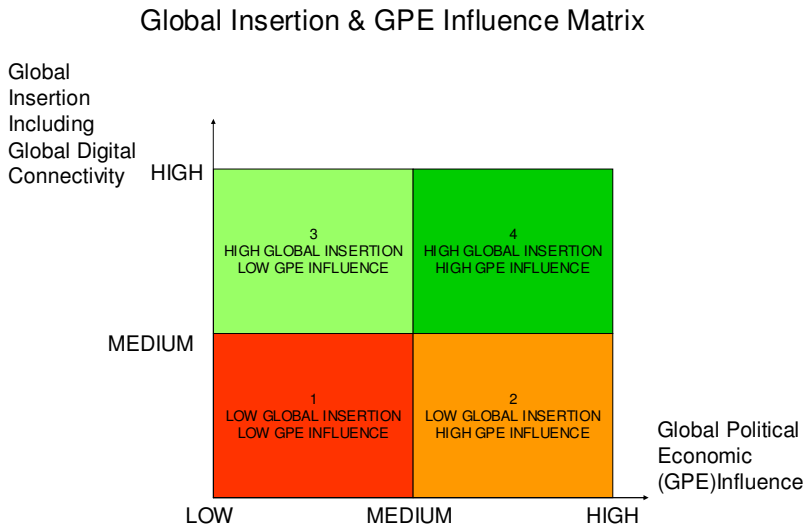
1. Number of Internet Service Providers
2. Computers per household
3. Internet connectivity per household
4. Broadband capacity on a country level

One can safely assume by the next decade the notion of e-readiness will be replaced simply by an index of digital connectivity. In other words, are you plugged in or not, as opposed to how ready you are to be plugged in.

To further Gonsalves model of global insertion by including this new measurement, there are implications as to how much weight will be given to global digital connectivity over his other coefficients. At any given rate, we can see how important this new measurement will be as a determinant for both national and foreign policy.

In this regard, I have developed the matrix below to show how we may begin to plot nations according to their degree of overall global insertion which will take into account global digital connectivity and global political economic influence. I define this type of influence along three lines:

1. The ability to reconfigure the global political economy through major seismic shifts.
2. The ability to determine and/or alter the international agenda.
3. The ability to influence global governance through multilateralism (WTO, UN structure, IMF, World Bank, Regional Development Banks, etc).



The above matrix will cluster nations into four broad groups according to their insertion and GPE influence.

- Box 1 – Countries with low insertion and low influence
- Box 2 – Countries with low insertion and high influence
- Box 3 – Countries with high insertion and low influence
- Box 4 – Countries with high influence

Once the advanced coefficient of global insertion is properly developed and plotted again the above matrix we will have a better mapping as to where we would like to be on the matrix as a region.

Conclusion

In conclusion, we are starting to see the importance of measuring a country's capability to be digitally connected. International organizations like the UN and the OECD are already giving some credence to these indicators. As such, this presentation is a very brief overview and work in progress to advance Prof. Reinaldo Gonzalves' model to measure what he defined as global insertion.

Evidence suggests that such data is available and accessible but unless our policymakers are made cognizant of, or willing to embrace, this fourth dimension of global insertion, it will never be aggregated into meaningful information to advance economic development policy within the Caribbean region.

We also saw that despite the region's culture of conservatism there are some natural advantages (speaking English, good primary and secondary education, political stability) we have that can help up to achieve further insertion into the global political economy by way of policies and actions to plug in the global digital connectivity.

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Biography:

***Ian W. Walcott**, (**B. Sc., M.A., M.Sc**.) currently manages the Brazilian operation of the USA based project management training and consultancy firm, the **International Institute for Learning**. He was the former Senior Business Development Officer at the **National Cultural Foundation** where he designed, implemented and managed Barbados' **Cultural Action Fund** which provided project funding to the cultural industries. He has also lectured in the discipline of Project Management and Business at the University of the West Indies.*

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*A former **OAS** research fellow in International Political Economy at the **University of Brasilia**, Brazil, Mr. Walcott also spent two years at the **International Univeristy of Japan** specializing in Comparative Business & Management and has worked in the areas of marketing, banking and finance in Venezuela and Barbados. A member of the International Association of Theatre Critics (IATC), his spare time is dedicated to the development of the theatre arts in the Caribbean.*