REPORT OF THE SEMINAR ON CARIBBEAN DEVELOPMENT THINKING:
THE PATH COVERED AND THE WAY FORWARD

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I. INTRODUCTION

The Economic Commission for Latin America and the Caribbean (ECLAC), Subregional Headquarters for the Caribbean, and secretariat of the Caribbean Development and Cooperation Committee (CDCC) convened a Seminar on Caribbean Development Thinking: The Path Covered and the Way Forward, in Port of Spain on 21 October 2009.

The meeting was attended by representatives of the following CDCC member countries: Dominica, Grenada, Guyana, Jamaica, Saint Lucia, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Suriname and Trinidad and Tobago. Representatives of the following organizations of the United Nations system also attended: the International Labour Organisation (ILO); Joint United Nations Project on HIV/AIDS (UNAIDS); and the United Nations Development Programme (UNDP). The following intergovernmental organizations were represented: the Caribbean Community (CARICOM); the Caribbean Development Bank (CDB); the Caribbean Regional Negotiating Mechanism/Caribbean Community (CRNM/CARICOM); Delegation of the European Commission in Trinidad and Tobago; the Organisation of American States (OAS); and the Organisation of Eastern Caribbean States (OECS). The University of the West Indies (UWI) also participated. The list of participants appears as annex I to this report.

A. BACKGROUND

In 2008, ECLAC celebrated its sixtieth anniversary, commemorating decades of contribution to the design and implementation of social and economic strategies across the region. Thus, innovative concepts like structuralism and the theory of dependency, products of the ECLAC intellectual drive, have had an undeniable influence on the shaping of public policies in Latin America and the Caribbean. At the same time, the substantial contribution made by eminent Caribbean thinkers, such as Sir Arthur Lewis, to development theories for the region cannot be overlooked. In that sense, Lewis’ research on the relevance of neoclassical and Keynesian assumptions for developing countries has become a key element for further development of alternative paradigms and strategies for the economic and social progress of countries of the region.

It is worth noting that contributions from ECLAC’s work and the Caribbean intellectual community to the field of development theory are now more relevant than ever. This is the case given the current global environment, marked by widespread recession, deep uncertainty, and rising criticism and debate over the validity and relevance of paradigms adopted by most Latin American and Caribbean countries during the last decade. Such paradigms are based on market liberalization, excessive deregulation and the diminished role of the State. However, the global events of the last year clearly show the need for a most critical and structured approach to development issues, with a renewed debate over the best ways to promote economic growth in a balanced and sustainable manner in the Caribbean.

With this in mind, the seminar was to review ECLAC’s role as a major center for economic thinking in Latin America and the Caribbean and to update an assessment of the work of Sir Arthur Lewis and the evolution of Caribbean development thinking. ECLAC considers that input from such assessments should be the basis for an in-depth intellectual discussion, aimed at articulating new and improved development paradigms for the region, in accordance with the Caribbean’s unique political, social and economic characteristics. Presentations and discussions were conducted in four sessions which included a formal opening, followed by three technical sessions.
B. OPENING REMARKS

In his opening remarks, Mr. Neil Pierre, Director of the ECLAC Subregional Headquarters for the Caribbean emphasized that whatever the perspective chosen to address the present context of Caribbean development, one thing was certain, it could not be business as usual. On this basis, he indicated that the aim of the seminar was to offer a forum for reflection on the path traveled by ECLAC as an institution and its contribution to development praxis of the Caribbean. Towards this end, he encouraged participants to engage in both retrospection and projection, using, as starting point, a review of the current economic performance and challenges confronting the subregion. He also observed that new paradigms were now urgently needed to guide the policy choices of Caribbean governments as they sought to chart a sustainable development course for the subregion's population.

He asked participants to look beyond the current crisis phase and to note that several commentators were already projecting that the post-crisis world would be one of slower growth, reduced financial flows and a more inward-looking and protectionist stance by most countries. Further, he noted that there was considerable lobbying for major changes in the global governance architecture, leaving open the question of what would be the role of the Caribbean, as small-island, low-lying coastal States with limited influence.

