



# ECONOMIC DEVELOPMENT CHALLENGES IN THE CARIBBEAN: LOOKING TOWARDS 2030\*

*By Andrew S Downes PhD*

*Professor Emeritus of Economics*

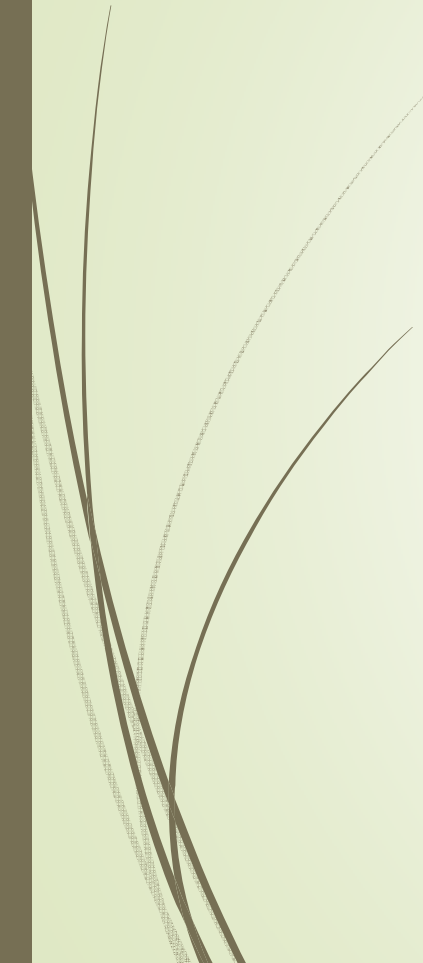
*University of the West Indies*

[asdownes@yahoo.com](mailto:asdownes@yahoo.com)

*\*Keynote Address, COTE Conference, October 10, 2018, UWI St Augustine.*



# OUTLINE OF THE PRESENTATION

- ▶ Introductory Statement
  - ▶ The Nature of Economic Development
  - ▶ Economic Development Experience in the Caribbean
  - ▶ Economic Development Planning and the Sustainable Development Goals (SDGs) in the Region
  - ▶ The Way Forward for the Caribbean.
- 



# INTRODUCTORY STATEMENT

- ▶ Over the last seven decades or so, the Caribbean countries have performed fairly well on the economic and social fronts compared with other developing countries. Many of these countries have achieved an **international “middle income” status/profile** and have graduated from special development assistance.
- ▶ Yet in recent years the region has been described as:
  - ▶ **“underachieving”** (Farrell on T&T);
  - ▶ Suffering from a **“Caribbean Sclerosis”** (Ruprah et al)
  - ▶ Constrained by the existence of an **“anti-growth coalition”** of old established businesses and public sector bureaucracy (Persaud)
  - ▶ Caught in a **“middle income trap”** (Downes)



# INTRODUCTORY STATEMENT



- ▶ While the per capita incomes of several countries are relatively high and the region has a good international profile, there has been a **slow down of economic growth** over the last few decades.
- ▶ What are the **reasons** for this situation?
  - ▶ The **policies** adopted by governments?
  - ▶ The operation of the **institutions** of development and economic management?
  - ▶ The **geographical** location of the region? (environmental shocks, Singapore effect)
  - ▶ The **behaviour** of economic agents? ( **We Like It So!** -Farrell)
  - ▶ The **quality** of economic management and human resources?
- ▶ In recent years, **several studies** have been published by the IADB, CDB, IMF on the macroeconomic management and economic development issues facing the region {see slide below}



# THE NATURE OF ECONOMIC DEVELOPMENT

- ▶ **Economic Development** can be considered as *a long term (on-going) dynamic process whereby the economic, social and institutional mechanisms of a country operate in such a way that the level and quality of living of the population are improved over time*
- ▶ It is a **multi-dimensional** concept which incorporates both **economic** and **non-economic** factors [ see W A Lewis: *The Theory of Economic Growth*, 1955]
- ▶ In the 1990s, the UNDP introduced the concept of “**human development**” which is *the process of widening people’s choices* ( i.e. to lead long and healthy lives, to acquire knowledge and to have access to resources needed for a decent standard of living) and *giving people the freedom and opportunities to exercise these choices* ( ie voice, participation, good governance, influence, equality) [see A Sen: *Development as Freedom*, 1999]



