The Caribbean Outlook

From vulnerability to resilience: creating the Caribbean we want

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The major interlinked challenges

ENVIRONMENTAL
- Natural hazards
- Climate change

SOCIAL
- Poverty and inequality
- Low quality of education
- High unemployment
- Children out of school
- Emigration
- Older persons and rising citizen security
- NCDs

ECONOMIC
- Low economic growth and declining export competitiveness
- Weak exports
- High debt
- Falling FDI
- Diminishing ODA
- De-risking
Cross-cutting issues to advance sustainable development

Partnerships for sustainable development

ICTs for development

Data for evidence-based decision-making

Mainstreaming a gender perspective
Persistent weak economic growth that undermines human development gains in the Caribbean subregion

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

a Anguilla, Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, and Trinidad and Tobago.
The Caribbean subregion fell behind other developing countries, and the global economy, both in its goods and services exports.

World and selected groupings: merchandise exports, 2005–2015

(Average annual growth rates)

The unsustainably high levels of debt accumulated across the economies of the subregion are acknowledged as the most critical issue it must address.

**The Caribbean (15 countries):** average total public debt for goods and service producers

*Percentages of GDP*

**The Caribbean (13 countries):** ratios of total debt service to government revenue and external debt services to goods and services exports

*Percentages*

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**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

*Notes:*

- Anguilla, Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, and Trinidad and Tobago.
Overview of Caribbean debt: where we are now

The Caribbean (14 countries): public debt and fiscal balance, 2017
(Percentages of GDP)

Debt-to-GDP ratio

Overall fiscal balance

Composition of total public debt, 2017
(Percentages of GDP)

External    Domestic
The subregion has also experienced a substantial fall in foreign direct investment (FDI)

The Caribbean (15 countries): a foreign direct investment inflows
(Percentages of GDP)

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

a Anguilla, Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, and Trinidad and Tobago.
Increasing difficulty in mobilizing resources from established partners for financing development

The Caribbean (13 countries): net official development assistance received, 1960-2016
(Percentages of gross national income)


* Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname and Trinidad and Tobago.
Social challenges

Addressing poverty and inequality

Advancing women’s empowerment

Investing to improve human capital
  • mobilizing resources
  • tackling delinquency

Tackling high levels of unemployment

Enhancing social protections and addressing the needs of older persons

Addressing NCDs
The Caribbean subregion must tackle poverty, inequality, and unemployment, especially among youth.

The Caribbean (14 countries): population below national poverty line, unemployment rate and youth unemployment (Percentages)

Women are taking advantage of educational opportunities and are outperforming men at all educational levels, particularly in tertiary education...

The Caribbean (10 countries): gross enrolment ratio, tertiary education, both sexes 2008-2014

(Percentages)

Source: World Bank and UNESCO Institute for Statistics, on the basis of data available for Antigua and Barbuda, Barbados, Belize, Grenada, Guyana, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, and Suriname.
In almost all the countries analysed, women face higher levels of unemployment

The Caribbean (9 countries): unemployment rate by sex, latest year available
(Percentages of the economically active population)

Mortality in the subregion from NCDs is the highest in the Americas, with an estimated 40% of these deaths occurring prematurely in those under 70

The Caribbean (15 countries and territories): deaths due to non-communicable diseases (NCDs) and population aged 60 and over, around 2010

(Percentages of all deaths)

Challenges to the efficiency and delivery of education systems

- Inefficient use of education resources, poor outcomes
- High levels of emigration
- Child labour issues
The low uptake rate of the Secondary Education Certificate reflects the low degree of preparedness of students.

The Caribbean (16 countries):\textsuperscript{a} candidates achieving general proficiency grades\textsuperscript{b} in the Caribbean Secondary Education Certificate (CSEC), 2014-2016


\textsuperscript{a} Anguilla, Antigua and Barbuda, Barbados, Belize, British Virgin Islands, Cayman Islands, Dominica, Grenada, Guyana, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Trinidad and Tobago, and Turks and Caicos Islands.

