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ECLAC SUBREGIONAL HEADQUARTERS FOR THE CARIBBEAN

FOCUS

Newsletter of the Caribbean Development and Cooperation Committee (CDCC)

WHAT'S INSIDE:

SPECIAL EDITION OF FOCUS FEATURING THE 24TH SESSION OF THE CARIBBEAN DEVELOPMENT AND COOPERATION COMMITTEE

24TH SESSION OF THE CARIBBEAN DEVELOPMENT AND
COOPERATION COMMITTEE

SETTING THE TONE AT THE OPENING CEREMONY OF THE
CARIBBEAN DEVELOPMENT ROUNDTABLE

INSTITUTIONAL STRENGTHENING FOR CARIBBEAN
SMALL ISLAND DEVELOPING STATES

DIVERSIFYING PRODUCTIVE STRUCTURES AND IMPROVING
ACCESS TO FINANCE IN THE CARIBBEAN

MAINTAINING SOCIAL PROTECTION IN SMALL STATES

THE NEED FOR ROBUST STATISTICS AND SUSTAINABLE
NATIONAL STATISTICAL SYSTEMS IN THE CARIBBEAN

SPECIAL ISSUE 2012

The Economic Commission for Latin America and the Caribbean (ECLAC) is one of five regional commissions of the United Nations Economic and Social Council (ECOSOC). It was established in 1948 to support Latin American governments in the economic and social development of that region. Subsequently, in 1966, the Commission (ECLA, at that time) established the Subregional Headquarters for the Caribbean in Port of Spain to serve all countries of the insular Caribbean, as well as Belize, Guyana and Suriname, making it the largest United Nations body in the subregion.

At its sixteenth session in 1975, the Commission agreed to create the Caribbean Development and Cooperation Committee (CDCC) as a permanent subsidiary body, which would function within the ECLA structure to promote development cooperation among Caribbean countries. Secretariat services to the CDCC would be provided by the Subregional Headquarters for the Caribbean. Nine years later, the Commission's widened role was officially acknowledged when the Economic Commission for Latin America (ECLA) modified its title to the Economic Commission for Latin America and the Caribbean (ECLAC).

Key Areas of Activity

The ECLAC Subregional Headquarters for the Caribbean (ECLAC/CDCC secretariat) functions as a subregional think-tank and facilitates increased contact and cooperation among its membership. Complementing the ECLAC/CDCC work programme framework, are the broader directives issued by the United Nations General Assembly when in session, which constitute the Organization's mandate. At present, the overarching articulation of this mandate is the Millennium Declaration, which outlines the Millennium Development Goals.

Towards meeting these objectives, the Secretariat conducts research; provides technical advice to governments upon request; organizes intergovernmental and expert group meetings; helps to formulate and articulate a regional perspective within global forums; and introduces global concerns at the regional and subregional levels.

Areas of specialisation include trade, statistics, social development, science and technology, and sustainable development; while actual operational activities extend to economic and development planning, demography, economic surveys, assessment of the socio-economic impacts of natural disasters, climate change, data collection and analysis, training, and assistance with the management of national economies.

The ECLAC Subregional Headquarters for the Caribbean also functions as the Secretariat for coordinating the implementation of the Programme of Action for the Sustainable Development of Small Island Developing States. The scope of ECLAC/CDCC activities is documented in the wide range of publications produced by the Subregional Headquarters in Port of Spain.

MEMBER COUNTRIES:

- Antigua and Barbuda
- The Bahamas
- Barbados
- Belize
- Cuba
- Dominica
- Dominican Republic
- Grenada
- Guyana
- Haiti
- Jamaica
- Saint Kitts and Nevis
- Saint Lucia
- Saint Vincent and the Grenadines
- Suriname
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ASSOCIATE MEMBER COUNTRIES:

- Anguilla
- Aruba
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- Montserrat
- Puerto Rico
- Turks and Caicos Islands
- United States Virgin Islands

CONTENTS

Director's Desk:
Special Edition of Focus featuring the 24th Session of the CDCC 3

24th Session of the Caribbean Development and Cooperation Committee 4

Setting the Tone at the Opening Ceremony of the CDR 5

Institutional Strengthening for Caribbean Small Island Developing States 6

Diversifying Productive Structures and Improving Access to Finance in the Caribbean 8

Maintaining Social Protection in Small States 9

The Need for Robust Statistics and Sustainable National Statistical Systems in the Caribbean 10

Regular Features

List of Recent ECLAC Documents and Publications 11

Upcoming Events - 2012 11

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Director's Desk

SPECIAL EDITION OF FOCUS FEATURING THE 24TH SESSION OF THE CARIBBEAN DEVELOPMENT AND COOPERATION COMMITTEE

This issue focuses on the three major meetings recently hosted by the Government of the Republic of Guyana in Georgetown in May 2012, namely the Caribbean Development and Cooperation Committee (CDCC), the Caribbean Development Roundtable (CDR) and the Technical Advisory Committee (TAC) of the Regional Coordinating Mechanism (RCM) to monitor implementation of the sustainable development agenda of Caribbean Small Island Developing States.