# THE NATURE OF ECONOMIC DEVELOPMENT

- ▶ The UNDP recently introduced the concept of “**multi-dimensional progress**” which reflects well-being beyond income and widens the human development concept to include *the rights of people* and *environmental sustainability of the planet*.
- ▶ **Economic Development** can therefore be viewed as *Economic Growth + Improvements in the Quality of Life + the Ability to Realize ones Full Potential*.
- ▶ It can take decades or generations to realise the gains of the process — **long term** in nature
- ▶ The Path is non-linear with an upward trend so that the **leadership** ( setting the vision) and **economic management** ( keeping track of movement along the trend) are critical –the **dynamics** of the process.
- ▶ This wider concept of economic development magnifies the challenges associated with its **measurement, monitoring and achievement**



# THE NATURE OF ECONOMIC DEVELOPMENT

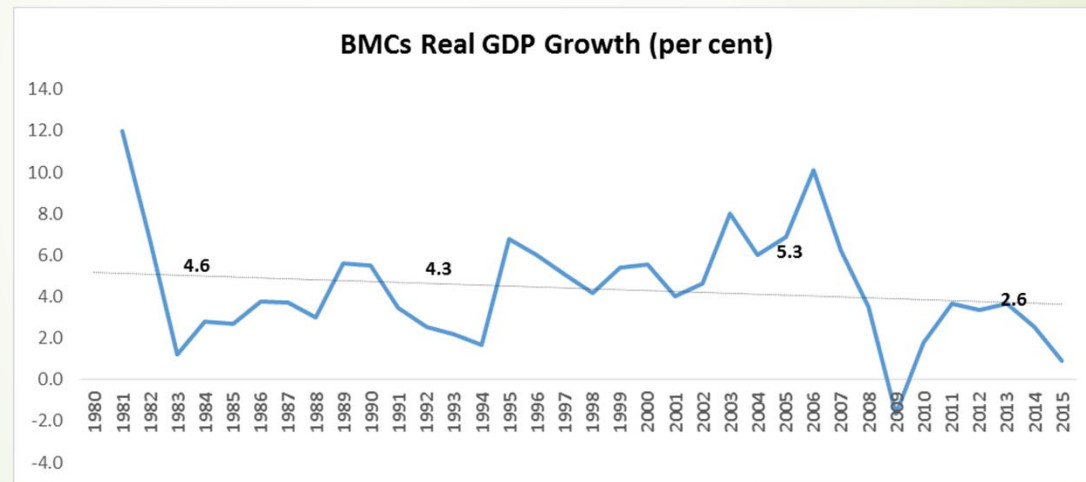
- ▶ Several writers have specified the **features of the economic development process in measurable terms**:
  - *Rising per capita income ( associated with economic growth –the increase in the range and quantity of goods and services over time)*
  - *Changes in the production structure ( associated with the shift of resources between sectors)*
  - *Promotion of **innovation** ( new products, processes and ways) and **entrepreneurship** (recognizing opportunities and garnering resources to create value)*
  - *Reduction (and elimination) of poverty, deprivation, inequality and unemployment*
  - *Enlarging people’s choices, capabilities and freedoms via improvements in education, health and democratic participation*


# ECONOMIC DEVELOPMENT EXPERIENCE IN THE CARIBBEAN

- **ECONOMIC GROWTH:**
  - Over the period **1980 to 2016** economic growth in the region has been characterized by the following:
    - *Declining average annual growth rates ( a general **downward trend** for almost all countries):*
      - **1980-89: 3.12 %**
      - **1990-99: 2.97%**
      - **2000-09: 2.30%**
      - **2010-12: 0.78%**
      - **2012-16: 0.72%**
    - *High degree of **volatility** as measured by the standard deviation of the growth rates. Growth has been disrupted by shocks—economic and environmental ( e.g. hurricanes in Grenada and Jamaica). Case of Boom and Bust in Trinidad& Tobago.*
    - *The growth slowdown has been associated with a “**middle income trap**” where countries have been able to make the transition from low to middle income status through **sectoral diversification** but seem unable to make the big push through to the “**high income**” stage.*



