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HEADQUARTERS
FOR THE CARIBBEAN

Caribbean development report

Exploring strategies for sustainable
growth and development
in Caribbean small island States



UNITED NATIONS

E C L A C

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Abstract

The Third Meeting of the Caribbean Development Roundtable (CDR) was held by the Economic Commission for Latin America and the Caribbean (ECLAC) subregional headquarters for the Caribbean, in collaboration with the Government of Jamaica, the current chair of the Caribbean Development Cooperation Committee (CDCC). This CDR was dedicated to the memory of Professor Norman Girvan. Representatives of other Governments, regional institutions, universities and non-governmental organisations were in attendance.

The main areas for discussion at the conference were the following:

- A growth agenda for Caribbean small island developing States (SIDS).
- Addressing risk and uncertainty in Caribbean SIDS.
- Articulating the essential elements of the Caribbean SIDS response to development challenges.
- Identifying a more integral role for the private sector in sustainable development of Caribbean SIDS.
- Harnessing creative industries to drive growth in Caribbean SIDS.

The Roundtable was held against the backdrop of the difficulties faced by Caribbean SIDS in restoring growth and competitiveness to their economies following the global economic crisis of 2008-2009. Their economic weakness is exacerbated by an increased incidence and the cumulative effects of natural disasters, possibly precipitated by global climate change. As a result, progress made in the achievement of the Millennium Development Goals (MDGs) can be threatened.

Their status as middle income countries according to World Bank criteria has masked the severity of the problems that they face and has excluded them from being assessed for debt forgiveness and concessional finance, notwithstanding their being among the most indebted countries in the world.

The Conference recognised the substantial advances that have taken place in the provision of educational access across all levels, but bemoaned the deficiency in quality based on the performance being exhibited at the secondary level which is the gate way to the labour market for many and the base

for post-secondary education and training. There are deficiencies at the primary and tertiary levels. Poor education levels lead to a low productivity labour force, which currently constrains Caribbean development.

The Roundtable addressed a number of themes in charting a way forward for Caribbean SIDS, namely:

- Macroeconomic reorganisation in the context of risk and uncertainty.
- Fiscal Adjustment, Stabilisation and Debt Management.
- Services, Public/Private Partnership and Development.
- Human capital formation.
- Social protection.
- Environmental Protection.

The Roundtable recommended that Caribbean SIDS embrace a new developmental agenda founded on macroeconomic stability, but also focussed on deep structural change driven by new engines of growth. These will consist of high productivity sectors based on technological innovations, and intra-regional productive linkages. The social infrastructure will need to be supported with universal social protection and capacity building machinery, that delivers a competitive labour force to the productive system.

The endemic fiscal crisis faced by Caribbean SIDS requires fundamental fiscal reforms, which are possible only with an improved governance that engages the public at large and maintains constant transparency in fiscal operations that impact the society. It is in such a context that huge issues like competitiveness reform, tax reform, pension reform, employment reform and reform of public sector accounting can be effectively addressed.

The Roundtable addressed the role of specific sectors. The Services Sector can increase its contribution to the transformation of Caribbean SIDS. Because of improved regulation and collaboration between the public and private sectors, there have been major advances in the services sector in the region: one of the best examples has been the improved telecommunications infrastructure is impacting positively the delivery of services.

It was suggested that commitment to an enabling environment by Governments will encourage innovation, improve business competitiveness and promote private sector development. However, in some cases greater incentives and public private partnerships may be required to encourage the private sector to invest in the upgrade of current activities and to search for new niches in the services sector.

At the same time, there is need for rejuvenation in the vital tourism sector, one of the services sector which has been promoted across the entire region. There is need to shift focus to a responsible tourism which respects the culture and values of the citizenry and remains sensitive to the need to protect the environment.

The Creative Industries and Copyright Sector received special focus in the Conference. Their contribution to national development and transformation has been ignored in the past in economic policy formulation. The Roundtable recognised that it is the differentiated creative experience of Caribbean people that holds the potential for the adding value in the marketed creative industry services. The Roundtable recommended therefore that the needs of the sector should become fully integrated in industrial policy formulation, although care has to be exercised in ensuring that the energy of Caribbean people is valued in and of itself, irrespective of market valuations.

It was recognised that social protection in a period of slow growth and severe resource limitations remains critical in sustainable development. The experience with the Jamaica Social Investment Fund (JSIF) stands out as an example for emulation by other Caribbean SIDS in poverty mitigation and empowerment among the most defenceless in society.

JSIF has been a vehicle in which, through its transparent arrangements, resources from outside of the Government, have been mobilised. Under the umbrella of JSIF, support has been forthcoming from

the private sector, NGOs and the wider international community in assisting the poor to graduate out of poverty, and in breaking the cycle of intergenerational poverty-

The Roundtable examined the role of human resource strategies in development and stressed the need for curriculum reform in the school system to empower students to acquire information independently in advancing their own knowledge base, and a shift in focus to lifelong learning and to continuing work-force upgrading.

The Roundtable placed considerable emphasis on the environmental challenge facing small states. It was agreed that environmental protection and mitigating risks have to be high on the agenda of Caribbean SIDS. Even though they might not have been major culprits in the degradation and global warming, they can make a major contribution to the protection of the environment.

This can be done through strong advocacy on the threats and challenges of climate change, especially for small vulnerable states. There are a number of proposed interventions that can contribute to sustainable development and save on expenditures on fossil fuels, and result in a net saving to society. The three island initiative in thermal power being undertaken by Martinique, Dominica and Guadeloupe illustrates a virtuous dynamic that is worthy of emulation among other SIDS.

The Roundtable recommended initiatives at the wider international level. There is need for Caribbean SIDS to agitate through international diplomacy for their development agenda, to be placed firmly before the international community. Their special circumstances have to be taken into account in developing post 2015 strategic goals. In that regard, the designation of 2014 as the year for Small Island Developing States is an opportune time to place their agenda and challenges before the international community.

In sum, the Third Meeting of the Caribbean Roundtable treated with challenges facing Caribbean SIDS as they prepare for the post-2015 agenda. The Meeting provided an opportunity for examining and coordinating the interrelations among the economic, social and environmental strategies for stimulating growth and resilience at the present time.

I. Introduction

The Third Caribbean Development Roundtable, 23-24 April 2014, was held under the theme “Exploring strategies for sustainable growth and development in Caribbean Small Island Developing States (SIDS).” The Roundtable focused on challenges faced in stimulating growth and creating a capacity for resilience among the Caribbean SIDS.

The conference examined the continuing challenge of igniting robust growth in Caribbean Small States, and at the same time, mitigating structural and cyclical risks and uncertainty.

In the period following the global economic crisis in 2008-2009, there is evidence that the countries have not been able to restore their export capacity, which is a critical determinant of their economic performance. There has been a decline in competitiveness. Furthermore, a number of countries have been saddled with elevated debt levels, aggravated by the need to undertake stimulus programmes to cushion the fall-out of the crisis on employment, incomes and social welfare.

Weak economic performance is exacerbated by the ever-present environmental threat of natural disaster and more recently, of climate change the impacts of which could hardly be mitigated in the absence of resources that might be created by viable economic activity.

Thus, while generally, the region has made progress in the achievement of a number of international development goals, the radically changed global environment in the post crisis period has threatened to reverse some of these gains.

The conference discussed the sources of growth and sustainable development, recognised the strategic role that has to be performed by the private sector, and argued for approaches that are rely on the economic, social and environmental interrelations in policy implementation.

The presentations made at the Roundtable can be placed under six themes which comprise the sections of this report, namely:

- Macroeconomic reorganisation in the context of risk and uncertainty.
- Fiscal adjustment, stabilisation and debt management.
- Services, public/private partnership and development.

- Social protection.
- Human capital formation.
- Environmental protection.

II. Macroeconomic performance and prospects

The opening session of the Roundtable was addressed by Ms. Alicia Bárcena, Executive Secretary of the Economic Commission for Latin America the Caribbean, and Minister Camillo Gonsalves, Foreign Minister of Saint Vincent and the Grenadines. The Executive Secretary set the foundations for the Roundtable in a paper entitled “Strategies to stimulate growth and build resilience among Caribbean SIDS”. This was an overview of the macroeconomic performance against the backdrop of a quickly changing international economy following the global economic recession of 2008/2009. The paper is wide ranging, and provides an integrated strategy for transformation, consisting of seven pillars.

A. Structural gaps

In her paper, the Executive Secretary recalls the four structural gaps identified in the UNECLAC Session document of 2012 – Structural Change for Equality – which have continued to prevent the region from achieving sustainable development and social equity and equality. These structural gaps are: 1) the financing gap, 2) the inequality and social protection gaps and 3) the human capital gap and 4) the productivity and investment gap.

The financing gap is evident in the Debt to GDP ratios of Caribbean Small Island Developing States (SIDS). Several Caribbean countries have debt to GDP ratios well above the internationally accepted benchmark of 60 percent. Executive Secretary Bárcena notes that the region is characterised by large current account deficits and high and rising debt ratios: Jamaica and Saint Kitts and Nevis had debt ratios of over 140 percent of GDP in 2013.¹ The debt burden has been aggravated by interest costs elevated external interest rates, which make debt service increasingly onerous. In addition, high reconstruction costs after natural disasters are also an important contributor to growth in debt in a number of countries.

¹ <https://www.imf.org/external/.../022013b.pdf>.

The most recent estimates of Gini coefficients reflect high levels of income inequality and thus, attest to a major inequality gap in Caribbean society. None of the independent SIDS had a Gini ratio lower than 0.3, and most have had ratios closer to 0.4 or above. This can be seen in table 1.

TABLE 1
GINI COEFFICIENTS FOR SELECTED CARIBBEAN STATES

Country	SLC year	Gini coefficient
Antigua and Barbuda	2005/2006	0.48
Barbados	1979	0.46
Barbados	1996/1997	0.39
Bahamas	2010	0.47
Belize	2002	0.40
British Virgin Islands	2002	0.23
Dominica	2002	0.35
Dominica	2008/2009	0.44
Grenada	1998	0.45
Grenada	2007/2008	0.37
Guyana	1999	0.43
Jamaica	2008	0.599
Saint Kitts and Nevis	2000	0.37
Saint Kitts and Nevis	2007/2008	0.40
Saint Lucia	2005/2006	0.42
Saint Vincent and the Grenadines	1996	0.56
Saint Vincent and the Grenadines	2007/2008	0.39
Trinidad and Tobago	2005	0.39

Source: CDB sponsored study; all others respective Country Poverty reports.