The fundamental goal of the ECLAC Subregional Headquarters for the Caribbean, which acts as the secretariat of the CDCC, is to foster and facilitate the economic and social development of ECLAC Member and Associate Member States by providing substantive data and analysis of critical issues in support of sound evidence-based policymaking, and by mobilizing and coordinating support within the United Nations system and beyond to advance a regional programme of development.

The Caribbean Development and Cooperation Committee (CDCC) offers a valuable opportunity for Caribbean policymakers to reflect on prevailing development imperatives, and to engage with ECLAC and the wider membership of the United Nations system in their search for solutions to the pressing challenges faced. Such engagement signals the priority areas where ECLAC will extend its support. The 24th Session of the Committee, which was convened on 31 May 2012, reviewed the outcomes of the CDR, the RCM for the implementation of the Mauritius Strategy for the further Implementation of the Programme of Action for the Sustainable Development of SIDS, strategies for strengthening statistical capacities in the Caribbean, findings from the second phase of the evaluation of the role of ECLAC in the Caribbean subregion, and the implementation of the 2010 - 2011 programme of work.

The Caribbean Development Roundtable gives space for our



Ms. Diane Quarless, Director, ECLAC Subregional Headquarters for the Caribbean

region's thinkers and development practitioners to share their perspectives and experience on critical development issues. The second CDR, held in Georgetown on 30 May 2012, had as its theme "Macroeconomic policy for structural transformation and social protection in small States". The meeting examined how development in small States could be pursued in the post-crisis global economy through greater economic diversification, improved access to finance and strengthened social protection, despite their fiscal constraints.

The CDR offered a forum for multi stakeholder dialogue on the challenges facing the Caribbean, the trade-offs that may be necessary in order to advance medium-term growth and development, and new approaches to meeting these challenges by bringing together policymakers, private sector and

academia. It also explored opportunities for enhanced trade and investment, regional cooperation and integration between the Central American and Caribbean subregions.

The discussion was led by three panels on:

- Small States in the global economy after the crisis – towards a new development path
- Diversifying productive structures and improving access to financing in the Caribbean subregion
- Maintaining social protection in small States in the context of declining public resources and access to finance

The TAC of the RCM facilitates regular review and updates of the region's progress in areas of sustainable development. The Fourth Meeting of the TAC was held in Georgetown, Guyana on 25th May, 2012. The discussions and recommendations of the TAC were focused on the progress made and future vision for supporting member states' implementation of sustainable development models.

Full details of the outcomes and recommendations of CDCC, CDR and TAC as well as our office's publications and upcoming meetings are available at <http://www.eclacpos.org>

I hope you find this issue informative.

Yours in Focus,
Diane

Dale Alexander / ECLAC

24TH SESSION OF THE CARIBBEAN DEVELOPMENT AND COOPERATION COMMITTEE



Dole Alexander / ECLAC

From left: Mr. Luis Fidel Yáñez (ECLAC), Ms. Diane Quarless (ECLAC), and The Honourable Patrick Simmons (Grenada)

The Government of Guyana was host to the 24th Session of the Caribbean Development and Cooperation Committee in Georgetown, on 31 May 2012. This important session was preceded by two related meetings, i.e., the 2nd Meeting of the Caribbean Development Roundtable (CDR), on the 30 May and the 4th meeting of the Technical Advisory Committee (TAC) of the Regional Coordinating Mechanism (RCM) for the Mauritius Strategy for the further implementation of the Barbados Programme of Action for the sustainable development of Small Island Developing States (BPoA/MSI), on the 25 May, 2012.

The Session was attended by representatives of ten member States of the CDCC: Antigua and Barbuda, Belize, Cuba, Grenada, Guyana, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, and Trinidad and Tobago. Representatives of Curaçao and Panama attended as observers. The United Nations Secretariat was represented by the Senior Political Affairs Officer of the Americas Division in the Department of Political Affairs (DPA), and the following United Nations bodies were represented: Food and Agriculture Organization of the United Nations (FAO), International Labour Organization (ILO), United Nations Children's Fund (UNICEF) and United Nations Population Fund (UNFPA).

Representatives of the following intergovernmental organizations attended the meeting: Association of Caribbean States (ACS), the Caribbean Community (CARICOM), the Commonwealth Secretariat, the Inter-American Development Bank (IDB), and the Organization of American States (OAS).

At the opening of the twenty-fourth session of the Caribbean Development and Cooperation Committee, remarks were made by the following speakers: The Honourable Carolyn Rodrigues-Birkett, Minister of Foreign Affairs of

the Republic of Guyana, Diane Quarless, Director of ECLAC Subregional Headquarters for the Caribbean, Ambassador Irwin LaRocque, Secretary-General of the Caribbean Community (CARICOM) Secretariat, The Honourable Patrick Simmons, Minister of Youth Empowerment and Sports of Grenada, and His Excellency Donald Ramotar, President of the Republic of Guyana.