He expressed the hope that from the presentations and discussions, the meeting would glean what might be appropriate, collective policy approaches for the Caribbean in a post-crisis era. It was anticipated that the seminar would pave the way for a follow-up seminar or even a series of such events in the future. Moreover, he expected that the discussions would result in a clear identification of areas for further research and analysis as well as identify some possible areas for future technical support.

C. ECONOMIC IMPLICATIONS OF THE GLOBAL CRISIS FOR THE CARIBBEAN AND THE NEW WORLD ECONOMY

Mr. Roberto Machado, Economic Affairs Officer, ECLAC Subregional Headquarters for the Caribbean, made a presentation on the Economic implications of the global crisis for the Caribbean and the new world economy. He stated that the global crisis was transmitted to the Caribbean economies via trade, tourism, remittances, foreign direct investment and access to external financing. As a result, the critical concerns for the subregion were sharp slowdowns or contractions in GDP, the worsening of the twin deficits in the context of high public debt levels, low international reserves, and sustained real exchange rate appreciations within fixed and quasi-fixed exchange rate regimes.

A significant part of the presentation focused on the possibility of a currency crisis in the Caribbean, and the possibility that the combined effects of current account deficits, low international reserves and dependence on external financing could place the subregion in an economic policy dilemma. After briefly reviewing recent currency crises episodes suffered by different developing and emerging economies (Mexico 1994-95, East Asian countries 1997-98, Turkey 2000-01, Argentina 2001-02), he stated that in the year preceding the crisis, all those countries had shown current account deficits much lower than the ones posted by most Caribbean countries in 2008. He posited that in the presence of a negative external shock the only viable options for Caribbean countries were to reduce domestic demand through contractionary policies or to allow domestic currencies to float.

As a way forward, he suggested that the Caribbean should achieve consistency between the exchange rate regimes and macroeconomic fundamentals, especially the twin deficits and the levels of public debt and international reserves; complement development strategies with the expansion of domestic markets which would require a combination of more depreciated local currencies and industrial
policies; and foster regional integration within CARICOM and other agreements, including Latin America, given the small size of Caribbean markets.

1. Discussion

The subsequent discussion centered around three broad themes: (a) a perceived currency crisis in the Caribbean; (b) the need for structural change in the economies; and (c) the role of emerging global powers and its implications for Caribbean economies.

While noting the importance of the statements made in the opening presentations, the representative of the CDB expressed surprise that the presentation focused on currency crises rather than public debt and current account balance. He observed that no mention was made of future capital flows or other measures that could be used to prevent currency depreciation, and expressed opposition to the suggestion that currency depreciation should be used as a means to increase economic growth. Instead, he raised the question of future expectations of capital flows as a strategy for the Caribbean to confront its current economic challenges.

Similar sentiments were expressed by the representative of the Institute of International Relations (IIR), who endorsed the view that the presentation focused too much on currency crises as the main manifestation of the global crisis. In this regard, he mentioned the Jamaican experience as a case in which the currency depreciation yielded negative results, and therefore doubted the feasibility of real exchange rate depreciation as a strategy to confront the subregion’s economic challenges. He also proposed that the emphasis be placed on the issue of the subregion’s public debt and observed that, in the presentation, the social dimension was not sufficiently considered especially since the challenges went beyond the economic sphere.

The Director of the CEPAL Review, ECLAC Headquarters, stated that the presentation showed a grim picture of the Caribbean economies. However, he suggested that the period 1950 to the present would be very different from the period to come, in which new challenges would present themselves. On another note, he indicated that he would also welcome articles on public debt in the Caribbean for the CEPAL Review.

By way of response to the concerns raised above, one representative from the ECLAC Subregional Headquarters for the Caribbean stated that there might be a bigger issue of structural change and made special reference to the structure of exports. The presenter, however, noted that although restructuring and economic diversification were good ideas it was difficult to see the emergence of new sectors or new firms given the current trend of currency appreciation. He indicated that the best industrial policy was to prevent an appreciation of the real exchange rate, and emphasized that he was not predicting that a currency crisis was on the horizon. Rather, given the weak economic fundamentals of massive current account deficits, public debt and little international reserves in the context of reduced foreign financing, a currency crisis might be likely. He stated that the main objective of highlighting the issue was to initiate dialogue on that critical matter.