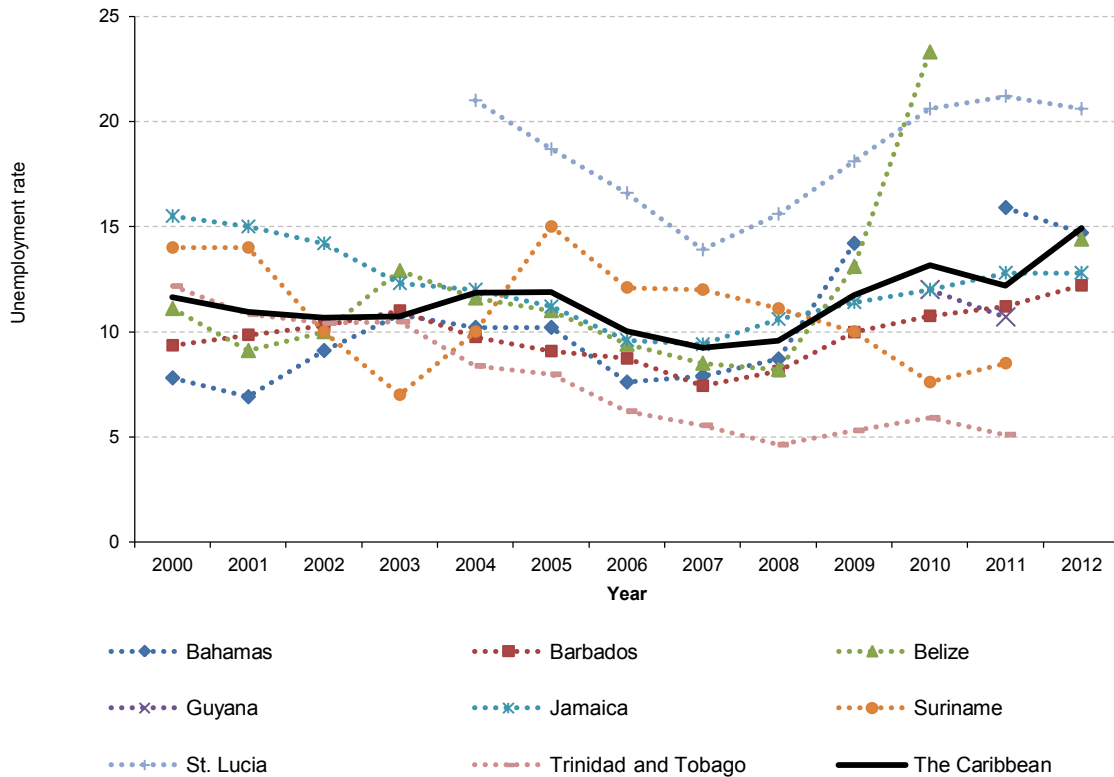
Given the huge fiscal deficits faced by most of the Governments, the capacity for social protection has been severely compromised: transfers even to the most defenceless in society pose a challenge in budgetary allocations. The human capital gap has been the result of low quality education despite high enrolment rates among the countries.

The natural sequel to this is that the labour force lacks flexibility and the SIDS are constrained in their development by the limited domestic capacity for innovation. A corollary of this gap is the low technology content of exports and the fact that the export sector relies principally on basic factor endowments. All the gaps together expose the internal weaknesses of Caribbean SIDS, and explain their difficulty in integrating well into an international economy that is now far more globalised than in the last century.

B. Unemployment crisis

Poor employment performance and the growth of the informal sector mirror the underlying weaknesses of these economies. Except for Guyana, Suriname and Trinidad and Tobago, unemployment is projected to remain high over the short to medium term. Pre-crisis growth was strongly correlated with employment. Figure 1 reports data on unemployment for a number of Caribbean countries, which collect unemployment data with some regularity.

**FIGURE 1
UNEMPLOYMENT RATES**



Source: Economic Commission for Latin America and the Caribbean (ECLAC), based on official data.

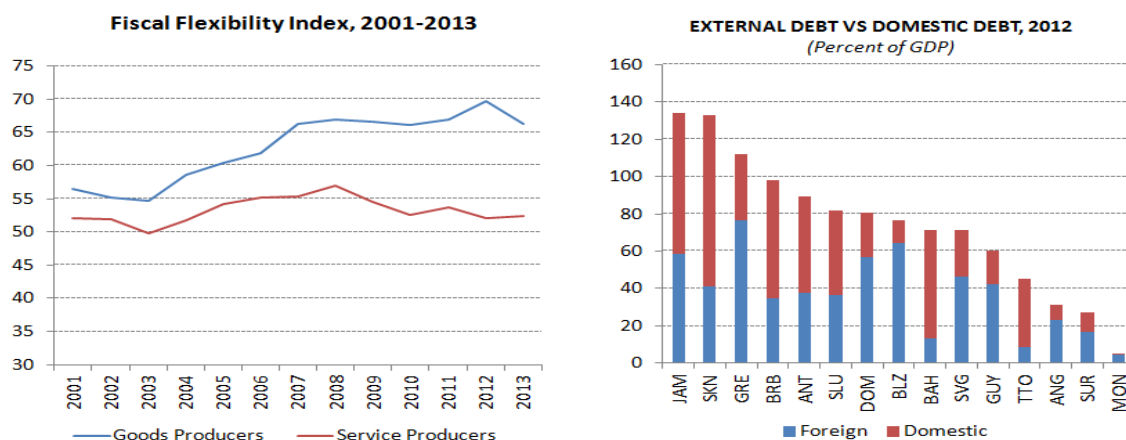
Structural unemployment remains a major problem. A number of the countries have resorted to state sponsored special employment programmes to reduce unemployment and to create income earning opportunities for the hard-core unemployed youth, women and other vulnerable groups. The Executive Secretary warns against the excessive involvement of SIDS governments in the labour markets by their promoting employment in the public sector. This creates huge distortionary costs and hinders the efficient functioning of labour markets: the upward push effect on general wage levels renders the economy uncompetitive.

C. Fiscal crisis

The Executive Secretary discusses the fiscal crisis as part of her macroeconomic analysis. Most Caribbean SIDS face major fiscal difficulties and adjustment costs have been considerable. The OECS have had natural disasters which impose even greater strain on fiscal resources. Moreover, given their middle income status, Caribbean SIDS, with few exceptions, have not been able to secure concessional financing. The fiscal and debt situations are reflected in figure 2 which shows that fiscal flexibility has declined for the service producing economies of the region after the crisis and has also contracted for goods producers in the last year and that debt levels remain quite high.²

² Fiscal flexibility refers to the the relative weight of non-discretionary spending in total spending and is calculated as: $(1 - (\text{wages and} \dots))$

FIGURE 2
FISCAL AND DEBT CONDITIONS



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

D. The international economy and growth performance

Given their heavy reliance on exports, the nature of their trade relations with the international economy determines the sustainability of Caribbean SIDS. Executive Secretary devoted attention to the on-going radical transformation of the international economy and the implications for the Region. There are on-going mega-regional negotiations underway that are based on reciprocity in trade relations and are reshaping the global trade landscape, including:

- The Trans-Pacific Partnership (TPP), in which are involved Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, United States, and Viet Nam;
- The Trans-Atlantic Trade and Investment Partnership between the United States and the European Union; and
- The Regional Comprehensive Economic Partnership which includes Australia, China, India, Japan, New Zealand, Republic of Korea and the ten members of ASEAN.

These initiatives are creating large economically integrated areas at the trans-Atlantic and trans-Pacific levels. Meanwhile, Latin America and the Caribbean countries (LAC) continue to be fragmented with consequences for their growth performance, which has trended downward more recently. The Executive Secretary predicts that on the basis of present performance, the economies of LAC are set to record an even lower rate of growth in 2014 than in 2013.

Conditions for Caribbean SIDS have been even more discouraging. These highly open economies are heavily dependent on international trade for both export earnings and inputs for production. The countries specialise in a few tradable products and the destination of exports is also heavily concentrated in the markets of the EU and the United States, which have both experienced economic difficulties, and have been the largest sources for foreign direct investment and remittances. In the circumstances, much of the Caribbean region is likely to continue to stagnate in the absence of any major diversification of production and markets.

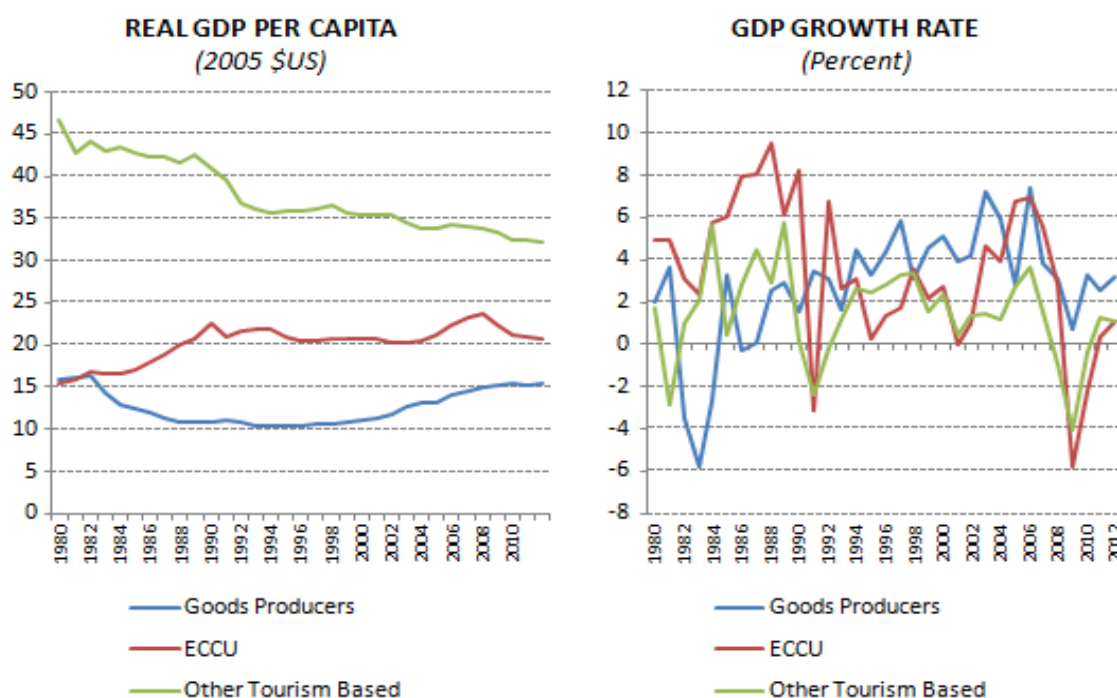
The smaller subset of good producers among the Caribbean economies – Guyana, Suriname, Belize and Trinidad and Tobago – which had not fared as badly - will experience slower growth as the

dampening of commodity prices impact their exports, and as growth in China slows. As can be seen in Appendix I, the Caribbean has grown and is projected to grow more slowly than the average for Latin America and the Caribbean. The economies driven by services have had a more chequered performance compared to those more heavily reliant on the export of goods.