# ECONOMIC DEVELOPMENT EXPERIENCE IN THE CARIBBEAN





# ECONOMIC DEVELOPMENT EXPERIENCE IN THE CARIBBEAN

## ► HUMAN DEVELOPMENT:

- Prior to the “Great Recession” during the 2008/9 period Barbados and the Bahamas were classified as “**very high**” human developed countries.
- Recent UNDP Human Development Report puts Bahamas and Barbados back into the “**very high**” [even given the economic challenges facing Barbados]
- The human development index goes beyond economic growth to consider the process of enlarging people’s choices in relation *to living long healthy lives ( life expectancy at birth), the acquisition of knowledge ( years of schooling) and having a decent standard of living ( income per capita).*

# ECONOMIC DEVELOPMENT EXPERIENCE IN THE CARIBBEAN


**Human Development Index for the Caribbean Countries 1990-2015  
(Value)**

<b>Country</b>	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2015</b>	<b>2015 (Rank)</b>
<b>Antigua&amp;Barbuda</b>	..	..	<b>0.782</b>	<b>0.783</b>	<b>62 High</b>
<b>The Bahamas</b>	..	<b>0.778</b>	<b>0.778</b>	<b>0.792</b>	<b>58 High</b>
<b>Barbados</b>	<b>0.714</b>	<b>0.750</b>	<b>0.780</b>	<b>0.795</b>	<b>54 High</b>
<b>Belize</b>	<b>0.648</b>	<b>0.677</b>	<b>0.700</b>	<b>0.706</b>	<b>103 High</b>
<b>Dominica</b>	..	<b>0.695</b>	<b>0.722</b>	<b>0.726</b>	<b>96 High</b>
<b>Grenada</b>	..	..	<b>0.741</b>	<b>0.754</b>	<b>79 High</b>
<b>Guyana</b>	<b>0.541</b>	<b>0.606</b>	<b>0.624</b>	<b>0.638</b>	<b>127 Medium</b>
<b>Jamaica</b>	<b>0.651</b>	<b>0.680</b>	<b>0.722</b>	<b>0.730</b>	<b>94 High</b>
<b>St Kitts &amp; Nevis</b>	..	..	<b>0.741</b>	<b>0.765</b>	<b>74 High</b>
<b>St Lucia</b>	..	<b>0.684</b>	<b>0.733</b>	<b>0.735</b>	<b>92 High</b>
<b>St Vincent &amp; Grenadines</b>	..	<b>0.673</b>	<b>0.712</b>	<b>0.722</b>	<b>99 High</b>
<b>Trinidad &amp; Tobago</b>	<b>0.670</b>	<b>0.715</b>	<b>0.774</b>	<b>0.780</b>	<b>65 High</b>

# ECONOMIC DEVELOPMENT EXPERIENCE IN THE CARIBBEAN


## ► DEVELOPMENT TRANSITION AND COMPETITIVENESS:

- **Using the World Economic Forum *classification of development stages*:**
  - **Stage 1 ( *factor-driven economies***-country relies on largely unskilled labour and its factor endowments (mainly its natural resources)—**Guyana**
  - **Stage 2 ( *efficiency-driven economies***-country develops “more efficient production processes and increase product quality”)—**Jamaica and Suriname**
  - **Stage 3 ( *innovation-driven economies***-country competes on the “most sophisticated processes” and innovate new ones.)
- **Barbados and Trinidad and Tobago are transitioning from Stage 2 to 3 ( Recent report has T&T in Stage 3)**
- **Global Competitiveness Index for Selected Caribbean Countries 2006/7 to 2016/7 (Rank)**
  - *Some slippage in the competitiveness of some countries*




# ECONOMIC DEVELOPMENT EXPERIENCE IN THE CARIBBEAN

Country	2006-7 (121 countries)	2009-10 (131 countries)	2012-13 (144 countries)	2016-17 (138 countries)	Current Stage of Development
Barbados	41	44	44	72	Transition from Efficiency to Innovation
Jamaica	67	91	97	75	Efficiency
Trinidad & Tobago	76	88	84	94	Innovation
Guyana	113	104	109	n.a	Factor to Efficiency



# ECONOMIC DEVELOPMENT EXPERIENCE IN THE CARIBBEAN

- ▶ The Global Competitiveness Reports also provide areas which affect the conduct of business in respective countries and hence the constraints on enhancing productivity and economic growth. Over the period 2013 to 2015, the “*most problematic factors for doing business*” in the region were:
  - ▶ **Barbados:** poor work ethic in the national labour force, **inefficient government bureaucracy**, access to finance and tax rates;
  - ▶ **Guyana:** corruption, tax rates, crime and theft and **inefficient government bureaucracy**;
  - ▶ **Jamaica:** crime and theft, **inefficient government bureaucracy**, corruption and tax rates;
  - ▶ **Trinidad and Tobago:** poor work ethic among the national labour force, corruption, **inefficient government bureaucracy**, crime and theft and foreign currency regulations.
- ▶ These factors point to the need to change or reform the administrative and social environments within which business is conducted within the region. NB: there might be **intra- business challenges** which need to be considered.