In addressing agenda items which included the recommendations of the CDR and TAC, the Committee took note that the Caribbean subregion has continued to grapple with post-crisis economic recovery, compounded by declines in investment and access to finance, and underscored the need to maintain social protection programmes to support the most vulnerable groups. The meeting strongly supported the convening of the Caribbean Development Round Table (CDR) as a valuable subregional forum for fostering dialogue among stakeholders, and urged consideration of the policy options and the search for solutions which had emerged from the discussions of the second CDR, regarding development challenges of growth, structural transformation and equity through the advancement of trade, investment and innovative financing in the Caribbean. In this regard, the Committee encouraged the active participation of international and regional development partners.

The Committee acknowledged the need to enhance regional coordination in support of the implementation of

the Mauritius Strategy for the further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States by strengthening the institutional framework for sustainable development. The Committee underscored the important role played by the ECLAC subregional headquarters for the Caribbean, which serves as the Secretariat for the RCM and the TAC, in support of implementation of the Mauritius Strategy, and welcomed efforts to revitalize the role of the RCM, including the strengthening of the national focal point mechanism as well as the development of a database to monitor progress made in implementation of the Mauritius Strategy. The meeting took note of the need both to promote partnerships between small island developing States through south-south cooperation, and to mobilize resources in support of the work of the TAC of the RCM. The Committee considered and endorsed the recommendations contained in the TAC meeting report.

The meeting acknowledged that the data-deficient status of most Caribbean countries presented real challenges for measuring and monitoring development progress, devising targeted, evidence-based policy solutions, and strengthening advocacy on behalf of the subregion. The Committee highlighted the important role of ECLAC and the United Nations system in:

- (a) strengthening indigenous capacity for data gathering, statistical analysis, and other skills necessary for compilation of key social, environmental and demographic indicators;

(continued on page 7) ►

Caribbean Development Roundtable, Guyana

SETTING THE TONE AT THE OPENING CEREMONY OF THE CDR



Dr. The Honourable Winston Dookeran, former Finance Minister of Trinidad and Tobago.

"We must find a way to integrate the logic of politics with the logic of economics to achieve sustainable development in small States" former Finance Minister of Trinidad and Tobago, Winston Dookeran.

The ECLAC Subregional Headquarters for the Caribbean hosted the 2nd Meeting of the Caribbean Development Round Table (CDR), in Georgetown, Guyana on the 30 May 2012. The CDR, which will from henceforth be hosted as a biennial development dialogue, brought together high level government officials, academic and private sector officials to discuss the principal theme of "Macroeconomic policy for structural transformation and social protection".

The CDR which facilitated the dynamic engagement among a range of Caribbean experts and thinkers in the field of development addressed the major theme through the process of three panel discussions. The discussants sought to grapple with (1) a range of macroeconomic policies by which the Caribbean subregion could develop self-reliance in the face of global economic crises; (2) the need for exploring new initiatives and ideas in areas such as trade, industry and tourism for enhancing access to finance; and (3) the complex issue of the provision of social safety nets in the face of low productivity, low tertiary educational rate, and declining per capita incomes.

The Director of the Subregional Headquarters for the Caribbean pointed out that the CDR is intended to offer an opportunity to examine afresh the prospects and opportunities for sustainable development in the Caribbean. She proposed that the various themes are complementary and were also important to better understand strategies for building resilience and achieving sustainable development among small States. Ms. Quarless argued that despite the crushing debt obligation faced by many Caribbean countries, it is essential that social programmes be maintained while charting a course for achieving sustainable growth.

She continued by saying that the CDR was not conceived as a final event,

but as an evolving policy dialogue that examines and promotes the development of small States and one of its mandates is to provide a bridge for exploring opportunities between Latin America and the Caribbean. Finally, the Director urged the meeting to provide workable solutions to guide policy makers in what is now a difficult period for the Caribbean and many other small States.

The scope and tone of the dialogue were set by outstanding presentations by the Executive Secretary of ECLAC, Ms Alicia Bárcena; the former Finance Minister of Trinidad and Tobago, Dr. The Honourable Winston Dookeran; as well as the Minister of Finance of Guyana, Dr. The Honourable Ashni Singh.

In her video presentation, Ms. Alicia Bárcena, indicated that the Caribbean faced many structural weaknesses that have been made more acute by the decline in access to finance and high unemployment. She stressed the need for structural change to facilitate economic convergence and greater equity. Ms. Bárcena was clear that although equality was based on rights, it must be underpinned by productivity and increasing employment. She further argued that the Caribbean needed to build a macroeconomy that went beyond nominal stability but which must address real stability. Thus monetary, fiscal and exchange rate policies must operate jointly to help the business sector to generate long term investment.