\textsuperscript{b} Grades I-III.
Out-of-school children and youth are exploited for labour in the informal sector

The Caribbean (selected countries): child labour by sex and type of work, age groups 5–11, various years

(Percentages of all children in age group)

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of data from the United Nations Children’s Fund (UNICEF) and official figures from the respective countries.

a On the basis of multiple indicator cluster surveys (MICS).
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The environmental challenges

Mitigation strategies:
- Protection of biodiversity
- Coastal protection and coastal tourism
- Energy transition through renewable-energy and energy-efficient technologies and strategies
- Sustainable transportation
- Water resources and solid waste management

Natural Disasters → Climate Change
The second most hazard-prone region in the world

Disaster-related costs are expected to escalate in the face of population growth, rapid urbanization, increased exposure of assets and climate-change-related phenomena.

The Caribbean (29 countries and territories):\(^a\) number of disasters caused by storms and number of affected countries, 1970-2017


\(^a\) Anguilla, Antigua and Barbuda, Barbados, Bahamas, Belize, Bermuda, British Virgin Islands, Cayman Islands, Cuba, Dominica, Dominican Republic, Grenada, Guadeloupe, Guyana, Haiti, Jamaica, Martinique, Montserrat, former Netherlands Antilles, Puerto Rico, Saint Kitts and Nevis, Saint Martin, Saint Lucia, Saint Vincent and the Grenadines, Sint Maarten, Trinidad and Tobago, Turks and Caicos Islands, and United States Virgin Islands.

The Caribbean (29 countries and territories):\(^a\) damage caused by storms, 1973-2017

(Billions of dollars)

ECLAC is advocating debt relief based on a Caribbean Resilience Fund and pledged resources from the Green Climate Fund

- Debt swap for climate change adaptation to reduce multilateral/private debt
- Establish a **Caribbean Resilience Fund** to restore and rebuild new infrastructure after disasters, joining forces with Mexico and FAO to provide:
  - **Countercyclical funds and insurance schemes** to address external shocks, as Caribbean countries are unable to borrow on concessional terms to rebuild, paying market rates instead
  - Investment projects focused on infrastructure in coastal areas adapted to climate change
Critical elements of the strategic approach

The heterogeneity of Caribbean debt makes a one-size-fits-all solution highly unlikely.

The Green Climate Fund is a key player in the ECLAC initiative.

The modalities and location of the Caribbean Resilience Fund.

A regional undertaking, which may be implemented at the national level through country-specific swaps?

Political advocacy as well as meaningful dialogue with creditors.
Give priority to the Caribbean and mobilize Latin American support

- Improving access to finance to jump start growth
- Forging regional links to develop value chains
- Investing sustainably in the blue economy
- Investing in the creative industries
- Cultivating the private sector and promoting women in SMEs
- Developing skills, especially among the youth
- Promoting sustainable energy
- Building climate-resilient infrastructure
Challenges to achieving sustainable development with equality

- Industrial restructuring
- Investing in appropriate technology and human capital to improve competitiveness
- Improving conditions for the private sector
- Promoting disaster risk management in all aspects of policymaking
- Addressing challenges posed by population ageing, health pandemics and citizen insecurity
Principal outcomes of the Caribbean Development Roundtable and CDCC

• Operationalization of the Debt Swap Initiative
• Strategic advocacy on de-risking
• Reaffirmed commitment to achieving the SDGs and implementing the SIDS agenda
• Capacity-building for national statistical systems to bridge the data gap
• Continued support for resilience-building and Damage and Loss Assessment (DaLA) training
• Approval of the draft programme of work, 2020, for the Caribbean
Policy considerations in the light of the recommendations by the Caribbean Development Roundtable and CDCC

• The SDGs must be embedded in national development frameworks
• Subregional and regional integration must be promoted
• SIDs issues should be brought to the attention of the international community through advocacy at the regional and international levels
• Countries should support the Debt for Climate Adaptation Swap Initiative
• An advocacy strategy should be developed
• Support provided to improve debt management and secure more fiscal space