Figure 2.3 presents levels of per capita GDP in real terms for the Caribbean, relative to the US, broken down by goods and service producers: the good producers are Belize, Guyana, Suriname and Trinidad and Tobago, and the rest are regarded as services driven economies. There has been a tendency to convergence among them. However, the region on average has been poorer as the service economies have grown more slowly relative to the goods producers.

Both groups of economies rely on factor endowments essentially, and have not been able to make the leap to diversify services and to build their production on a strong knowledge base. The medium to long term forecasts are for weak growth. The recent decline is explained in part by the global crisis, but also by reduced competitiveness and declining factor productivity and an inability to diversify into products and services that are important in global value chains. The first graphs in figure 3 show the divergent path of real GDP and the second the percentage rates of growth in GDP over the period for the different country groupings.

FIGURE 3
REAL GROWTH RATES PER CAPITA IN THE CARIBBEAN



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

E. Approaching the challenges

In the face of the structural gaps identified, the Executive Secretary poses two important challenges to be addressed by the region, namely:

- How to develop and apply mechanisms to stimulate sustainable growth, which for the Caribbean has been elusive in the post crisis period; and
- How to mitigate risks and uncertainty, which directly impact growth and sustainability.

The thrust of her approach then is on mechanisms for stimulating medium and long term growth while increasing resilience among Caribbean SIDS. Her point of departure is that the prevailing context does not permit a strategy that is premised on ‘business as usual’. In brief, Caribbean SIDS have to pursue structural transformation to reduce poverty and inequality, address incentives for the private sector, and build a capable work force that can transform the service economy.

The Executive Secretary recommends investment in the training of workers to promote flexibility and mobility, and the building of a domestic capacity for innovation and knowledge diffusion based on learning by doing; learning by observing; learning by using; learning by exporting and learning by interacting. This is essentially the closing of the knowledge gap. The investment in health and education facilitates the development of a capable workforce and promotes equity and equality by providing benefits to the broad masses of the population.

There is need also to develop governance structures that support covenants among the key stakeholders, which afford SIDS the space to address necessary trade-offs in the society as adjustments are undertaken. This has to do with the socio-political challenge of the crisis.

But there is also the difficulty of risk reduction in the face of both natural disasters and the impact of climate change. Risk assessment must be an essential component of investment strategy in the public sector. Insurance pooling mechanisms such as the Caribbean Catastrophe Risk Insurance Facility (CCRIF) are needed given that such facilities as the IMF exogenous Shock Facility and the World Bank’s Global Facility for disaster reduction and recovery are inadequate in the face of the disasters that have afflicted the region. The SIDS will need to lobby for climate change financing at the global level given their particular risk to its impacts.

F. Pillars for sustainable development

The Executive Secretary posits a revised developmental agenda founded on seven pillars, namely:

- Development of an industrial policy designed for engineering structural change to secure greater equity: this will involve all stakeholders in a broad covenant to promote growth and development, and must address mitigation of natural and other disasters, and equitable sharing of the costs and benefits of fiscal adjustment.
- Radical improvement in the business environment to encourage the domestic private sector to promote alliances with the public sector and other stakeholders to reduce private risks in the financing of development projects.
- Introduction of policies to embrace new actors in the international trading environment and to diversify markets and activities so that economies are more flexible and capable of responding to global shocks: this may yield a tangible benefit in reducing the tide of emigration.
- Development of the skills base and expertise of the work-force to operate in the domestic and wider global market place, opening possibilities for diversification of services and the generation of new products and activities, including those in the creative industries: this would need to be underpinned by the intensification of the regional integration process and free movement of Caribbean people.

- Improvement in the implementation capacity of the public sector, including in its decision-making and policy formulation on sectors to be promoted.
- Maximisation of the opportunities for collaboration among SIDS to secure the benefits of economies of scale and of joint action: development partners must be approached in a collective initiative to reduce current fiscal burdens and to secure development finance and other forms of assistance.
- Coordination at both the national and regional levels, including SIDS-SIDS and triangular cooperation and among public institutions to remove duplication of effort and to allow continuity in policies.

While each country will need to modify the framework outlined above, its adoption will unleash sustainable growth and development in the Caribbean, according to the Executive Secretary.

G. International diplomacy

Minister Ralph Gonsalves, Minister of Foreign Affairs of Saint Vincent and the Grenadines, in a presentation entitled “A strategic response to middle-income status of Caribbean SIDS” focused more directly on an issue raised by the Executive Secretary of ECLAC. This is the difficulty in securing concessional terms to treat with the extreme indebtedness that afflicts most of the region, which is among the most indebted in the world. According to Minister Gonsalves, the region is the victim of “the unholy trinity of being globalised, climatized and stigmatised.”

The region has had difficulty receiving debt relief or concessional financing because of its being designated “middle income”. The designation masks deep pockets of poverty and inequality, in addition to extreme and growing vulnerabilities to external economic, environmental or climate shocks. Indeed, some of the vulnerabilities have a dimension of permanence and are the result of external factors, over which Caribbean SIDS have little control - climate change, global economic crisis, and international narco-trafficking.

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Minister Gonsalves points to the fact that, according to World Bank differentiation of countries by economic status and per capita GDP, Saint Vincent and the Grenadines and China are in the same league, and indeed, the former is above China in the pecking order of GNI. These so-called middle-income Caribbean SIDS find themselves with limited fiscal space and development options at the present time, and a condition that is likely to last well into the medium term.

A number of issues are suggested for discussion with a view to a possible consensus to be reached prior to the wider SIDS conference and the conference marking the end date of the Millennium Development Goals. The anaemic post-crisis growth in the region is a result of economic thinking and practice that lack innovativeness and are incapable of providing the policy framework for overcoming the developmental challenges facing the region. He proposes a strategy that involves the following steps:

- Securing international acknowledgement of the specificities and vulnerabilities of SIDS, requiring measures that take these into account in developing Sustainable Development Goals (SDGs);
- Enlisting commitment by multilateral bodies for a formal abandonment of per capita income level as a determinant of eligibility for financing in face of unavoidable short-fall in fiscal operations;

- Provision of debt forgiveness and debt relief, with countercyclical lending linked to exogenous shocks;
- Placing debt for climate swaps on the agenda of debt negotiation in multilateral lending.
- Adopting climate financing, in replacing income status criteria in examining needs for new and additional financing;
- At the very least, discarding of “one-size-fits-all” in global finance and in arrangements of WTO; and
- Committing to self-help through integration and south-south and SIDS-SIDS cooperation.

Minister Gonsalves points out that the years 2014 and 2015 are critical in this endeavour of changing the international posture to SIDS. Thus, in this year of SIDS, no effort should be spared in putting on the agenda the position of SIDS, CARICOM and other states, and in preparation for the post 2015 strategic development goals.

Thus, international diplomacy is one of the mechanisms to be used by member states collectively in creating an environment favourable for their development. This requires a concise, consensus document articulating the key areas of strategic international cooperation and partnership to enable SIDS to overcome a possible ‘middle income trap’.

III. Fiscal adjustment and debt management

The Caribbean SIDS have earned the unflattering reputation of being among the most indebted countries of the world. It has been argued that their special characteristics are the most compelling reasons for growth in debt, and the internationally accepted approaches to treat with debt are unworkable in the setting of Caribbean SIDS. This ongoing fiscal crisis in most member states is addressed in two papers. Mr. Everton McFarlane presented a paper entitled “The debt issue among middle income countries: how to resolve the challenges (with special reference to the Caribbean).” Dr. Gobind Ganga’s paper was entitled “Exploring Solutions to Fiscal Challenges in the Caribbean SIDS”.

Mr. McFarlane addresses the problem from the vantage point of his being an official of the Ministry of Finance and Planning of Jamaica. Dr. Ganga brings the perspective of a central banker to the discussion with the sensitivity to the challenge of high debt and the impact on foreign reserves. Neither is sanguine that debt forgiveness can be central to the strategy of debt reduction, although they both agree that it would help.

Both propose internal policies that would secure eventual fiscal balance and debt reduction, which can be realised in the longer term. Both recognise the need for improved efficiency in the public sector, with the adoption of programme budgeting or other measures that relate output to expenditures. Public education is seen as the ultimate antidote against fiscal illusion, and suggests that it imposes discipline on Governments and fiscal policy-makers.

Mr. McFarlane demonstrates that debt ratios for a number of Caribbean countries have remained high or risen over the period 2000-2012. He noted that the ratios are projected to remain high for most of the rest of the present decade. This can be seen in table 2.

TABLE 2
DEBT RATIOS IN SELECT CARIBBEAN SIDS

Countries	2000	2012	2017 (projected)
Antigua and Barbuda	105.4	97.8	>100
Belize	71.6	81.0	N.A
Dominica	86.2	72.3	>60
Grenada	57.0	105.4	>100
Jamaica	88.7	143.3	>100
Saint Kitts and Nevis	120.7	144.9	>60

Source: The Commonwealth Small States Digest, Issue 3, 2013.

Indeed, based on data published by the Commonwealth Secretariat, and generated by the IMF, three Caribbean countries led all small states in respect of their debt ratios. Weak growth performance has been accompanied by rising fiscal deficits and by an increase in the debt stock in Caribbean SIDS. The result is that the countries of the region are among the most highly indebted in the world. Their greater indebtedness than other SIDS might reflect impact of disasters and expectations placed on public sector to smooth income and employment.

Both presenters point to the main characteristics of Caribbean SIDS, which lie at the base of their problem and among these are the following:

- **Small size:** the limited size of the economy and the small population create small market size, which debars them from enjoying economies of scale in most areas of production, renders output relatively uncompetitive by international standards, and makes expensive the supply of public goods and utilities like electricity;
- **Highly open with limited export base:** they are highly reliant on international trade, and whether as commodity exporters – Belize, Guyana, Suriname and Trinidad and Tobago supplying oil, gas, minerals and agricultural commodities – or as service based economies engaged in tourism and financial services – the Bahamas, Barbados, Jamaica and the Eastern Caribbean Currency Union countries – they all earn their foreign exchange from a narrow range of exports;
- **Low productivity and poor growth performance:** over the last two decades, the economies of the region have exhibited a gradual decline in the average rate of growth of GDP, to 2.0 percent at best;
- **High vulnerability:** they are exposed to exogenous shocks, both economic and environmental, over which they have little or no control.

Dr. Ganga attributes the low productivity partly to the severe brain drain and outmigration that has been experienced by some countries, Guyana being one such example. The global recession is a recent example of the economic challenge: as a group of countries, they are yet to get back on to a path of sustained growth.

Moreover, as a region, the countries were already in a slow growth mode before the recession. The removal of trade preferences on bananas, and sugar affected exports of agricultural commodities, and led to the shrinking, decline or even the total collapse of sectors: Saint Kitts and Nevis and Trinidad and Tobago closed their sugar industry in the last decade, in the former case after some three centuries.