# ECONOMIC DEVELOPMENT EXPERIENCE IN THE CARIBBEAN

## ► SOCIO-ECONOMIC DEVELOPMENT:

- High level of poverty and in some cases increases in the level of **poverty** over the past decade (Bahamas, Barbados, Guyana, Trinidad & Tobago)—over 20% of the population living in poverty.
- Moderate levels of **income inequality** as shown by the Gini Coefficient—most countries under 0.40.
- Significant levels of **informality** with over 30% of GDP in most countries
- High level of **unemployment** especially among the youth
- There is a need for better data on socio-economic variables (**development statistics**)

COUNTRY	POVERTY Rate (% of population)	INEQUALITY (GINI COEFF. With 0=Equality)	INFORMALITY (% of GDP) 2009-2011	UNEMPLOYMENT (% in 2017)
Antigua/Barbuda	18.7(2007)	48(2007)	27.2	14.1(2015)
Bahamas	9.3(2001) 11.39 (2013)	57(2001) 41.91 (2013)	22.6	10.0
Barbados	19 (2010) 25.69(2016)	47(2010) 32.23(2016)	39.7	10.2
Belize	41.3(2009)	36(2009)	34.7	9.4
Dominica	28.8(2009)	44(2009)	36.8	13.9
Grenada	37.7(2008)	37(2008)	27.3	24.0
Guyana	36.1(2006) 41.2(2017)	35(2006) 36.4(2017)	33.5(1999-2007)	12.0
Jamaica	20 (2012) 21.19(2015)	38(2012) 37.44(2015)	36.1	10.4
St Kitts & Nevis	23.7/15.9(2008/9)	38 (2008/9)	30.8	5.1(2008)
St Lucia	28.8 (2005)	42(2005)	35.8	20.0
St Vincent	30.2(2007/8)	40(2007/8)	34.9	25.0(2015)
Suriname	47.2(2012) 26.10(2017)	--(43.79(2017)	41.9(1999-2007)	9.1
Trinidad/Tobago	15.5(2005) 24.5(2014)	39(2005) 42.22(2014)	44.3	5.0





# ECONOMIC DEVELOPMENT EXPERIENCE IN THE CARIBBEAN

## ► MACROECONOMIC MANAGEMENT:


- Over the past decade several countries have experienced increases in their **fiscal deficits** and significant growth in their **debt to GDP ratios** ( given low growth rates)
- **Foreign exchange reserves** have been under pressure with volatile export prices and fall in export demand
- **Inflation rates** have been moderate in most countries
- Some countries have had to seek **IMF assistance** ( balance of payments support to cover external shocks and to accommodate foreign reserves shortfalls due to fiscal imbalances)
- Some improvement in Grenada, St Kitts/Nevis, Antigua & Barbuda and Jamaica
- Barbados has just entered a 4 year programme.

COUNTRY	Debt to GDP Ratio 2013 (%)	Debt to GDP Ratio 2017(%)	Public Sector Primary Balance (% of GDP) 2017
Antigua/Barbuda	95	78	-0.9
The Bahamas	56	73	-3.5
Barbados	108	157	3.7
Belize	76	94	-1.2
Dominica	73	73	10.5
Grenada	116	66	5.8
Guyana	58	45	-3.3
Haiti	20	33	-0.6
Jamaica	143	113	7.0
St Kitts/Nevis	100	65	2.8
St Lucia	74	67	0.7
St Vincent	73	77	-0.2
Trinidad/Tobago	33	60	-8.0
Suriname	27	42	5.0

# ECONOMIC DEVELOPMENT EXPERIENCE IN THE CARIBBEAN

## IMF Lending Arrangements in the Caribbean

COUNTRY	TYPE OF PROGRAM	PERIOD
Antigua/Barbuda	Stand-by Arrangement(SBA)	2010-2013
Barbados	Extended Fund Facility(EFF)	2018-2022
Grenada	Enhanced Credit Facility (ECF)	2010-2013 2014-2017
Jamaica	EFF SBA	2013-2016 2016-2019
St Kitts and Nevis	SBA	2011-2014
Suriname	SBA	2016-2018 (cancelled in May 2017)



