

HURRICANE SEASON 2004 IN THE CARIBBEAN: SOME FACTS, FIGURES AND PRELIMINARY CONCLUSIONS AND LESSONS LEARNED

ECLAC estimates show that in the last three decades more than 150 million people have been affected by disasters in Latin America and the Caribbean, including more than 12 million direct victims and 108,000 deaths. Moreover, total damage — and this was not an exhaustive estimate for the whole region — amounted to more than 50,000 million measured at constant 1998 dollars, concentrated in the smallest and relatively less developed countries.

In 2004, given the extraordinarily active hurricane season in the Caribbean basin, substantive damage has been experienced by the island estates and nations as well as the bordering continental countries, with varying degrees of economic and social impact in accordance with the territories resilience, response capability and size, diversification and strength of their economies, societies and infrastructure. ECLAC has, in response to several countries in the region, undertaken comprehensive assessments in five countries to date (Bahamas, Cayman Islands, Dominican Republic, Grenada and Jamaica) and before the end of the year the impact of the Gonaïves tragedy in Haiti will be made too. The partial figure of damage and losses — in terms both of assets lost, destroyed or harmed and of economic flows interrupted, increased or altered due to the damage — reaches an amount of more than 5,763 thousand dollars (US\$ 5,7 billion in the US notation). In summary, the five cases analyzed by ECLAC this year show that 76% of the total impact was constituted by actual physical damage to assets (houses, businesses, roads and bridges, utilities, schools, hospitals and clinics, etc.), which imply losses in terms of flows of more that US\$ 1,364 millions (US\$ 1,4 billion in the US notation). By sector most of the damage affected the social sectors (47.5%) and productive activities (both goods and services, 35.2%, namely tourism). Damage and losses to infrastructure and utilities such as electricity, water and sanitation and transport represent 15.6%, and the direct environmental impact, since most of natural resources are expected to recuperate, is 1.3%. This nevertheless does not imply that environmental action in terms of clean up, restoration and preservation of habitats and better environmental management is of lesser importance. Actually the amount of accountable damage pointedly signals that environmental assets and their services do not receive adequate valuation. The impact, in terms of GDP is quite severe in most cases: 212% in Grenada and 138% in the Cayman Islands. With the sole exception of the Dominican Republic where damage and losses represented less than 2% of that country's current GDP, even in Jamaica (8%) and in the Bahamas (10%) it infringes a significant burden on the economy.

If the impact suffered by other territories and countries not appraised such as the Netherlands Antilles, parts of Mexico or the State of Florida, the figure might be perhaps ten times more, once the impact in the overall economic performance of these economies is taken into account. In the more developed territories and countries insurance coverage and national response capabilities will compensate for the losses in the short to medium term but will, nevertheless, mark this season as one where the issue of sustainability of the present patterns of physical and spatial settlements will have to be reassessed in order to prepare this territories to move from prevention of unexpected events to adaptation to ever increasing damage if no appropriate measures are taken.

From a social point of view the most severe socioeconomic and human toll, though, was concentrated in the least developed, smaller countries affected, whose capability to rebuild and return to the path of growth and development is limited given the lack of appropriate insurance coverage, institutional response and preventive policies. That particularly would be the case of Haiti and Grenada, but other economies with fragile environment and indebted or weakly performing economies were burdened by the severity of the events. In Grenada the total impact was estimated to be almost 889 million US\$, which is equivalent to more than twice (2.12 times) the current value of last year's GDP. In the case of the Cayman Islands the amount of damage and losses reached 3,432 million US\$ (or 3.4 billion), that exceeds in more than one and a third (1.38 times) that jurisdictions estimated GDP in 2003. Both cases illustrate the level of exposure to a major hurricane of very small territories, one with almost no insurance coverage or endogenous resources to cope and the other with a high level of insurance and, hence, with a capacity to rebuild albeit with a shortage of immediate resources and a consequence on the islands' government budget and cash flow. Of lesser overall consequences, the impact in the Bahamas (551 million US\$, roughly 10.5% of GDP), Jamaica (equivalent to US\$ 575 million and 8% of GDP), and the Dominican Republic (US\$ 270 millions, equivalent to 1.7% of the 2003 country's GDP), nevertheless reinforce that out of this year's experience a key lesson learned is that the sustainability of economic and social development is closely interlinked with the environment. On top of the many constraints for development faced by some of the smallest and poorest countries, the cumulative impact of disasters makes the quest for development even more difficult. Strengthening the capacity to prevent and to respond to the emergencies caused by natural disasters is a main ingredient for development and poverty eradication in many poor countries.

An additional relevant conclusion is that, even though most damages occur in the private sector, it befalls on Governments to take care and assist those segments of the population with lower income and highly dependent on basic agricultural or fishing activities that are affected. Productive activities rank high in the amount of damage and losses and in some cases the ensuing losses (economic flows affected) will persist for a long period of time, in some instance years. Infrastructure vulnerability is enhanced by poor environmental management and environmental degradation, leading to high productive risks and huge human suffering.