On the environmental front, the region has witnessed an increase in natural disasters especially in the form of frequency and ferocity of hurricanes with serious damage to public infrastructure, and losses also to the private sector. The increase in the frequency of hurricanes has increased insurance costs in the region.

With such long-term indebtedness, the countries now have experience in debt restructuring. However, according to Mr. McFarlane, the so-called ‘successful’ restructurings have not had a permanent impact on the debt to GDP ratio. What is significant too, is that early “experimenters” – the

countries that undertook recommended restructuring - have found themselves with even greater difficulty in proceeding to subsequent restructuring, largely because of the composition of the debt.

On the matter of debt relief too, the experience has been disappointing, according to Mr. McFarlane. Debt for equity swaps has not been effective in reducing debt. Write-off of debt has been done, but only for a small portion of the public debt. Moreover, the fact that most countries have graduated from the 'poor' country status, has meant that little is available by way of concession.

Dr. Ganga summarises the fiscal and debt data relative to the GDP for the countries in Table 3. The data show that the average fiscal balance for Caribbean small states registered a deficit for the period 2000-2012, and expenditures were higher than revenues. Underpinning these deficits, according to Dr. Ganga, was relatively high expenditure on public goods, infrastructure, wages and repairs after natural disasters.

The motivation to increase public expenditure was triggered by the desire to contain the effects of the global financial crisis and the fall-out from the removal of preferences on key exports. There was also high volatility in revenue collections, given the heavy reliance on trade taxes. Inevitably, governments have no recourse but to undertake fiscal adjustment through a combination of tax and expenditure adjustment, with the burden falling on expenditure reduction, ultimately.

In addressing solutions to the challenges of fiscal adjustment, both Mr. McFarlane and Dr. Ganga are agreed about the need for enhancing the fiscal governance system with institutions that are geared to promote fiscal adjustment and restructuring. Mr. McFarlane suggests that the fiscal stabilisation institutions are the neglected child in the development of an appropriate governance infrastructure. There is need for increased transparency in fiscal decision-making and increased accountability on the part of fiscal policymakers.

Mr. McFarlane proposes public education and the application of quantitative fiscal rules that are easily understood, and with observable targets to reduce the possibility of fiscal illusion and hidden contingencies, in respect of the public sector. On the revenue side, both presenters were agreed about the need for improved efficiency in tax administration and revenue collection. This might be better addressed in the establishment of a revenue authority, which places all revenue collection under one umbrella. Improved tax administration requires professional and skilled officers who can eliminate corruption and control tax evasion.

There is need to expand the tax base into areas previously untapped, including the self-employed and participants in the parallel economy. There may be need to reduce some tax rates that may be too high, while developing effective measures against tax evasion and tax avoidance.

TABLE 3
SELECTED INDICATORS ON DEBT, EXPENDITURE AND TAXES, 2008-2012
(Percentage of GDP)

Countries	External debt	Domestic debt	Total debt	Total revenue	Total expenditure	Overall fiscal balance	External current account	Growth rates of real GDP
Bahamas	0.1	0.4	0.5	17.3	21.4	0.0	-0.1	-0.5
Barbados	28.3	43.0	71.3	34.4	41.2	-4.1	-7.9	-0.5
Belize	70.3	12.5	82.8	27.4	28.3	-0.9	4.5	2.7
Eastern Caribbean Union ^a	41.5	40.9	82.5	23.5	23.5	-3.0	-21.3	-1.1
Guyana	46.0	19.5	65.6	25.8	29.4	-3.7	-13.6	-1.0
Jamaica	56.8	69.8	126.6	26.6	25.7	-1.3	-7.8	-1.0
Suriname	17.3	11.1	28.5	25.1	26.5	-1.5	7.5	4.1
Trinidad and Tobago	7.4	13.9	21.3	34.5	35.5	1.3	15.1	-0.4
Average	33.5	26.4	59.9	26.8	28.9	-1.7	-3.0	0.9

Source: Gobind Ganga (2014).

^a ECCU member countries: Anguilla, Antigua and Barbuda, Dominica, Grenada, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines.

Dr. Ganga recommends modification of the property tax system and resort to presumptive taxation in which regard, agents are taxed on the basis of the average tax rates for the sector of operation. He notes the availability of new technological developments that can be used to improve compliance. Dr. Ganga suggests also the extensive use of fiscal incentives for investment like tax holidays and tax exemptions might have ceased to be economically justifiable, contributing little to output expansion but constraining revenue growth.

On the expenditure side, there is need to focus on reducing “non-productive” expenditures and to reform entitlement programmes with better targeting to protect the most defenceless in the society, and eliminating free-riding. Critical in expenditure reform is the institutionalisation of output budgeting and accrual accounting in public financial management. There will be need for significant technical upgrade in the public services and remuneration packages of public officials will need to be more closely tied to merit, performance and productivity considerations.

Project selection and funding will have to be based on detailed cost-benefit analysis, and project management will be based on evaluation against benchmarks set a priori. This will bring greater efficiency to public investment and, in particular, government’s capital projects. McFarlane and Ganga agree that political commitment is a necessary condition for the success of such measures.

Dr Ganga is of the view that decentralisation with devolution of revenue sources and expenditure functions from central to sub-national jurisdictions might be viable in some countries. Local government is closer to the people and can respond more directly to local preferences. Privatisation is advanced as an essential component of the fiscal reform agenda, and governments must be amenable to public/private partnerships given the limited access to domestic and external financing.

Even with the most committed efforts at fiscal reform, most indebted Caribbean SIDS would need continued support from the international community. The assistance of non-governmental agencies, donors and creditors will be necessary. Grant funding may be useful for undertaking structural reforms. Low-cost funding should be sought for institutional and policy reforms and for fiscal adjustment: likely candidates for funding include such areas as pension reform, and public sector reform. A major area for assistance is in the development of risk-sharing mechanisms to complement market-based risk transfer in dealing with risk mitigation.

In the final analysis, Caribbean SIDS are destined to remain highly indebted in the medium to long term in the absence of measures that place these economies on a path to high rates of growth and to sustainable development. This depends ultimately on the international competitiveness of their export sectors.

IV. The services sector

Caribbean SIDS like many other middle income countries have witnessed the rapid growth of their services sector over the last three decades. A large component of the sector is comprised of government and state agencies and their role in the expansion of services to the public in such fields as education, health and public administration, in response to the demands of the citizenry.

Caribbean SIDS have achieved solid results in the expansion of their educational systems, with universal primary education achieved in the immediate post World War II years and universal secondary realised by the 1980s in most countries. Likewise, most countries were able to provide universal primary care facilities to their populations in the second half of the 20th century. Education and health services are characterised by high use of professional and semi-professional human resources and command substantial allocations from the government budgets.

The Third Roundtable focused more specifically on the export of services and on activities that yield foreign exchange, or save on foreign exchange in the link between the domestic economy and the rest of the world. In the latter years of the 20th century, indeed, tourism and off-shore financial services had been responsible for growth of a number of Caribbean SIDS, with some achieving high middle income status in terms of per capita income.

Thus, the role of this component of the services sector in the recovery and transformation of the Caribbean SIDS attracted the particular attention of the Roundtable. However, none of the papers addressed the offshore financial services sector, which has been undermined by the OECD countries with the introduction of new rules forcing greater transparency of their operations.

The discussion in the Roundtable covered the examination of the sector as a generic category as well as the more specific categories as Tourism and the Creative and Copyright Industries. In the case of Tourism there is a general agreement that the sector has made a major contribution in the past, but needs rejuvenation to be able to contribute sustainable incomes and employment in the future. In the case of the latter two, there is now official commitment to the development of the sectors. Some attention was also paid to the burgeoning ICT Sector and its potential in Caribbean development.

Mr. Timothy Odle, Deputy Programme Manager of Services Sector Development, of the CARICOM Secretariat in a presentation entitled “Diversifying the Services Sector for Economic

Recovery and Stimulating Growth – The Case of the SIDS of CARICOM,” revisited the definitional challenges in delineating the sector. The Secretariat has been an important proponent of the promotion of the sector over the last two decades. For the purposes of the Roundtable discussion, Mr. Odle proposes a simple definition, namely: “...the value-added, created or consumed by a human.”

This admits of a very wide interpretation of the sector, and is “vast in coverage” and involves almost every human activity, which requires human value-added. With technological change, the scope of services is being expanded.

With this all-embracing definition, Mr. Odle finds that the sector is the largest economic activity among most of the countries that constitute and Caribbean Single Market and Economy (CSME), and the CSME Plus, which includes The Bahamas, Haiti and Montserrat. The sector has been highest in terms of employment, output and trade. It contributed 66 percent of total employment in 2002 and in the case of Barbados, it accounted for 91 percent of employment in 2012. Given a GDP for the region of US\$43.3 billion, in 2010, the Services Sector would have accounted for US\$28.08 billion or 64 percent of GDP.

Mr. Odle reviews the legal instrument of the CARICOM Treaty Framework with particular reference to the sections, which relate to the services sector. Articles 30-50 treat with the right of establishment, provision of services, movement of capital and movement of community nationals. Article 54 treats with the development of the Services Sector, Article 55 with Sustainable Tourism Development and Chapter Six of the Treaty with Transport Policy. Mr. Odle notes that the member states of the CSME are at various stages of development, and lack harmonised policies, plans and strategies. A regional regime for the services sector remains a work in progress.

This is the backdrop with which Caribbean SIDS face a changing external economic environment which is disciplined by the rules of the World Trade Organisation with its thrust to trade liberalisation. The countries as a group lack the human, financial, managerial and technical resources to avail themselves fully of the emerging possibilities. As countries, they are scattered over geographical space, and have to trade in nearby trading blocs. This has led to divergence in regimes for the treatment of services sector. There is also the problem of affordable transport among them.

In the face of these major hurdles, there is need to develop coherent strategy. The essential objective of economic strategy has to be sustainable development in a rapidly globalising world and the maintenance of a decent standard of living for Caribbean people. Mr. Odle proposes certain strategies in the development and diversification of the services sector to achieve this objective, including:

- Negotiation of a more effective access to external markets in various fora - World Trade Organisation - and with certain countries – European Union, USA, Canada, China, South American and African countries;
- Promotion of the freer movement of consumers and business to business contacts;
- Promotion of mass consumer services, and high technology business services.
- Establishing an effective regulatory framework supported by a standards infrastructure to ensure protection of consumers;
- Improving the education infrastructure;
- Improving the transportation infrastructure - roads, air, maritime and riverine transport – and the telecommunications infrastructure;
- Upgrade of the property rights legislation and the financial services infrastructure.