Considering the issue of emerging global powers, the representative of the Sir Arthur Lewis Institute for Social and Economic Research (SALISES) stated that the presentation was somewhat of a static analysis in terms of global power. She observed that the focus was on only events in the United States, with little or no mention of emerging powers such as China and India. She suggested that it would be interesting to do an analysis on the opportunities that could arise for the Caribbean if stronger relationships with these emerging powers were created.
The Director of ECLAC Subregional Headquarters for the Caribbean, in responding to the discussions, said that Caribbean governments needed to broaden the scope of the economy and create new trading relationships with countries like Brazil, Guyana and Latin America. Further, he indicated that one would need to consider if real exchange rate depreciation was a relevant driving force, given the past experiences with structural adjustment programmes of which currency depreciation was a measure but did not have the desired effect of promoting economic growth.

In concluding the discussions, the presenter highlighted that the critical issue was to have consistent macroeconomic policy, and stressed that the current economic fundamentals placed the subregion in a very vulnerable position. While pointing out that the proposal was not for the Caribbean to abandon the fixed exchange regimes, he emphasized that the subregion should aim to improve the weak macroeconomic foundations if it wished to receive the benefits of fixed or quasi-fixed exchange rate regimes, without overexposure to dramatic and costly events such as the current currency crisis.

II. SIX DECADES OF DEVELOPMENT THINKING IN LATIN AMERICA AND THE CARIBBEAN

A. THE ECLAC LEGACY: CONTRIBUTION TO DEVELOPMENT POLICIES IN THE REGION

Mr. Ricardo Bielchovsky, Economic Affairs Officer, ECLAC, Brasilia, made a presentation on the Evolution of ECLAC thinking. He outlined a chronology in which the last 60 years of ECLAC thinking was one of continuity (with change). In terms of continuity, he noted that there were several levels: the structural factors that conditioned growth, employment and income distribution; implications in terms of integration into the international economy (as a periphery); and implications in terms of State action. He observed that continuity with change emerged through changes of messages and shifts of emphasis, according to new historical contexts (real and ideological).

In terms of chronology, he summarized the structuralist period (1948-1990) as that of “peripheral” economies, using “central” economies as the benchmark, and that the 1960s was a period of reforms. At that time, policies sought to redistribute income, reform the State and autonomously influence economic decisions in order to promote investment and development. In the 1970s, focus was on two major issues, namely, patterns of growth and adaptation to the new international context; while the 1980s was a period of shifting analysis: from long-term issues to the debt-inflation-adjustment trilogy. The period of neo-structuralism (1990s and 2000s) saw inadequate diversity in production while external vulnerability was enhanced by volatility in financial flows. During this time the emphasis was changing production patterns with social equity.

The presenter also pointed to the sixth decade as a period in which new formulations emerged: assessment of reforms; citizenship and social cohesion; merging of structuralist and Schumpeterian approaches; development of an agenda for the global era; capital flows, external vulnerability and countercyclical macroeconomic policies. Finally, he assessed the seventh decade as an advanced neo-structuralist stage (2008-2018), concerned with issues related to post-crisis macroeconomics with greater emphasis on climate change.
B. SIR ARTHUR LEWIS - PERSPECTIVES ON CARIBBEAN DEVELOPMENT

Dr. Patrick Watson, SALISES, presented on Perspectives on Caribbean Development”. The presentation focused on Sir Arthur Lewis’ “Industrialization of the British West Indies”. He noted that according to then prevailing mercantilist thought and the Moyne Commission (1945), the Caribbean did not have the wherewithal to develop manufacturing capability and, as such, industrialization was out of the question. However, he lauded Lewis’ intellectual challenge to the thinking at that time, noting his promotion of a new economic orthodoxy in which overpopulation of the islands was deemed to be the economic rationale for an industrialization strategy based on the export of labour-intensive manufactures.

He praised Lewis’ (1954) ‘Unlimited Supplies of Labour’ paper as the most influential paper on development economics since it revolutionized contemporary thinking on development, and summarized the fundamental setting for Lewis’ theory as that of a dual economy with a traditional and a modern ‘capitalist’ sector. In such a circumstance, capital accumulation was seen to be limited by profit rate, which, initially, was not high. Without State intervention, accumulation eventually came to a halt. He noted Lewis’ observation that the rate of savings had to increase to ensure the necessary investment in and from the modern sector, and that this increase could not come from the traditional (subsistence) sector but from the capitalists in the modern sector. Hence, capitalists would be required to earn a higher rate of profit, and the State, through incentives, would need to encourage capital from ‘capital-surplus’ countries. Ultimately, these capital-exporting countries would gain by importing goods made from ‘cheap’ labour.