Minister Dookeran in his presentation observed that the challenge facing the

region was the integration of the logic of politics with that of economics in order to generate better outcomes. He lamented that regional integration focuses on markets and trade rather than on production, distribution and competitiveness. The Minister emphasised the need to search for mechanisms of Caribbean convergence especially in areas of capital flows to solve the problems of economies of scale. He further argued that the region needs buffers that are internally generated and externally supportive. In addition, he proposed that there should be a review of pre-existing buffers with respect to international institutions in their dealings with the ability of small States to cope.

Minister Singh noted that the status of "middle income" was an albatross around the necks of Caribbean countries since it failed to recognise their vulnerabilities. He felt that while the countries of the region did not contribute to the global crisis they bore the costs disproportionately. The Minister explained that the task ahead is to find the right balance between resolving the serious fiscal crisis and investing in both long-term growth and the social sector. He warned that development thinkers need to guard against the tendency to manage by ratios, especially those imposed by international multilateral agencies. Many of these ratios, he suggested, did not take into account the high cost of bringing social services to isolated communities. He asserted that development partners must be made aware of these concerns

(continued on page 11) ►

INSTITUTIONAL STRENGTHENING FOR CARIBBEAN SMALL ISLAND DEVELOPING STATES



In 1992, the first Conference on Sustainable Development was convened in Rio de Janeiro, Brazil and resulted in Agenda 21 and other agreements. Following this, the Sixth Session of the Commission on Sustainable Development, (1998) indicated that regional and subregional institutions have faced a number of constraints that tend to undermine their effectiveness. However it was noted that they are also hampered by the lack of firmly established regional coordination mechanisms, particularly in the Caribbean and Africa, and the inadequacy of integration of environmental dimensions in the socio-economic planning process at the national level.

The Caribbean subregion has long articulated a need for a Regional Coordinating Mechanism that provides an effective institutional framework to monitor implementation of the sustainable development agenda in the subregion through mobilisation of efforts to support implementation of the Barbados Programme of Action (BPoA) and by extension, the Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of small island developing States (MSI). As such a decision was taken by regional Governments and United Nations bodies in the Caribbean to establish a mechanism that would provide oversight of these two strategies. Therefore, in 2006, an institutional structure for the RCM was established, with ECLAC being named the Secretariat.

More recently, paragraph 100 of the “Future We Want” adopted at the UNCSO emphasised the significant role that regional commissions and subregional offices should play “in promoting a balanced integration of the economic, social and environmental dimensions of sustainable development in their respective regions”. The agreement also encouraged “the enhancement of the UN regional commissions and their subregional offices in their respective capacities to support member States in implementing

sustainable development”.

Since the inception of the RCM, ECLAC has offered provide support to Caribbean small island developing States (SIDS) in implementation of the MSI and particularly through assistance provided by a regional Adviser has been successful in providing some support in implementation of the BPoA/MSI. In this regard the Technical Advisory Committee of the RCM is convened annually, most recently in Georgetown, Guyana on 25 May 2012. CARICOM Member states therefore had an opportunity to map a strategic vision of the RCM and to plan the work programme towards 2015 within the context of the BPoA a+20 and the MSI +10 meetings. Decisions taken and recommendations made at that meeting are reflected in the following section.

Decisions and Recommendations

a. National and Institutional Strengthening:

- Political will is needed to strengthen the operations of the TAC
- Human resource and institutional capacity are challenges for the TAC in the implementation of the BPoA/MSI
- The importance of continued engagement between the ECALC RCM Secretariat and the CARICOM Secretariat in supporting the sustainable development agenda in the subregion was emphasised
- The governance framework within

which the sustainable development agenda will be implemented should be examined

- The national focal point mechanism (NFP) may find the responsibility of being the liaison between the country and TAC a challenge, and it is therefore necessary to design a modality for carrying out the work of the RCM
- The services of interns at the national level to support the national focal point mechanism should be utilized. Budget support should be obtained to support this initiative
- The Caribbean needs to develop guidelines for preparing to participate in international forums
- Examine where the BPoA/MSI fit into the broader operational development context
- Institutions addressing BPoA/MSI implementation should coordinate to create synergies and avoid duplication of effort
- Countries discussed the varying options regarding the strengthening of UNEP. It was suggested that the subregion might need to further explore innovative methods to more effectively engage in any new international environmental governance system.

b. The RCM Secretariat

- Needs and vulnerabilities of Caribbean SIDS must be reflected in the 2014 reporting process on progress made both in two decades

of implementation of the 1994 BPoA and in the first decade of implementation of the MSI

- The extent to which the functionality of the TAC could be incorporated into the work programme of ECLAC for the 2014-2015 biennium should be considered. The areas of the BPoA/MSI that will be addressed in the short term should be prioritized. Consideration should be given to United Nations General Assembly (UNGA) resolution 20/10 and the Five-Year Review of the Mauritius Strategy

c. Technical Matters

- The three pillars of sustainable development should be included in the development of indicators
- To the extent possible, appropriate indicators from other countries or organizations in measuring progress towards BPoA/MSI should be utilized. The development of indicators to measure and monitor progress in the Caribbean for e.g., as those developed by Barbados