# ECONOMIC DEVELOPMENT EXPERIENCE IN THE CARIBBEAN


- ▶ The World Bank's *Doing Business* reports also indicate that the region has significant challenges with respect to undertaking business transactions that contribute to economic growth in the region
- ▶ The rankings for the Caribbean suggest some **degree of deterioration** over the 2008 to 2017 period with only Jamaica holding its own
- ▶ The region has some way to go especially in the areas of *registering property, resolving insolvency, getting credit, enforcing contracts and protecting minority investors.*

Ranking on the “Ease of Doing Business” in the Caribbean

Country	2008	2017	2017 Distance to Frontier Score
Antigua&Barbuda	41	113	58.04
The Bahamas	n.a	121	56.65
Barbados	n.a	117	57.42
Belize	59	112	58.06
Dominica	77	101	60.27
Grenada	70	138	53.75
Guyana	104	124	56.26
Jamaica	63	67	67.54
St Kitts & Nevis	64	134	53.96
St Lucia	34	86	63.13
St Vincent & Grenadines	54	125	56.01
Trinidad & Tobago	67	96	61.00
Singapore	1	2	84.50


**Average Ranking of Doing Business Indicators for the Caribbean**

<b>INDICATOR</b>	<b>Rank in 2013</b>	<b>Rank in 2016</b>	<b>Distance to Frontier 2016</b>
<b>Starting a Business</b>	<b>74</b>	<b>87</b>	<b>83.06</b>
<b>Dealing with Construction Permits</b>	<b>58</b>	<b>97</b>	<b>67.03</b>
<b>Getting Electricity</b>	<b>53</b>	<b>74</b>	<b>72.00</b>
<b>Registering a Property</b>	<b>139</b>	<b>144</b>	<b>47.47</b>
<b>Getting Credit</b>	<b>92</b>	<b>112</b>	<b>39.62</b>
<b>Protecting Investors</b>	<b>67</b>	<b>92</b>	<b>50.64</b>
<b>Paying Taxes</b>	<b>100</b>	<b>112</b>	<b>68.55</b>
<b>Trading Across Borders</b>	<b>81</b>	<b>95</b>	<b>69.81</b>
<b>Enforcing Contracts</b>	<b>123</b>	<b>90</b>	<b>57.22</b>
<b>Resolving Insolvency</b>	<b>106</b>	<b>114</b>	<b>35.14</b>
<b>TOTAL NUMBER OF COUNTRIES</b>	<b>185</b>	<b>189</b>	



# ECONOMIC DEVELOPMENT EXPERIENCE IN THE CARIBBEAN

- ▶ The “**distance to frontier score**” measures “the distance of each economy to the ‘frontier’, which represents the best performance observed on each of the indicators across all economies in the *Doing Business* sample since 2005
- ▶ The macroeconomic management/stabilisation concerns in the respective countries (brought about by the effects of the “**Great Recession**”) have affected the economic development path of several countries.
- ▶ There has been the on-going **balancing act** between economic development ( long term) and macroeconomic management/stabilization ( short term) concerns. In many cases, **strategic development plans** have been aborted or ignored after preparation especially after a macroeconomic shock.




# ECONOMIC DEVELOPMENT PLANNING AND THE SUSTAINABLE DEVELOPMENT GOALS (SDGS) IN THE REGION

- ▶ There are several **general challenges** facing the region including:
  - ▶ *Climate change and its effects on the SIDS of the region*
  - ▶ *Volatile commodity prices for exports such as oil*
  - ▶ *The role of China in the region and the effects of Brexit*
  - ▶ *Poverty and Deprivation*
  - ▶ *Crime Drugs and Violence*
  - ▶ *The opening up of Cuba*
  - ▶ *The challenges with the international financial and business sector ( eg OECD)*
  - ▶ *Technology ( eg digitalization) and the disruptive nature*
  - ▶ *Good governance and education*
  - ▶ *Health care esp NCDs*
  - ▶ *Demographic changes*


[Calmera and Goede, 2015]:





# ECONOMIC DEVELOPMENT PLANNING AND THE SUSTAINABLE DEVELOPMENT GOALS (SDGS) IN THE REGION


- ▶ In addition there are **specific economic development challenges**:
  - ▶ *Increasing productivity and breaking the “middle income trap”—identifying new industries to replace the old---green, blue and orange economic activities (diversification challenge) and creating new employment opportunities in the private sector*
  - ▶ *Reducing public indebtedness and creating fiscal space for promoting growth and development via crowding-in policies*
  - ▶ *Removing or streamlining government regulations and “red tape” which increases the transactions costs of doing business*
  - ▶ *Accessing finance to promote innovation and entrepreneurship in the private sector*
  - ▶ *Increasing the capacity to take advantage of the provisions of trading agreements*
  - ▶ *Building resilience in the infrastructure*
  - ▶ *Promoting greater inter-regional economic cooperation and stemming emigration from the region*
  - ▶ *Synchronizing regional goals with global goals*
- ▶ *These challenges are inter-related and hence a framework is needed to resolve them.*



## ECONOMIC DEVELOPMENT PLANNING AND THE SUSTAINABLE DEVELOPMENT GOALS (SDGS) IN THE REGION


- These challenges require the coordination of macroeconomic stabilisation management and economic development policies and programmes
- The region has international obligations which must be taken into consideration ( i.e. **the seventeen (17) Sustainable Development Goals SDGs—2015-2030**)
- The region made reasonably good progress with **the eight (8) Millennium Development Goals (MDGs)—2000 to 2015**
- The SDGs build on the MDGs by considering— *climate change, economic inequality, innovation, sustainable consumption and peace and justice*
- Trinidad & Tobago and Jamaica have prepared Development Plans which have a **Vision 2030** component
- Trinidad & Tobago has linked their plan to the SDGs

SDG	MDG
1. No Poverty	#1 Eradication of Extreme Poverty & Hunger
2. Zero Hunger	#1 Eradication of Extreme Poverty & Hunger
3. Good Health and Well Being	#4 Reduce Child Mortality #5 Improve Maternal Health #6 Combat HIV/AIDS, Malaria and other diseases
4. Quality Education	#2 Achieve Universal Primary Education
5. Gender Equality	#3 Promote Gender Equality and Empower Women
6. Clean Water and Sanitation	
7. Affordable and Clean Energy	
8. Decent Work and Economic Growth	
9. Industry, Innovation and Infrastructure	
10. Reduced Inequalities	
11. Sustainable Cities and Communities	
12. Responsible Consumption and Production	
13. Climate Change	
14. Life Below Water	
15. Life on Water	
16. Peace, Justice and Strong Institutions	
17. Partnership for the Goals	# Develop a Global Partnership for Development



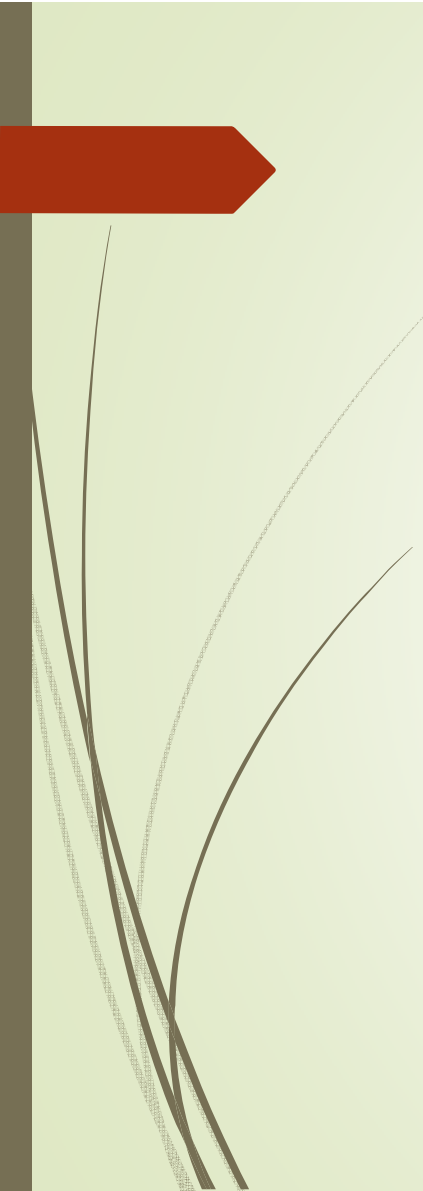
## ECONOMIC DEVELOPMENT PLANNING AND THE SUSTAINABLE DEVELOPMENT GOALS (SDGS) IN THE REGION