All of this will need to be supported by a regional strategic plan for the services sector for the community as a whole. There will also be need for the establishment of a Commission on the Economy and a Transportation Commission to ensure orderly development.

Mr. Odle argues that in the current economic crisis, the Services Sector of the CSME offers the best opportunities for recovery and sustained growth. The effective access to external markets and the diversification of services should be vigorously pursued.

A. Tourism

Tourism has been a major sector in the region, and has been the base of economic diversification following the Second World War. Along with manufacturing, it was seen as central in the creation of new activities when people in the then British West Indies secured the right to administer their affairs and sought to reduce their reliance on the export of primary agricultural commodities.

Ms. Evelyn Smith, President of the Jamaica Hotel and Tourist Association presented a paper entitled “Diversifying the Tourism Product: Identifying Growth Nodes,” in which he revisits the operations of this sector in Caribbean development. Using information from the World Travel and Tourism Council, Mr. Smith shows that the tourism sector is much above the average in respect of the share of GDP contributed by the sector, in comparison with other countries of the world.

Table 4 shows its contribution to GDP in the selected countries. In satellite tourism accounting, its contribution to the wider economy makes it a dominant sector in a number of countries: it was estimated to contribute 63 percent of GDP in the case of Antigua and Barbuda.

TABLE 4
TOURISM SHARE IN GDP IN CARIBBEAN SIDS
(Percentage)

Country	Direct cont. To GDP	Total cont. To GDP
Antigua and Barbuda	26.4	84.1
Aruba	20.4	46
Bahamas	16.4	62.9
Barbados	10.9	36.2
Dominican Republic	7.7	25.6
Jamaica	4.7	15.3
Trinidad and Tobago	3.1	8.2
Americas	2.9	8.5
World	2.9	9.5

Source: World Travel and Tourism Council, 2013 Report.

Mr. Smith proposes the diversification of the tourism product in the context of a highly competitive rapidly evolving international market. The revitalised product has to be “responsible and sustainable in its focus.” He identifies opportunities for growth of the industry in the region in particular niche areas, namely:

- Spa and wellness tourism, given the links to other activities that would lend distinctiveness to the Caribbean product – herbs, fruits and essential oils that can be sourced from domestic agriculture in creating spa products as well as spa menus from organic agriculture;
- Health, medical and geriatric tourism, and the possibilities this offers for partnering with public and private health facilities, and for recuperative care facilities in the small accommodation subsector, including in villas and guest houses;
- Heritage and cultural tourism, based on the richness of the Caribbean history and culture;
- Culinary tourism, which would allow visitors to dine with amateur and professional chefs in a more traditional setting or in authentic local restaurants.

The Caribbean product was transformed over the years, from being the exclusive resort playground for a few to the vacation choice for many. Smith proposes that the product be adapted again to address the needs of new travellers and a more differentiated clientele that includes the “millennials” for whom exploration, interaction and experience are a major focus, and the working wealthy, seeking new experiences. This will lay the base for a responsible and sustainable tourism.

B. Creative industries in Caribbean development

In spite of the distinctiveness of Caribbean culture, popular music, arts and festivals, it is only over the last two decades that Caribbean Governments have demonstrated a recognition comparable to what has applied in the promotion of other economic sectors like manufacturing and tourism as the basis for economic transformation and development. An underlying ambivalence prevails.

Creative activity deriving from and steeped in culture is not generated with economic returns in mind. Thus, the importation of the lens of economists and policy-makers concerned with economic development and transformation is seen as an intrusion on the part of those committed to art for art’s sake. This ambivalence is reflected in the public policy towards the arts and in the allocation of resources among agencies within the Government with responsibility for the arts and culture. Three papers in the Roundtable addressed the creative industry specifically.

In her paper entitled “The Priceless Gift of Brain Power: Growing Human Beings for Creative Industries and Sustainable Development,” Ms. Judith Wedderburn, Director at the Friedrich Ebert Stiftung, explores an issue that is anterior to the harnessing of creativity for growing the economy. She refers to the advances in neuro-science research, which demonstrates the complex relationships between creativity/creative output, identity, self-confidence and productivity.

Creativity is not born out of reasoning and rationality but rather from what may be “intrinsically rewarding” to an individual. The creative inner sanctum may emerge as an expression of the free will to create, and provides psychic satisfaction or psychic income to the individual, with no necessary relationship to market value.

Ms. Wedderburn cites her own experience with the Dance in Jamaica and the work of Prof. Rex Nettleford and argues that the energy for the dance which was manifest in the self-discipline, self-respect and determination to perform at the highest standards created and nurtured an “output” that was invaluable, to which the market could not assign a value. It was “beyond the market”.

The dancers were not paid a salary, but the benefits were significant and allowed participants to achieve their highest essence. It is this element, Ms. Wedderburn argues, which should be the area of focus in any discussion of ‘growth’. Thus, in any effort to nurture the development of creative industries, the primary beneficiaries must be the creators of the process itself, whatever the challenges in managing the relationship between the creators of the output, the owners of the intellectual property on the one hand, and the so-called producers of growth. Ms. Wedderburn suggests that economists, statisticians and policy-makers at large seldom understand the essence of creativity and its mainspring.

Ms. Wedderburn proposes that any initiative to promote economic growth and sustainable development should be directed at examining how private/public partnerships can be promoted, and how investment can be sustained in the creative energies of young people, given the public good feature and the potential return in self-employment, and employment generally as well as in the increased income and purchasing power of large numbers of persons growing Caribbean people. This would shape policies for the creative sector and imposes requirements on policy makers to:

- Ensure a central place for programmes in early childhood and primary schools, that use music and dance not only as a teaching tool, but to create learning spaces which are nurturing and healing, and will stimulate creativity and productivity.
- Place self-esteem and self-worth at the centre of the learning process-the point at which a people’s creative potential and energies are unleashed, and take advantage of a child’s natural

desire to learn and create in the early years. This will help to build their resilience as young people, (their self-confidence and identity) in preparation for their participation in the labour force in a globalised world.

- Place respect for Caribbean cultural heritage (in all its forms and dimensions) also at the centre of the learning process, and link this to the economic validation of young creators, innovators and entrepreneurs, in their use of local knowledge and cultural practices and products of Caribbean peoples.
- Extend the concept of “a learning space” as identified above, to one that is incorporated into structured programmes in community centres and youth organisations, outside of the formal school spaces.

In effect, while she is not averse to economic benefits being realised and to a creative industry being a major sector in Caribbean development, Ms. Wedderburn is concerned to avoid a crass commodification of culture that can be corrosive of the self-respect of the Caribbean person’s sense of “being” and “of doing” which has allowed creators to survive and triumph against a colonial past of struggle.

Ms. Wedderburn advocates that in seeking to derive economic possibilities from the creative sector, nothing should be allowed to thwart the uncompromising presence of lyrics, music, and dance of resistance which affirms the sense of being and doing that are grounded in the cultural heritage of Caribbean society.

Mr. Adrian Augier of the Landmark Group of Saint Lucia shows a greater interest in the market potential of creative activity. He seeks to develop priorities in a paper entitled “Strategic Priorities for the Creative Industries Sector of the Region.” He argues that it is necessary to differentiate between cultural industry and creative industry. He regards the cultural industry as the pursuit of art and culture for its own sake. Creative business on the other hand, and more specifically IP-based businesses like other businesses, have to be concerned with managing investment, production, profitability, employment, capital formation, technology and competitiveness. Similar hard-nosed considerations should be the point of departure in any intervention by Government in the area.

Mr. Augier takes it as given that with the heightened interest in the sector, regional governments in their collective wisdom will “conspire” with and act through various economic development agencies to continue to intervene in the sector, in the hope that they could accelerate the growth of the sector and its contribution to domestic economies. Augier draws on the case study of Saint Lucia, where the Government proposed specific interventions at three levels -Legislative, Financial and Institutional. He suggests that interventions on the part of the governments, as in Saint Lucia, have been compromised in a number of respects:

- National policy design and deployment of resources are not informed by any analytical framework.
- There are disparate national agencies impacting the Creative Industries.
- Because of misperceived linkages, ministries of culture have become the default institutions expected to service creative sector needs.
- Chronic underfunding characterises the central mandate of such ministries.

He suggests the need for public policy directed on two parallel tracks, namely, the validation of a country’s cultural wellspring or font of creative inspiration that reflects the unique strengths of the society, and development of an infrastructure for facilitation, and acceleration of commercially viable IP-based creative business sector. He proposes a number of recommendations, including:

- Regular and extensive stakeholder consultation by governments to determine sector needs, establish modalities for continuous dialogue, development and functional collaboration.

- Adoption of a CARICOM Strategy for the development of the sector with a view to creating a viable regional economic platform for growth supported by a regional exemptions regime that grants fiscal and other incentives to the creative industries sector and rationalises key trade classification and customs issues.
- At the national level, the development of business clusters.
- Creation of a dedicated hub such as a National Commission for the Creative Industries with primary responsibility for supporting the growth and development of the sector.

The National Commission should be wide ranging in its remit, undertaking sector research and oversight, engaging in comprehensive creative industries policies, and monitoring and evaluating for effective delivery of benefits and achievement objectives, and coordinating both public and private interests across agencies engaged in trade education, commerce, tourism, culture, investments, information and national statistics. In effect, this goes much beyond ministries of culture and recognises the public good fact in the promotion of art for art sake and art and culture in support of economic activity in a creative industry sector.

Dr. Vanus James Senior Research Fellow and Adjunct Distinguished Professor at the University of Technology of Jamaica, brings the tools of economic analysis into the discussion. Dr. James' concern is in the economic contribution of the sector which is discussed in his paper entitled "Measuring the Copyright Sector: A note of the Caribbean Experiences confronting the Causality Challenge". The copyright sector is a satellite sector in the sense of the System of National Accounts (SNA). However, given its considerable importance to GDP, employment and trade, there is need to isolate its contribution to many activities in myriad ISIC codes.

Dr. James notes that countries are looking increasingly to the services sector as well as to capital restructuring with labour productivity growth to expand the economy and trade with enhanced import productivity growth.³ This often involves structural capital combined with intellectual property and innovative capacity. Copyright activity leads inexorably to non-physical supportive capital infrastructure which includes:

- Organisational capital, including image, organisation, information systems, employee loyalty, philosophy and methods of leveraging organisational loyalty; and including process capital in the form of methods, procedures and programs to enhance production and delivery of output.
- Tacit knowledge, theory and talents that run the establishment.
- Relational or networking capital, which is the set of customer relationships, supplier relationships, trademarks and trade names, licenses and franchises that tie to customer networks, and allow efficient and dynamic production and marketing of goods and services.

Dr. James adopts the WIPO Guide, which disaggregates the copyright sector into:

- Core copyright industries.
- Interdependent copyright industries.
- Partial copyright industries.
- Non-dedicated support industries.