- The development of indicators that could track the progress of Caribbean SIDS in building resilience in key areas of vulnerability should be considered. A mechanism for using information from the indicators to pursue the regional position especially in negotiating forums should be developed
- A system to strengthen the capacity of Caribbean SIDS in managing the policy cycle should be developed
- Systems of data collection and data analysis to inform policymaking need to be strengthened
- The impact of crime and drug trafficking on economies could be examined. Call on the United Nations Department of Economic and Social Affairs (UNDESA) to provide a report on the status of the Small Island Developing States Network (SIDSNet)

d. Financing

- ECLAC needs to provide more budgetary support to the Subregional Headquarters for the Caribbean

- Resources need to be mobilized for financing the operations of the TAC and as such member States need to recognize their responsibility to represent the interests of the Caribbean throughout the entire process if resources are to be allocated for the 2014-2015 cycle.

e. The vision of the RCM

- Utilize the SIDSNet to promote SIDS-SIDS cooperation
- An information and communications technology (ICT) platform for improving communication and sharing of information should be developed. In this regard, a proposal should be developed for consideration of donor funding
- Prepare and circulate a newsletter that will reflect the main activities and developments in Caribbean SIDS
- Consider, in the medium term, development of a Caribbean Subregional Award in Sustainable Development. ■

► (continued from page 4)

24TH SESSION OF THE CARIBBEAN DEVELOPMENT AND COOPERATION COMMITTEE

(b) contributing towards enhancement of the data-supply systems in member states;

(c) providing support to member states for the processing and analysis of population and housing censuses, through promoting the inclusion of, and providing technical and financial support for, the participation of Caribbean countries in the 2011 round of the International Comparison Programme; and

(d) providing strong support to ongoing initiatives that enhance the sustainable statistical capacities in the subregion.

The Committee welcomed the report on progress made - through implementation of the recommendations of the first phase of the in-depth evaluation on strengthening the role of the Commission - in making the ECLAC Subregional Headquarters for the Caribbean a more effective catalyst for development in the Caribbean. It also considered the recommendations of

the second phase of the in-depth study, which identified ways in which ECLAC could support the work of its Subregional Headquarters for the Caribbean.

In this context, the recommendation of the CARICOM representative for institutionalizing the RCM within ECLAC is noted. The Secretary General also noted that he was pleased with the outcome of the CDR. He acknowledged that there was need to forge stronger links between member States of CARICOM and ECLAC, with a view to deepening and widening collaboration and integration. He called on Caribbean States to seek synergies in the development aspirations and objectives of the Latin American and Caribbean region, suggesting that the output of the CDR could serve as a stimulus for policymakers pursuing growth.

The President of Guyana reiterated the strong belief of the Government of Guyana that building stronger bridges

between the Caribbean and its Latin American neighbours was an essential part of any Caribbean strategy for building resilience to global challenges, and urged the promotion of greater synergies between member States of the Caribbean, Central America and South America, for the specific purpose of strengthening Latin American and Caribbean integration, even while simultaneously strengthening relationships with partners in the North.

This issue of Focus draws heavily on the presentations, discussions and recommendations made at the earlier forums which informed the CDCC session and presents in the articles contained here, some details on the issues discussed at these forums. In addition, related documents can be accessed through links at the ECLAC website (<http://www.eclacpos.org>). ■

DIVERSIFYING PRODUCTIVE STRUCTURES AND IMPROVING ACCESS TO FINANCE IN THE CARIBBEAN



Dole Alexander / ECLAC

Professor Compton Bourne,
Professor Emeritus University of the West Indies

Access to finance is key to sustainable economic growth of small States in the Caribbean subregion, and has been an important agenda item in both sessions of the Caribbean Development Roundtable (CDR).

Under the theme “Diversifying productive structures and improving access to finance in the Caribbean” at the second CDR on 30 May 2012, Professor Compton Bourne analysed challenges Caribbean countries face in financing their economic adjustment and development after the crisis and the ways in which they can respond to the severe financial constraints that confront them. In creating the context, Professor Bourne noted that the crisis has severely affected the Caribbean through reduced trade, specifically the lower demand for tourism and offshore financial services and reduced capital inflows and remittances. This has worsened the fiscal position of affected countries, as revenue collapsed in the face of the need to undertake fiscal stimulus to maintain employment and social protection.

Professor Bourne painted a picture of a very difficult post-crisis period, in which growth in the financing needs of developed countries such as the US and the EU presents a major risk of crowding-out small economies from global financial resources. Indeed, the substantial demand for resources by countries such as Greece and Spain in an effort to strengthen their banks and facilitate recovery is evidence of this.