By way of conclusion, he distilled Lewis’ theses on economic development into the following main ideas: industrialization at any price; produce to export; foreign capital must play a pioneering role; the State must play a facilitating role; and the Caribbean man must transform into a new man. Lewis had recommended a form of export-oriented strategy, but a policy dominated by widespread operations of ‘screwdriver’ type industries of import substitution followed instead. Lewis’ model was then labelled as valid to the extent that ‘dualism’ continued to persist and heavy population pressure on scarce cultivable land remained a feature of the landscape.

C. NEW PATHS IN ECONOMIC DEVELOPMENT

Mr. René Hernandez, ECLAC Headquarters, examined the theories that departed from the determinism inherent in the convergence idea, and argued for the notion of “multiple equilibria” in which several dramatically different outcomes could occur given the same fundamentals. He asserted that the convergence hypothesis limited the search for profound explanations and generated a particular set of attitudes towards economic policy by stressing the symptoms rather than causes of underdevelopment. He suggested that it promoted superficial, and sometimes incorrect, policy interventions.

He further noted that some new theories went beyond the convergence idea, and in those new paradigms, societies that were fundamentally similar in all respects might behave differently. This was due to the notion of underdevelopment as a self-fulfilling failure of expectations in which those economies exhibited multiple equilibria.

He summarized the implications of this new paradigm as follows: a policy should be viewed as a device for moving the economy from one equilibrium into another; a policy should not be permanent or persistent but, instead, an equilibrium-tipping policy should be artfully chosen and closely implemented in the transition, or it could fail badly. He also stressed that the so-called transitions from one “equilibrium” to another were imprecise and ought to be viewed as the equilibria of an encompassing inter-temporal process. Finally, he pointed out that there were innovative approaches that viewed underdevelopment not as a failure of some fundamental economic parameters, or socio-cultural values,
but as an interacting “equilibrium” (or the lack of it), and concluded that this created a very different role for government policy.

1. Discussion

The IIR representative stated that there was a strong influence of Latin American thought on Caribbean thought in the 1960s. He observed, for instance, that the work of Lloyd Best and George Beckford were highly influenced by Latin American thought, but that the link between Latin America and the Caribbean broke in the 1980s with the rise of neo-liberalism. There was a need to rebuild that bridge and go beyond the characterization of Caribbean economies as small, open economies. Instead, the focus should be on the mode of insertion into the world economy and to capture the differences within the region.

The representative of ECLAC Headquarters stressed that an important element in Latin America was structural heterogeneity, namely, the effects on innovation and technical progress. He also raised the question as to the lasting effects of colonization on development.

The representative of the Central Bank of Trinidad and Tobago, in reference to the presentation made on new paths to economic development, enquired about convergence and multiple equilibria. He stated that one needed to define clearly what constituted multiple equilibria and the theoretical issues that needed to be addressed.

The representative of the ECLAC Subregional Headquarters for the Caribbean stated that the reason why Sir Arthur Lewis focused on foreign direct investment was to build local innovative capacity, since his main concern was the constraint of the current account which might be solved by the efficiency in the use of foreign exchange.

The representative of SALISES commented on the presentation on Sir Arthur Lewis’ Perspectives on Caribbean Development and made reference to Lewis’ notion of the Caribbean man. She stated that a framework that enabled creativity and innovation of the Caribbean people was needed. In this framework, she suggested that the emphasis must shift to people as the engine of change rather capital. By way of example, she cited the experience of Singapore as a successful growth country, where people, as opposed to capital, were used as the engine of growth.

In response to the comments made by other participants, the representative of SALISES suggested that economists today should place greater importance on human, rather than physical, capital and affirmed that she had no doubt that colonization and slavery might have retarded the development of the ‘man’ that Lewis had made special reference to.
III. CARIBBEAN DEVELOPMENT IN THE XXI CENTURY: NEW PARADIGMS AND STRATEGIES

A. DEVELOPMENT PARADIGMS FOR THE CARIBBEAN TODAY: A CRITICAL ASSESSMENT

Dr. Compton Bourne, CDB, stated that development policy required a more complex understanding of social systems, and noted that the key factors in economic growth were the capital account, human capital and the role of government.