Using this structure and borrowing factors used in estimates for Mexico and the United States, he seeks to highlight the contribution of the sector for Jamaica, Trinidad and Tobago and Saint Lucia. While the estimates can be seen only as rough approximations, they do point to a substantial contribution of the sector. In the case of Jamaica, it contributed 4.8 percent of GDP in 2005 and provided 3.03

³ Import productivity refers to the efficiency with which tools and equipment are utilized in the domestic production process.

percent of employment. The core copyright industries accounted for 1.8 percent of total employment, this constituted 59.3 percent of all employment in the copyright sector.

In the case of Trinidad and Tobago with an output of TT\$ 1,998 m in 2000, the sector was more than three (3) times the size of agricultural sector, 2.8 times as much as hotels and guest houses and nearly 23 percent of manufacturing. The sector grew at an average rate of 11.7 percent per year between 2000 and 2007, and at lower but still positive average rate of 3.2 percent per year between 2007 and 2011.

In Saint Lucia, the sector contributed 6 percent of GDP in 2000, and 6.7 percent in 2005, reflecting an overall expansion based on the growth in the tourism sector. James estimates that the sector would have accounted for 8 percent of GDP by 2010. In effect the sector's growth surpassed the rate of growth the economy as a whole.

Even with major data limitations, it has been possible to establish the importance of the sector in Caribbean economies. It behoves Governments therefore to invest in data collection and data mining. The sector is too important for research and analysis to be an intermittent exercise, with consultants hired from time to time to document the size of the sector and its operations.

As the first step in industrial policy-making for the sector, there is need to institutionalise measurement and data gathering in the sector within national statistical organisations. Also, there is need to adopt an updated regulatory framework that treats with registration of rights, income security, transparency of value creation, and protection of content creators.

C. Information and communication technologies and Caribbean development

There was one presentation devoted to this area. Mr. Bevil Wooding, Chief Knowledge Officer, Congress WBN,⁴ addresses the potential role of ICT in the realisation of the development aspirations of Caribbean SIDS in a paper entitled “Unlocking the Development Potential among Small Island States: the ICT Imperative.” Mr. Wooding examines one aspect in the building of resilient service economy and asserts that information and communication technology has the potential for unlocking the development potential among the countries of the region.

He adduces evidence from the World Bank and the Broadband Commission which shows that in both high income economies and in low and middle income economies, internet and broadband have contributed much more to economic growth than fixed and mobile telephony.

In respect of the region, Mr. Wooding points to the number of positive signs already evident in the adoption of IT based tools and approaches in which the private sector has played a key role, especially in the area of the telecommunications infrastructure. Mobile penetration and internet access have been high in Caribbean SIDS. One has witnessed a proliferation of smartphones with mobile apps and services.

A socio-psychological impact is also evident. There has been a change in the people's expectations in terms of standards of service delivery and of information. There has been acceleration in the diffusion of government services, health, environmental and social information. There is also evidence of increasing innovation and business competitiveness. Congress-WBN is an excellent example: it was birthed in the Caribbean, is Caribbean-led and Caribbean-envisioned and illustrates fully what can be accomplished by people of the Region.⁵

⁴ www.congresswbn.org/.

⁵ Congress WBN (C-WBN) is a unique, global, faith-based organisation headquartered in Trinidad & Tobago. The Congress is focused on effecting human, social and national transformation through the propagation of clearly defined moral, ethical, and values-based principles, patterns, and approaches. Through communications technology, it manages a system of websites, webcasts, broadcasts and publications throughout the Congress and to the wider world.

However, there are still major hurdles that stand in the way of the Region in achieving its full potential. Wooding identifies affordability, limited broadband internet access, outmoded policies and deficiencies in the education infrastructure as continuing barriers. Mr. Wooding decries major limitations in ICT development, in respect of the available financial resources, human resources, indigenous research, and support systems.

The approaches adopted to date display knee jerk effects or remain cosmetic, according to Mr. Wooding. In the former case, models are applied without due consideration to their design and appropriateness to Caribbean conditions. In the latter case, there is superficial adoption without consideration of indigenous process, policies and imperatives of people and culture. He affirms the importance of providing domestic content in the creation of a domestic digital economy.

Governments can no longer chart a course for growth and development without taking into consideration of the role and use of technology. New approaches will be required to overcome age-old challenges. However, this will involve a fundamental paradigm shift and not simply the adoption of new technologies: the challenge is more in the paradigm than in the technical possibilities.

One of the approaches in activating the innovation potential of the region will require models for collaborative partnerships between the public and private sector. This will be critical in accelerating the deployment of the ICT infrastructure, especially broadband technology. It will facilitate the harmonisation of ICT policies, support the creation of an enabling policy environment and transform the design and delivery of education, enabling SIDS to exploit the opportunities that ICT offers in advancing sustainable economic development.

Mr. Wooding warns that market forces alone will not generate the optimal level of infrastructure roll-out, content development and user adoption. The telecommunications and internet infrastructure enable consumers to be producers, and give them the possibility of contributing to economic growth through innovation. Given its importance, the ICT infrastructure should be a major area of focus in public policy formulation.

Mr. Wooding recommends a number of measures and initiatives, including public/private partnerships. At the level of the region, there is need to create greater awareness among the countries and to forge new fora for knowledge sharing and information exchange. Other initiatives will involve:

- Accelerated harmonisation of the legal and regulatory frameworks.
- Increased cross-border collaboration.
- Updating of archaic statutes.
- Proliferating local internet exchange points and Domain Name Root Servers which converts internet domain names into numeric addresses.
- Transition from Internet Protocol version 4 to Internet Protocol version 6 which is the latest version of IP addresses used in communications.
- Opening access to public information repositories and stimulating the development of local services which address local needs, build local capacity and create globally valuable skillsets.

Mr. Wooding warns that failure by Caribbean SIDS to seize opportunities offered by ICT risks reducing consumers of the region to being forever dependent, with the high probability of the region losing its unique identity and its sovereign space as a Caribbean civilisation.

In sum, disaggregated into its various components, the Services Sector remains an area of potential growth in the Caribbean. Industrial policy will need to be designed taking account of the nature of the sub-sectors and culture and creative potential of Caribbean people in each of these areas.

V. Social protection

Poverty and its measurement have been a topical issue in the region for more than two decades. All of the countries of the region have conducted official poverty studies over that period. These studies have been the basis for mobilising resources by governments for interventions designed for poverty reduction. Jamaica is one such country which has institutionalised the assessment of poverty with some fixed periodicity. This has allowed the country to assess the efficacy of various poverty reduction measures.

In the paper “A Social Covenant: Integrating Demographic Trends into Sustainable Development,” Ms. Scarlett Gillings provides a robust examination of the Jamaica Social Investment Fund (JSIF), which was established in 1996 to implement projects to reduce poverty and to create an environment for sustainable development.

A. The poverty context of Jamaica

The JSIF has to be seen against the backdrop of the high debt profile of the country over more than two decades.⁶ In respect of its demographic profile, the country has experienced a significant drop in the rate of population growth from 0.9 percent in the 1990s to 0.3 percent in the last year. Another significant factor has been the ageing of the population with persons over 60 years of age making up 11.5 percent of the population having risen by 2.30 percentage points since 1982, compared to the age group 0-14 which has fallen by 10.73 percent over the same period. Ms. Gillings notes that 30-59 age group needs to be specially monitored since it includes migrants, many of whom return home after working and living abroad. This has implications for the size of the over 60 age group or elderly age cohort eventually.

Another aspect of the social context is the relatively poor educational performance of the Jamaica compared to the rest of the region over the last three decades of the 20th century. While the gap has narrowed since, Jamaica lags behind its regional partners in respect of enrolment ratios. The quality of educational institutions is an area of concern generally, as well as major gender differentials, with male students persistently achieving lower test results at all levels of the educational system.

⁶ <http://www.worldbank.org/en/country/Jamaica/overview>.

Lower adult literacy levels have had major implications for skills training outcomes and constrain the efforts to improve certification levels by the National Training Agency which requires basic literacy and numeracy on the part of entrants into its programmes. Another area of major concern has been the high level of crime and violence in the society, and a murder rate that makes it the sixth highest in the world according to the United Nation's Office on Drugs and Crime. Much of the violence is concentrated in the urban and peri-urban communities and is a significant drag on Jamaica's economic growth.

Despite the progress experienced during the previous decades, between 2007 and 2010, the country witnessed an increase in poverty and inequality, with rural poverty consistently maintaining the historical trend of exceeding urban poverty.

B. Structure of the Jamaica Social Investment Fund

This is the context in which JSIF was developed. The organisation has been a major component in the poverty alleviation and reduction strategy of the Government of Jamaica. It has been the vehicle through which support from the private sector and from the international development community has been harnessed to the Government's financial and other support. JSIF is an autonomous government company designed to provide investments in community-based projects island wide. It is a demand-driven financial intermediary.

This autonomy lessens the level of corruption and bureaucracy involved in project design and implementation. In partnering with communities, the private sector, non-governmental organisations, central and local government agencies, it has been able to channel its assistance to the poorest communities in a way that is efficient, effective and most importantly, transparent and non-partisan.

The transparency element of JSIF has been critical to its functioning. JSIF is guided by a twelve member board, with responsibility for approving project interventions and ensuring their integration with national development priorities and sensitivity to demographic trends. The Director General of the Planning Institute of Jamaica chairs the Board.

The Managing Director is aided in day-to-day operations by an Operations Manual which outlines the Fund's guiding principles, institutional framework and eligibility criteria in the treatment of clients as well as the practices to be followed in the procurement, administration, financial management, partnerships, project visibility and environmental management. In the last regard, JSIF seeks to maintain ISO 14001:2004 certification for its Environmental Management System (EMS). This has allowed JSIF to maintain standards in respect of its infrastructural outputs – roads, schools, etc.

In its operational functions, it relies on the services of a multidisciplinary staff including social scientists, engineers, architects, quantity surveyors, specialists in finance, technology systems and communications. JSIF works to support strong community-level governance on which community project management can be discharged and local capacity built to sustain development initiatives, including those in which JSIF is not involved. The governance capacity is developed mainly through community-based contracting. JSIF's approach to project governance is effectively hybrid, in that the community and JSIF manage interventions together. This ensures not only transparency but also community ownership and social capital development.

Community ownership guarantees a bottom-up approach in the execution and delivery of programmes. JSIF's commitment to involve beneficiaries at every stage of the intervention cycle reinforces the responsiveness of programmes to the needs of communities. In addition, interventions are data driven, and based on the surveys conducted on poverty in the country.