Another constraint mentioned in the presentation was the risk-averse attitude of financial institutions. Banks and investors have become more apprehensive of possible debt delinquency and default even in developed countries and have started deleveraging by reducing credit in order

to reduce their risk exposure. This has made it more difficult for small countries to access new funding. In addition to these external factors, Caribbean economies have found it difficult to access finance owing to weaknesses in their economic fundamentals. Several Caribbean countries, including the Bahamas, Barbados and Jamaica have been downgraded by the rating agencies after the crisis, due to high debt and weak medium-term growth prospects. This has made it difficult for them to access bond finance. Moreover, the region has limited scope for refinancing and accessing new commercial debt. In any event, where such finance is available some countries in the subregion would have to pay a high risk premium, reflected in higher interest rates.

Another challenge is that corporate equity and debt are a very limited source of international financing for Caribbean small economies. This stemmed partly from tightly held family-owned business enterprises with little division of ownership and control, underdeveloped local capital market and rating institutions, weak corporate accountability frameworks and cost disadvantages due to diseconomies of scale for small financing requirements. Professor Bourne then highlighted two principal options for the Caribbean. The first was foreign direct investment (FDI). This requires measures to reverse the decline in FDI that occurred during the crisis. Moreover, the FDI option might be more successful in countries with strong manufacturing bases or mineral resources. Unfortunately, however, exporters of tourism services were not likely to attract much FDI inflows unless sustainable growth in the sector took place. The second option was obtaining loans from multilateral financial institutions and regional or

subregional development banks, as some of them were more capitalized after the crisis and available financial resources have expanded. For small countries with weaker credit ratings, however, it would be a challenge to meet the portfolio risk criteria and the development effectiveness criteria of these financing institutions.

The question then becomes how can the Caribbean subregion respond to the development finance challenge given the constraints mentioned above? Professor Bourne suggested a few measures which the region should take in order to increase financing. First, small countries might access excess liquidity in their own banking system for private and public investment projects. However, priority should be given to projects having the best prospects for generating scarce foreign exchange. Second, small countries should try to raise their levels of resource efficiency, given the inadequacy of resources. Higher productivity would increase the benefits from financial resources they obtained. Third, Caribbean countries should work to gain an international reputation for sound financial management through improved fiscal and financial sector management in order to reduce the costs of loans. Fourth, attempts should be made to garner funds from the Diaspora. Remittances could be used for productive investment and Diaspora bonds should be explored to provide other options. Given the high and unsustainable debt in a number of Caribbean countries, a case can be made for debt forgiveness or restructuring in some countries to free up resources for development projects.

Caribbean countries including Antigua and Barbuda, Jamaica and Saint Kitts and Nevis have entered into Stand-by Agreements with the IMF in the

(continued on page 11) ►

MAINTAINING SOCIAL PROTECTION IN SMALL STATES



Dr. Annicia Gayle-Geddes

Dale Alexander / ECAC

“Adjustment is inevitable” - Dr Annicia Gayle-Geddes, Monitoring and Evaluation Specialist, Jamaica Social Investment Fund, on the topic of social protection in the Caribbean.

Identifying and confronting the weaknesses of social protection measures in the Caribbean, and the dynamics through which these may impact upon both equality and economic growth prospects in the region, were the focus of discussion during the afternoon session of the Caribbean Development Roundtable under the subtheme “Maintaining social protection in small States in the context of declining public resources and limited access to finance”.

Led by Dr. Annicia Gayle-Geddes, a Monitoring and Evaluation Specialist at the Jamaica Social Investment Fund, along with Dr. Andrew Downes, Professor of Economics at the University of the West Indies Cave Hill Campus in Barbados, and Mr. Enrique Delamonica, regional advisor at the United Nations Children Fund in Panama, the panel examined the question of social protection in the Caribbean from varying but related perspectives: enhancing its adequacy and efficacy, the extent to which it meets children’s needs in particular, and the two-way relationship between social protection and productivity.

Dr. Gayle-Geddes noted that social protection is a form of “safety net” for vulnerable and poor individuals, providing a level of income security through labour market, social insurance and social assistance interventions. The demand for such “safety nets”, most commonly provided by the state, has become particularly critical during times of economic hardship, such as that precipitated in the Caribbean subregion by the global financial crisis of 2008, and as a result of structural adjustment reforms. The presence of the “working poor” in the Caribbean, elevated levels of unemployment and low levels of

educational certification, represent some of the major threats to income security in the region. However, providing protection to individuals rendered vulnerable to impoverishment for such reasons is also particularly challenging at these times, as Governments face declining resources and access to finance. Long term realities such as the relatively short duration of a particular political party’s time in control of the reins of government, combined with the challenge of uneven growth, debt servicing and the limited fiscal space that this may imply, further impinge upon social protection.

Against this backdrop, Dr. Gayle-Geddes concluded that “adjustment is inevitable” for Caribbean social protection efforts. Perhaps most fundamental of all, she suggested that there is a pan-Caribbean problem with respect to targeting the right people for social protection. Poor targeting and a lack of defined “exit strategies” in social protection provision has led to both major gaps in the provision of social assistance in the region, and to leakage of resources. A recommendation was made for a Social Risk Management (SRM) system that aims to look beyond growth and takes into consideration risks and vulnerabilities among the population, thereby reducing the initial likelihood of individuals being exposed to risk and enhancing resilience to the type of risk that would create demands on social protection.