Trinidad & Tobago- VISION 2030 PILLARS	SDGs 2030
1. People First: Nurturing Our Greatest Asset	# 1,2, 3, 4, 5, 8, 10, and 16
2. Good Governance and Service Excellence	# 5, 8, 10, 11, 16
3. Quality Infrastructure and Transport	#6, 8, 9, 11, 12, 13, 14, 15
4. Building Globally Competitive Businesses	# 1, 7, 8, 9, 10, 11, 12
5. Placing Environment at the Centre of Development	#6, 8, 11, 12, 13, 14. 15




## ECONOMIC DEVELOPMENT PLANNING AND THE SUSTAINABLE DEVELOPMENT GOALS (SDGS) IN THE REGION

- ▶ The region has “agreed” with a subset of the SDGs which can form the basis of a regional development plan with national elements
- ▶ These goals meet the various **economic development challenges** facing the region:
  - ▶ *Growth and productivity/diversification*
  - ▶ *Poverty and deprivation*
  - ▶ *Human resources development ( health, education and nutrition)*
  - ▶ *Alternative energy*
  - ▶ *Good governance and institutional development*
  - ▶ *Climate change and sustainable development*

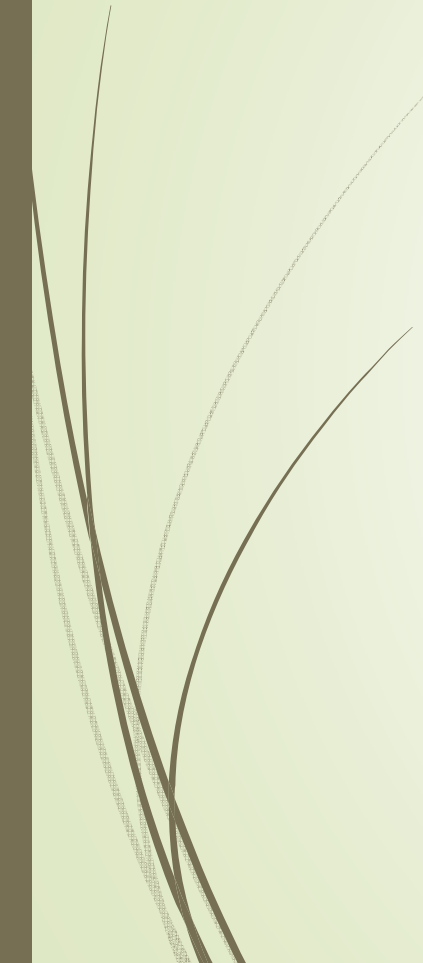



## ECONOMIC DEVELOPMENT PLANNING AND THE SUSTAINABLE DEVELOPMENT GOALS (SDGS) IN THE REGION

- **PRIORITY AREAS/SDGs FOR THE CARIBBEAN** (UNECLAC Meeting October 2015)
  - **GOAL 1:** End hunger, achieve food security and improved nutrition and promote sustainable agriculture;
  - **GOAL 2:** Ensure healthy lives and promote well-being for all ages
  - **GOAL 3:** Ensure inclusive and equitable quality education and promote life long opportunities for all
  - **GOAL 4:** Ensure gender equality and empower all women and girls
  - **GOAL 5:** Ensure access to affordable, reliable, sustainable and modern energy for all
  - **GOAL 6:** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work



## ECONOMIC DEVELOPMENT PLANNING AND THE SUSTAINABLE DEVELOPMENT GOALS (SDGS) IN THE REGION

- **GOAL 7:** Build resilient infrastructure, promote inclusive and sustainable industrialization and services development and foster innovation
  - **GOAL 8:** Reduce inequality within and among nations
  - **GOAL 9:** Take urgent action to combat climate change and its impacts
  - **GOAL 10:** Conserve and sustainably use the oceans, seas and marine resources for sustainable development
  - **GOAL 11:** Build effective, accountable and inclusive institutions at all levels, provide access to justice for all and promote peaceful and inclusive societies
  - **GOAL 12:** Strengthen the means of implementation and revitalize the global partnership for sustainable development
- 