C. Targeting

Given that poverty is multi-dimensional and complex, JSIF incorporates a multi-tiered approach in targeting public and private poverty of the underserved. It employs three methodologies in developing projects: the demand-driven approach, calls for proposals and the pre-selected approach. In the first, communities apply for funding from the organisation. In the pre-selected approach, developmental assistance is directed at communities chosen through an interagency selection process and involves some top-down selection. In the calls for proposals, interventions are desired in specific areas for implementation, and this may be geographic related, activity related or sector related. In this regard, demand may not be readily evident.

Irrespective of the methodology, all JSIF projects have as their point of departure, the poverty maps to ensure that the focus remains on the poorest of communities. JSIF targets its investments in communities that fall in quintiles 1, 2 and 3. The overwhelming majority of projects have been implemented in the poorest of communities, with the result that rural communities have been the main beneficiaries.

However, the pre-selected community targeting approach has been utilised in dealing with special problems. Most importantly, targeting is at several removes from political interference, and can be even-handed in dealing with poverty in its various dimensions in society, spanning interventions on training and employment, environmental conservation, the needs of the elderly and community infrastructure.

Within this framework, JSIF has been able to undertake a number of projects:

- Crime and violence reduction - given the underlying conditions that drive crime and violence in inner-city communities, specific attention has been directed at some urban communities utilising the pre-selection approach. Projects usually combine infrastructure and social programming to ensure that interventions provide cross-category support and confront the multifaceted issues which are the root cause of crime. Infrastructure may involve provision of improved public spaces and reducing dark areas to reduce opportunistic crimes and improve passive surveillance. Social programming might include education and skills training opportunities and the training of community mediators.
- Coupling infrastructural and social investment – all infrastructural interventions are coupled with relevant organisational strengthening to include mandatory provision of maintenance training for the community self-appointed maintenance committee. Infrastructure maintenance training includes natural disaster risk management, as well as exposure to budgeting and fundraising.
- Community-centric investments – all JSIF projects are implemented with the community as the focus. Communication strategies and governance procedures are designed to keep the community apprised of implementation procedures and updated on project progress.
- Environmental considerations – JSIF is sensitive to the impact of climate change on SIDS. This climate change mitigation and adaptation considerations are incorporated in project design and implementation. Examples of its work in this area are proper drainage of road networks, stabilisation of slopes, training of rivers, and use of alternative energy.
- Training and employment - JSIF has directed attention at employment given the high unemployment levels that afflict rural areas and among the youth. The objective of the intervention is to ensure that beneficiaries leave programmes employable and in possession of the necessary inputs to take advantage of prevailing market conditions. The youth in the “inner city” have received special attention from JSIF. Community members provided character references for potential trainees which decreased information asymmetries. An important feature of the programme is that it has allowed for skills training to be undertaken alongside remedial literacy and numeracy. Programmes also ensure equitable gender access and gender equity in hiring including on construction projects.

- “Private” poverty and the elderly – given inexorable aging in the population, JSIF has adjusted its community focus to include households as focus. This has allowed it to attend to private poverty or deficits in levels of consumption which disaggregated poverty data can identify. The Programme of Advancement through Health and Education (PATH) is a conditional cash-transfer programme, established in 2001, which focuses on private poverty also. JSIF can treat effectively with mothers and their children and the elderly, among other vulnerable groups, in providing psycho-social assistance.

In sum, then JSIF is a locally-built and managed agency, which incorporates demographic trends, and targeting at the poorest of the poor in the elaboration of its programmes and interventions, which are all guided by bottom-up methodologies. It is supported with funding from the government of Jamaica, and external support from international partners.

Community involvement and ownership guarantee that its focus remains grounded in the reality of the poor: they remain fully involved in their own salvation. Accountability and transparency are central in the guidelines for the modus operandi of JSIF. In all of its component parts, JSIF is worthy of emulation in the Caribbean SIDS seeking to reduce poverty or mitigate its effects, in the face of fiscal and other constraints.

VI. Human resource development

The role of human capital specifically in economic transformation was addressed by Ms. Barbara Allen of the Ministry of Education of Jamaica. Her paper was entitled “Education to transform Caribbean SIDS: Preparing the workforce for sustainable growth.” The underlying premise of her paper is that in the knowledge economy of the 21st century, a country’s development and its capacity to achieve sustainable development is highly dependent on the quality of its human capital.

Ms. Allen notes that while Caribbean SIDS have made major gains over the last few decades in improving access, quality and equity in their educational offerings, from early childhood to tertiary level, major deficiencies remain. The poor quality is illustrated in the performance of students at the secondary level: this can be seen in appendix 2 and appendix 3.

In order to increase their competitiveness in the global economy and to engender growth, there is need for the workforce to capitalise on new and emerging skills, as well as hone existing skills. The emergence and rapid growth of technology across a wide swathe of production means that the Caribbean workforce the needs to be flexible and adaptable.

Currently, however, the workforce is characterised by low productivity and the educational system by a continued emphasis on traditional areas and professions to the detriment of new and emerging skills and competencies. Education in the Caribbean still tends to be theoretical rather than practical and competency based. The educational system has to be transformed to prepare Caribbean citizens for the 21st century knowledge economy.

Ms. Allen argues that if the educational system is to drive sustainable development, it has to be transformed in a number of critical dimensions. She outlines some of the major requirements.

A. Competency-based articulated and relevant curricula

The education system should be standards driven and competency based. The emphasis has to be on what people can do and not only on what they know. Competencies need to be developed not only for the technical and vocational areas, but also for the traditional areas. The skills and competencies acquired at primary level should prepare for a seamless transition into secondary education.

Secondary level curriculum should prepare students for the labour market and for further education with knowledge and competencies aligned with international standards leading to industry-recognised credentials. Programmes should provide coherent pathways for young people to move through the system of education and on to the world of work, with constant adaptation to the changing requirements for participation in the global economy.

B. Literacy for lifelong learning

Literacy has a wider definition than being able to identify and read simple words and sentences. It involves a continuum of learning enabling the individual to achieve his or her goal and to develop knowledge and potential necessary to participate fully in the community and wider society. SIDS have to develop curricula allowing their citizens to acquire skills and competencies making them literate in the context of present reality and the emerging order in productive networks, driven by science, technology and knowledge.

C. Creative and performing arts

Caribbean people are gifted in sports and in the creative and performing arts. The curricula should provide avenues to develop these endowments into viable alternatives for professional development instead of extra-curricular activities. These areas must be incorporated into programmes in such a way to be seen as important as traditional academic areas and capable of providing meaningful employment.

D. Technical, vocational education and training

Technical, Vocational, Education and Training (TVET) must be integrated into the education system to ensure that it prepares students who are fully rounded with skills and competencies for a globalised workforce. However, the performance on TVET subjects to-date is a reflection of the low premium placed on these subjects. The curricula should foster a change in perception.

The adoption of the Science, Technology, Engineering and Mathematics (STEM) methodology offers a way of rebranding occupational competencies to ensure a better understanding and preparation for employment. Moreover, it allows students to understand the interrelationships among these subjects so that they can better trouble shoot and provide solutions to practical problems. Caribbean SIDS in adopting the STEM methodology can unlock potentials among students and allow them to be drivers of innovations and creativity, which will redound to sustainable development.

E. Attitudes and values

Ms. Allen laments the serious erosion of values and attitudes that has occurred in Caribbean SIDS. She notes that there can be no sustained growth and development without positive values and attitudes. The curricula have to facilitate the acquisition of positive values and attitudes. She recommends career guidance and counselling programmes at an early age in developing commitment to values as integrity, responsibility and respect for others.

F. Advancing the use of technology

Allen recommends the increased use of ICT to promote student-centred learning in the school system of the Caribbean SIDS. The countries need to commit to transform content and methods of delivery, from early childhood education and primary level. In spite of the fiscal challenges, SIDS must make use of relevant and available resources through creative strategies to populate the educational system with ICT access.

G. Teacher development

Teachers in Caribbean SIDS have to be prepared to teach 21st century students. According to Allen, this requires that the following be addressed:

- Ways of thinking – involving critical thinking, problem solving, decision making.
- Ways of working – communication and collaboration.
- Tools for working – information and communication technology and information literacy.
- Skills for living in the world – citizenship, life and career, and personal and social responsibility.

Teachers have to acquire the requisite skills to transmit them to their students. There is a major gap that has to be filled and this has to do with the development of an interest in mathematics and the sciences where there is a demand to good quality teachers.

H. Effective communication

Ms. Allen points to the importance of communication across language and cultural groups in the conduct of business. In that regard, and given the international relationships that need to be promoted, the citizens of Caribbean SIDS have a vested interest in some command of French, Spanish and Mandarin.

I. Financing

The financing of education and training is a major cost item. However, in spite of the severe financial constraints faced by Caribbean SIDS, Allen warns that there can be no relaxation in the priority to be attached to the development of the human resources. It is important therefore to focus on maximising the benefits from all expenditure and in reducing wasteful use of financial resources in the course of programme delivery.

Allen contends that in the final analysis, education remains the most important factor in preparing citizens for the labour market and for attaining sustainable development. It must empower Caribbean people to become lifelong learners and to be adaptable and flexible in facing a constantly changing environment. There is need for a paradigm shift in the delivery of education and training.

VII. Environmental protection for Caribbean SIDS

The at-risk status of Caribbean countries from global warming and sea-rise is now well established. The effects of climate change are now indisputable. In that regard, the region has become victim of actions and policies especially of the more industrialised countries. As small as might be the contribution of the region to environmental degradation, Caribbean SIDS can play their part in inculcating a new culture more propitious to protecting the environment. This is the point of departure of the work of Mr. Mompelat President of Synergile of the French West Indies and Guyana, which was presented at the Roundtable.⁷

Mr. Mompelat's paper entitled "Implementing a virtuous dynamic as regards land use planning, CO2 emissions control and renewable energy development to meet the climate change challenges: the example of Guadeloupe" was the only paper that focused on the environment. The paper provides a case study of a well planned initiative involving Guadeloupe and two neighbouring Caribbean islands.

Mr. Mompelat notes the vulnerability of Guadeloupe on various dimensions. The island has a large requirement of energy use, with 93 percent of its needs being met by imports. All of its imports are comprised of fossil fuels. Estimated emissions are also significant and each inhabitant is responsible for an estimated six tons of CO2 per annum.

Climate change estimates suggest that temperatures have increased by 3 degrees centigrade since 1950, and rainfall has fallen by 8 percent since 1950. It is estimated that sea level might rise by at least half of one metre by 2100. There is a mounting concern about a possible increase in hurricane activity, and a probable degradation of the living environment – coral reefs and mangroves – with the increase in sea temperatures and in coastal land erosion.

Mr. Mompelat suggests that however uncertain might be the nature of the imminent changes in the Caribbean environment, and whatever the deficiencies in the monitoring of the changes actually occurring, there is improved scientific information in some areas that allow countries to coordinate at the regional level in dealing with the impacts.

⁷ Synergile is a network of enterprises engaged in innovation and applications and is based in the French West Indies.