Drawing the connections between productivity for economic growth and social protection, Professor Downes told the meeting that raising economic growth through productivity enhancements is crucial to addressing unemployment and poverty levels. The Caribbean must weigh the extent to which labour protection measures, which form part of the “suite” of

social protection measures, impact upon productivity, and the extent to which altering labour protection laws and regulations with an eye to boosting productivity will increase demand for social protection by raising unemployment in the short term. With Caribbean productivity growth long lagging behind that of competitors, improving performance in this regard is a major development issue which may be best tackled by seeking to move the Caribbean towards the Danish “flexicurity” model that balances labour flexibility to enhance productivity with reasonable levels of labour market protection.

Dr. Delamonica charged that “child-sensitive” development and social protection policies must be brought into the mainstream as a priority for Caribbean governments; starting with the recognition that growth alone is not sufficient to ensure that children’s interests are protected in society. Doing so involves respect for children’s rights and the impact that child social protection will have on future development prospects. Mr. Delamonica proposed that an integrated view of social protection that incorporates reforms such as child-care support for single parents would enhance social protection measures. Ultimately, a greater emphasis on monitoring of assistance and evaluation of outcomes must play a key role in improving social assistance efforts going forward. In the first place, this will require more accurate measurement of poverty which takes into consideration its depth as well as its incidence in terms of a headcount of the impoverished. Evaluation of the impact of particular measures demands attention to baselines, including the short, medium term and long run impacts as well as a determination of how households are accessing and then using the social protection provisions that are being made available to them. ■

THE NEED FOR ROBUST STATISTICS AND SUSTAINABLE NATIONAL STATISTICAL SYSTEMS IN THE CARIBBEAN



Good governance and public accountability are core values of any democratic society. These fundamental principles therefore, feature very prominently in the political manifestos of public office. The hallmark of good governance and public accountability is evidence-based policy decisions and an indispensable pillar to foster such policies is the establishment of robust and sustainable national statistical systems. Consequently, establishing and sustaining robust national statistical systems is a desirable objective of all democratic societies.

The availability of reliable, timely, relevant and comparable statistics is essential to all sectors of development. In the economic sector, robust and timely statistics are fundamental to accurately assess economic development. Hence, careful monitoring of the structure and growth of the Gross Domestic Product, on a quarterly basis has now become a regular output of the work plan of all national statistical organizations.

The size, structure and characteristics of the labour force of countries also form crucial elements of economic activity and economic analysts currently demand quarterly statistics on the dynamics of the labour force. In addition, detailed and timely trade statistics and trade indicators also feature very prominently on the priority list of major users of statistics, especially now that the pressures of globalization are demanding very thorough and regular analyses of movements in international trade. The recent impact of the global food crises has also sent a very strong message to countries that they need to urgently strengthen or institute robust information systems on food production, consumption, imports and exports. Attention has therefore been re-focused on promoting comprehensive agricultural and rural statistical systems spearheaded often by the conduct of a thorough countrywide agricultural census.

Demands for robust and timely statistics are no less in the socio-

demographic sector. Countries have made commitments to achieve several global social and demographic goals with clearly defined targets and the only reliable way to assess progress in this direction is to generate key social and demographic statistics and indicators on a regular basis. Among these goals, the Millennium Development Goals (MDGs) feature very prominently. Poverty reduction is one of the key goals of the MDGs and progress in achieving this goal can only be comprehensively monitored with regular statistics. Some of these key statistics relate to the poverty line, poverty gaps, the indigent population and income distribution. Other commitments of the MDGs also require countries to monitor other social goals including gender equality and mainstreaming as well as the goal of achieving universal primary education. Additionally, the urgent need for more timely and a wider scope of statistics on crime is now a very high priority for most countries in the fight against the growing incidence and prevalence of crime. Other MDG commitments also require countries to monitor demographic achievements such as the reduction in infant and child mortality, maternal health, access to family health and family planning assistance and the elimination of the HIV/AIDS pandemic. In order to actively monitor these commitments a variety of reliable and timely statistics is essential. This breadth and depth of statistics can only be afforded by a comprehensive and robust statistical system.

Emerging areas of demand for statistics include the environmental sector. In order to foster sustainable development it

is of paramount importance to efficiently account for environmental activity. Hence, reliable, timely and comparable statistics and indicators on climate change, deforestation and biodiversity now feature as priority areas on the work plans of national statistical organizations and these areas also feature prominently in global commitments such as the MDGs and other internationally agreed development goals. Additionally, ever since the dreaded Y2K phenomenon, which caused more alarm than serious damage, a broader scope of statistics on ICT has been growing on demand by primary users. Among other uses, these statistics have proven to more effectively measure the digital divide and the penetration ratios of information and communication agendas.