## ECONOMIC DEVELOPMENT PLANNING AND THE SUSTAINABLE DEVELOPMENT GOALS (SDGS) IN THE REGION

- Development Plans and Strategies are available:
  - [Barbados](#): National Strategic Plan and Medium Term Strategy for Growth and Development
  - [Jamaica](#): Vision 2030 Strategic Plan
  - [Trinidad & Tobago](#): Vision 2030 Strategic Plan
  - [OECS](#): Development Strategy
  - [CARICOM](#): Strategic Plan for Regional Development (SPRD) with its Single Development Vision for the region
- These Plans and Strategies have identified **Renewable Energy, Creative Sector, New Manufacturing, Agro-processing, ICT/Digital Technology, Specialty Tourism, Transportation and International Business** as key areas of the **New Growth and Development** path in the region
- Revisions and updating of these plans would be needed in light of technological and other developments ( eg the **Knowledge economy** and the **Fourth Industrial Revolution**)





# THE WAY FORWARD FOR THE CARIBBEAN

- ▶ The **framework** to deal with the economic development challenges facing the region would incorporate a **combination** of:
  - ▶ **Appropriate policies** to guide private sector production and public sector activities
  - ▶ **Efficient and effective institutions**
  - ▶ **Behavioural change**
  - ▶ **Leadership at all levels**
- ▶ Need to **assess the studies** that have already been undertaken to see what information is needed to design the appropriate policies, programmes and institutions (no need to re-invent the wheel)—see work of Compete Caribbean



# THE WAY FORWARD FOR THE CARIBBEAN

- Re-commit to **strengthening the CSME** as a vehicle for production integration, cluster development and extra-regional marketing at the upcoming review meeting– the **Single Development Vision [SDV]**
- Achieve and maintain some degree of **macroeconomic stability** ( fiscal and BOP accounts, inflation, debt management) which is critical for economic growth—ongoing in some countries with IMF assistance
- Review/Upgrade/Prepare **development plans ( national and regional) based on the agreed SDGs** for the region [ re-look the **Strategic Plan for Regional Development-SPRD**]
- Clarify the **roles of the private sector, government and other stakeholders** in the development process



# THE WAY FORWARD FOR THE CARIBBEAN

- ▶ Develop **strategies** for the following areas:
  - ▶ **HDR**---especially for frontier/new age skills needed in new industries—link with universities and training institutions
  - ▶ **Trading and marketing**—strengthening diplomatic and trade links, e-commerce and trade agreements etc to promote exports
  - ▶ **Development finance**—especially for new industries (role of CDB, credit unions etc)
  - ▶ **Institutional reform**—to facilitate business transactions, enhance productivity and promote greater use of ICT and stakeholder empowerment
  - ▶ **Investment** - promotion of saving and investment instruments, FDI, PPPs,etc
  - ▶ **Innovation and entrepreneurship**—incentives to promote these areas
  - ▶ **Human security, social protection and governance**- to reduce crime and violence, provide for the poor and deprived and promote empowerment and participation
  - ▶ **Implementation and monitoring**—to overcome the implementation deficit which bedevils the region
  - ▶ **Change management**—behavioural change to fit new development strategies



# THE WAY FORWARD FOR THE CARIBBEAN

- The way forward for the region in meeting and overcoming the economic development challenges would require:
  - *More concrete action and less grandiose talk*
  - *Political will and commitment*
  - *Trust and partnership among stakeholders*
  - *Sequencing of responses given inter-relatedness*
  - *Behavioural change of the participants*
  - *Good information (data) system for monitoring*



## SOME USEFUL REFERENCES

1. IDB: *Caribbean Region Quarterly Bulletin*: vol.7, Issue 3, September 2018 ( Development Challenges in the Caribbean)
2. Beuermann D W and Schwartz M J (2018): *Nurturing Institutions for a Resilient Caribbean* ( IADB)
3. Ruprah I J and Sierra R (2016): *Engine of Growth? The Caribbean Private Sector Needs More Than an Oil Change* ( IADB)
4. Ruprah I J et al (2014) *Is There a Caribbean Sclerosis? Stagnating Economic Growth in the Caribbean* (IADB)
5. Caribbean Development Bank (2017) : *Enhancing Productivity and Growth in the Caribbean*
6. Carneiro F G and Odawara R (2016): *Taming Volatility: Fiscal Policy and Financial Development for Growth in the Eastern Caribbean* (World Bank)
7. Alleyne T et al (2017) *Unleashing Growth and Strengthening Resilience in the Caribbean* (IMF)



■ *Thank You for Your Invitation and Attention*