According to Mr. Mompelat, the authorities in Guadeloupe have taken a cue from the European and national policy framework of France and have sought to pursue a proactive regional policy that is even more ambitious than that of France itself. The regional policy of Guadeloupe includes:

- Implementation of energy planning comprised of an Energy-Climate Plan involving local authorities.
- The establishment of an Observatory on Energy and Climate.⁸

Already 17 percent of Guadeloupe's electricity requirements are provided by renewables, and the authorities committed to the development of local expertise. The electric renewable energy package is highly diversified, and comprises the only geothermal plant and photovoltaic capacity in the region.

The geothermal energy facility involves collaboration with Dominica which has a proven potential of 100MW which suggests that once brought into production, the plant can satisfy the needs of Dominica, and export to Guadeloupe and Martinique, filling some of their requirements. It will be run by Geothermie Caraïbe, a partnership between the Regional Council of Guadeloupe, the Government of Dominica and other partners in Europe and Martinique.⁹ There is an opportunity for a virtuous response to meet climate change challenges, with each benefit creating another cycle of benefits.

Thus, the thrust into renewable energy has already contributed to job-creation. There is also emerging a regional regulatory order with thermal rules for building construction. Some 50 percent of hot water supply in the health system is provided by solar energy.

This thrust will be complemented by regulatory rules in Guadeloupe relating to building construction, the promotion of eco-responsible behaviour, and the adoption and use of low power cars, hybrid or electric vehicles in the transport system. The approach will include the use of incentives to promote energy savings for individuals. Communication plans are in place and energy ambassadors have been appointed to encourage eco-responsible behaviour on the part of the population.

Training needs are being addressed especially in respect of professionals to conduct thermal diagnostic work. A diploma programme in Sustainable Tropical Architecture was introduced in 2011 at the University of the French West Indies. An engineering programme is being inaugurated in 2014 with the opening of a school of environmental and energy systems engineering. All of this is in anticipation of future needs of the region in the shift to renewable energy.

Innovation support in the energy transition can come from Synergile, which involves private companies, research institutions and education organisations. It was created in 2007. This cluster is dedicated to renewable energies and sustainable materials.

There are some major challenges to be addressed in adoption of measures to reduce greenhouse gases. Large energy consumers need to develop action plans as management tools. Financial incentives and penalties have to be configured to support use of renewable energy and to control energy demand: these would range from local taxation to zero-interest rates on eco-loans. There will be need to ensure that there are outlets for eco-companies and there is need to identify and examine the incentive levers that will promote energy savings for individuals.

Mr. Mompelat warns that the reduction of greenhouse gases is not the only response to challenge of climate change. It is necessary to take into account direct effects especially of sea level rise on ecosystems, ground-water systems, coastal erosion and low altitude urban areas like Pointe-a-Pitre.

There are also other potential problems in respect of soils, backfills, structures, flood risk, seismic risks, hydraulic network efficiency. It is important that sanitation systems and the various networks are adjusted. It is also necessary to prevent the risk of flooding and preserve groundwater resources. There is

⁸ <http://www.guadeloupe-energie.gp>.

⁹ <http://www.geothermie-caraibes.org>.

need for urgent and immediate action with research that will serve to sensitise elected officials, local authorities, and planners.

At the operational level, all new projects must take account of sea level rise, especially in the planning of coastal area development: this can be a requirement that is introduced immediately into the regulatory system. By acting without further delay, the socio-economic impact of climate change could be reduced in the short term.

Mr. Mompelat remains convinced that acting within the framework of energy transition to renewables can be a profitable strategy even if the contribution of Caribbean SIDS to global warming has been low. Through regional cooperation, it is possible to arrive at solutions that are appropriate to tropical island communities.

The initiatives by Guadeloupe support the economy, contribute to the development of a genuine local expertise and might have raised its status to a territory of excellence in respect of energy transition. This renewable energy thrust initiated in Guadeloupe and Dominica might well be one of the most ambitious to date in the region, and demonstrates the usefulness of inter-island cooperation in practical ways that redound to the benefit of people across the Caribbean archipelagic space.

VIII. Conclusion

The Third Meeting of the Caribbean Roundtable provided a basis for examining and coordinating the interrelations among the economic, social and environmental strategies for stimulating growth and resilience in treating with challenges faced Caribbean SIDS and as they prepare for the post 2015 agenda. The Roundtable was wide ranging in the issues that were explored, and resulted in a number of recommendations that need to be addressed by Caribbean countries in the present conjuncture in the international economy. There exists a consensus that the region has many hurdles to overcome in the short to medium term.

Annexes

Annex 1

TABLE A.1
LATIN AMERICAN AND CARIBBEAN GDP GROWTH RATES 2008-2014
(Percentages)

Countries	2008	2009	2010	2011	2012	2013	2014
Anguilla	-15	-18.4	-4.3	5.0	-6.7	-0.9	3.2
Antigua and Barbuda	0.1	-12.0	-7.2	-2.0	3.3	1.5	1.5
Bahamas	-23	-4.2	1.0	1.7	1.8	1.6	2.5
Barbados	0.3	-4.1	0.2	0.6	0.2	-0.7	1.0
Belize	3.9	0.3	3.1	2.1	4.0	1.6	2.8
Dominica	7.8	-1.1	1.2	0.2	-1.2	-0.5	1.2
Grenada	0.9	-6.6	-0.5	0.8	-1.8	1.5	1.3
Guyana	2.0	3.3	4.4	5.4	4.8	4.8	4.6
Jamaica	4.5	-0.5	-2.8	5.5	3.6	0.1	1.2
Montserrat	-0.8	-3.5	-1.5	1.3	-0.3	2.2	1.9
Saint Kitts and Nevis	4.1	-5.6	-3.2	1.7	-1.2	1.6	2.9
Saint Lucia	4.7	-0.1	-0.7	1.4	-1.3	1.1	2.3
Saint Vincent and the Grenadines	1.6	-2.1	-3.3	-0.4	1.6	2.1	1.4
Suriname	4.1	3.0	4.1	4.7	4.4	3.9	4.7
Trinidad and Tobago	3.4	-4.4	0.2	-2.6	1.2	1.6	2.1
The Caribbean ^a	2.2	-3.7	-0.6	1.7	0.8	1.4	2.3
Service Producers ^b	1.8	-5.3	-1.9	1.4	-0.2	0.9	1.9
Goods Producers ^c	3.3	0.6	3.0	2.4	3.6	3.0	3.6
Latin America (16) ^{a, b}	5.4	0.0	5.5	5.6	4.2	4.5	4.2
South America (10) ^{a, b, d}	6.1	0.1	6.6	5.7	3.7	4.5	4.3
Central America (5) ^{a, b, e}	4.0	-0.2	4.2	5.0	5.1	4.4	4.1
Mexico	1.2	-6.0	5.6	3.9	3.9	3.4	3.4
Latin America and the Caribbean ^{a, b}	3.8	-1.6	2.4	3.2	2.5	3.0	3.3

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures and Macroeconomic report; Economist Intelligence Unit database.

Please note:

^a The Caribbean: Anguilla, Antigua and Barbuda, Bahamas, Barbados, Dominica, Grenada, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago.

^b Service producers: Anguilla, Antigua and Barbuda, Bahamas, Barbados, Dominica, Grenada, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines.

^c Goods producers: Belize, Guyana, Suriname, Trinidad and Tobago.

^d South America: Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay, Venezuela.

^e Central America: Costa Rica, El Salvador, Guatemala, Nicaragua, Panama.

Annex 2

TABLE A.2
REGIONAL PERFORMANCE BY SUBJECTS CARIBBEAN SECONDARY EDUCATION CERTIFICATE
(CSEC) MAY-JUNE 2011-2012

Subject	2011				2012			
	Entered	Number taking exam	Number attaining grades 1-3	% attaining grades 1-3	Entered	Number taking exam	Number attaining grades 1-3	% attaining grades 1-3
Additional mathematics					1861	1720	997	58.0
Agriculture science	7417	6902	4702	68.1	8260	7689	7063	91.9
Biology	2078	1991	1854	93.1	2215	2099	1904	90.7
Building technology construction	16123	15281	11166	73.1	17543	16305	11579	71.0
Building technology construction: Wood	2101	1884	1568	83.2	1966	1730	1277	73.8
Caribbean history	2582	2184	1669	76.4	2853	2386	1509	63.2
Chemistry	11985	10745	7961	74.1	12491	11328	7909	69.8
Clothing and textile	14792	13589	8679	63.9	15779	14316	8378	58.5
Economics	2536	2383	1931	81.0	2650	2476	2149	86.8
Electrical and Electronics technology	4333	4009	2832	70.6	4544	4194	2731	65.1
Electronic document preparation	3912	3526	1569	44.5	3966	3559	2326	65.4
English language (A)	12617	11154	9487	85.1	13347	11901	10478	88.0
English literature (B)	98744	91406	61253	67.0	101047	94202	44797	47.5
Food and nutrition	10583	10099	9263	91.7	10985	10475	9361	89.4
French	3601	3452	2589	75.0	3634	3504	2584	73.7
Geography	13597	12320	8102	65.8	13460	12425	8037	64.7
Home economics	6221	5905	5269	89.2	6582	6255	5262	84.1
Human and social biology	33400	28709	18141	63.2	35107	30577	17256	56.4
Information technology	26599	23180	18321	79.0	27480	23338	19485	83.5
Integrated science	22832	20447	15103	73.9	23790	21136	17085	80.8
Mathematics	101269	89977	31632	35.2	105887	94769	32133	33.9
Mechanical engineering technology	2050	1737	963	55.4	2205	1847	1288	69.7
Music	826	591	391	66.2	803	617	383	62.1
Office administration	19398	16925	15014	88.7	19704	17321	13483	77.8

Table A.2 (concluded)

Subject	2011				2012			
	Entered	Number taking exam	Number attaining grades 1-3	% attaining grades 1-3	Entered	Number taking exam	Number attaining grades 1-3	% attaining grades 1-3
Physical education and sport	7041	6098	5941	97.4	8477	7449	3753	50.4
Physics	13003	11891	8783	73.9	13889	12532	9526	76.0
Principles of accounts	26355	22375	14739	65.9	25756	21899	12115	55.3
Principles of business	38035	33593	25997	77.4	38473	34163	27638	80.9
Religious education	4152	3768	3297	87.5	4467	4051	3386	83.6
Social studies	53447	46957	32804	69.9	55897	49007	34686	70.8
Spanish	14464	12976	8766	67.6	14242	12969	8747	67.4
Technical drawing	9220	7569	5349	70.7	9222	7672	4964	64.7
Theatre arts	1277	1026	898	87.5	1470	1227	1120	91.3
Visual arts	5253	3926	2429	61.9	5231	4044	2723	67.3



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