However, Caribbean governments continue to face serious challenges to meet the above demands and commitments especially since considerable human and financial resources are required to do so. The ongoing economic and financial crises have added to these challenges. In order to foster the establishment of robust national statistical systems it is therefore of paramount importance that all development agencies operating in the Caribbean pool the limited available resources in a very collaborative manner in order to ensure maximum impact and benefits to countries of the Caribbean region. This collaborative effort together with political will and progressive budgeting at the national level are fundamental factors to ensure robust and sustainable national statistical systems. ECLAC has been working vigorously to foster strong collaboration

(continued on page 11) ►

► (continued from page 10)

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with other development partners in statistical development. The most recent manifestation of these efforts was the sponsorship of an expert group meeting, held in April this year at the Subregional Headquarters for the Caribbean in Port of Spain, Trinidad and Tobago. Most partners, including selected governments of the region participated in this very interactive forum. The main focus of the meeting was the identification of priority areas for sustainable statistical development and the preparation of the framework of a joint project proposal to address these areas in a focused and sustainable manner. The Canadian International Development Agency has expressed willingness to consider funding of the joint project which will be submitted to them by the middle of August 2012. ■

UPCOMING EVENTS 2012

22 August, 2012

Fifth Meeting of the Project: Development of economic frameworks in support of an assessment of the economic and social impacts of climate change in the Caribbean
Kingston, **Jamaica**

27 - 30 August, 2012

Expert Group Meeting on Price Statistics
Oranjestad, **Aruba**

27 - 31 August, 2012

The Thirty-fourth session meeting of the Economic Commission for Latin America and the Caribbean (ECLAC).
San Salvador, **El Salvador**

4 - 5 September, 2012

Final Preparatory meeting in support of the economic and social assessments of the impact of climate change in the Caribbean
Havana, **Cuba**

16 October 2012

Final expert group meeting on development of a prototype model to assess and project the impact of climate change in the Caribbean
Castries, **Saint Lucia**

17 October 2012

Expert group meeting on economic and social impacts of climate change in the Caribbean
Castries, **Saint Lucia**



► (continued from page 5)

Caribbean Development Roundtable, Guyana SETTING THE TONE AT THE OPENING CEREMONY OF THE CDR

and that the United Nations system including ECLAC could help in such advocacy. Minister Singh cautioned that such arguments must not be emotive, but based on credible and robust arguments for external support. For example, he suggested that a rigorous case must be made for debt relief for the most highly indebted countries of the Caribbean. He ended by pointing to the need to seek opportunities for hemispheric integration to bring benefits to small States.

The presentations highlighted three important considerations which can advance the development of the subregion. These are: -

- the role of advocacy in bringing in relief and resources to the subregion,
- the need to align political decision making with smart macroeconomic policy, and
- the need for policies that enhance productivity growth and which aim to maintain social protection. ■



► (continued from page 8)

DIVERSIFYING PRODUCTIVE STRUCTURES AND IMPROVING ACCESS TO FINANCE IN THE CARIBBEAN

aftermath of the crisis in order to secure financing for adjustment programmes aimed at reducing their debt to sustainable levels and providing financing to resuscitate growth.

Overall, the Caribbean small economies are facing a major challenge in financing

development activities in the aftermath of the crisis, and need to revive trade, FDI and other sources of financing, while increasing the efficiency with which they use scarce resources, in order to maintain development gains. ■

LIST of Recent ECLAC Documents and Publications

Listed by Symbol Number, Date and Title

No. LC/CAR/L.296	July 2012	No. LC/CAR/L.371	December 2011
Innovation in the tourism sector: a case study from the Commonwealth of Dominica		Caribbean Millennium Development Goals Report 2010	
No. LC/G.2524(SES.34/3)	July 2012	No. LC/CAR/L.366	November 2011
Structural change for equality: an Integrated Approach to Development		Report of the expert group meeting on social health protection for vulnerable populations: identifying challenges and forging new directions	
No. LC/CAR/L.383	June 2012	No. LC/CAR/L.362	November 2011
Report of the Twenty-Fourth Session of the Caribbean Development and Cooperation Committee (CDCC), Georgetown, Guyana		An Assessment of the Economic Impact of Climate Change on the Macroeconomy in the Caribbean	
No. LC/CAR/L.381	June 2012	No. LC/CAR/L.354	December 2011
Report of the fourth meeting of the Technical Advisory Committee (TAC) of the Regional Coordinating Mechanism (RCM) for the Mauritius Strategy for the further implementation of the Barbados Programme of Action for the sustainable development of Small Island Developing States (BPOA/MSI)		Study on the vulnerability and resilience of Caribbean Small Island Developing States (SIDS)	
No. LC/CAR/L.380	May 2012	No. LC/CAR/L.313	October 2011
A study on the capacity of Statistical Offices of the Caribbean to produce environment, social, economic and gender statistics		An assessment of the economic impact of climate change on the tourism sector in Jamaica	



United Nations

ECLAC

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