Further, he indicated that in an economy with low income and high poverty, foreign capital could be helpful, and that foreign debt could supplement domestic savings to relieve capital constraint. However, he posited that foreign debt had not become an option until the post-independence period and brought with it challenges, such as, limited capital access, debt service and the graduation of some Caribbean countries from access to concessionary funds.

He also pointed to the notion of investment in human capital as advanced by Romer, Lucas and Barro (1988; 1990), who highlighted the importance of education and training. He also stated that economic diversification required a shift from low productivity backward sectors to high productivity sectors subject to technical impediments which required government action.

In addition, he identified a number of barriers to trade, such as inadequate physical infrastructure; domestic market size constraint and; limited scope for horizontal and vertical growth. He affirmed that the Caribbean market remained small because it was comprised of low-income consumers and, therefore, markets did not work well unaided by government. He stressed that because of those elements, not all activities should be left to markets and, in many instances, governments might have to create markets on demand and supply sides. He emphasized that the ultimate measure of development was how it helped to improve people’s capabilities. He noted that there had been a loss of concern for how the benefits of growth and development were distributed in later paradigms (for example, market fundamentalism) and that the neglect of distribution could result in social behavior which threatened to damage attainment of the developmental goal itself.

B. BUILDING A COMMON DEVELOPMENT POLICY FOR THE CARIBBEAN

Dr. Norman Girvan, IIR, highlighted that, in theory, the CARICOM Single Market had been in existence since 2006. He also opined that the enormous legislative and technical resources devoted to establishing the legal framework for the CARICOM Single Market and Economy (CSME) since 1992 did not seem to be matched by tangible economic benefits to the participating States, actual or prospective. He stated that there appeared to be waning interest, and that the model of integration pursued was not suited to development. He pointed out that the idea of the single development vision (SDV) reconciled growth and competitiveness with social equity and environmental sustainability. Moreover, he observed that it was multidimensional and called for regional social partnership while exploiting the synergies of countries of different size.

C. A CARIBBEAN DEVELOPMENT EXPERIENCE: TRINIDAD AND TOBAGO

Dr. Shelton Nicholls, Central Bank of Trinidad and Tobago, chronologically laid out the development path that Trinidad and Tobago had pursued. He highlighted the eras of the immediate post-independence development experience; economic boom; structural adjustment and stabilization; economic liberalization
and; the Vision 2020 agenda. He noted that during each period the broad goals of development and the prevailing socio-economic context were addressed, such as import-substituting industrialization or “industrialization by invitation” in one period, or natural, resource-based industrialization and intensification of regional cooperation and deepening of integration in another.

He further observed that the main pillars of the Vision 2020 agenda were listed as the development of innovative people, the nurturing of a caring society, governing effectively, enabling competitive businesses and investing in sound infrastructure and environment. Finally, he pointed to the country’s current development policy priorities, which were the development of downstream energy industries, greater attention to diversifying the non-energy sector through investment in infrastructure and education.

1. Discussion

The Director of ECLAC Subregional Headquarters for the Caribbean stated that there were similarities in the three presentations with respect to the role of government and governance issues, and that the role of government was crucial in determining how the Caribbean moved forward.

The representative from Dominica questioned whether the CSME model was still suitable for Caribbean development. He also enquired about the link between the CSME and the OECS economic union and the possible stalemate that the Caribbean was now in because of the financial crisis.

The representative from CARICOM stated that it was her organization’s mandate to aggressively pursue functional cooperation and to integrate and harmonize policies. On that basis, she suggested that trade policy should be integrated with poverty reduction policies.

The representative of the CDB noted that sectoral planning and public information were important elements in any development plan. He stated that economists tended to limit themselves to too narrow a range of issues when they focused on macroeconomic activities of the government. On the issue of CSME, he suggested that there was a reluctance to arrive at a government arrangement because governments were too worried about sovereignty.

The IIR representative proposed that an economic conference should be convened with all stakeholders and governments to address the way forward for CARICOM and the future of integration. In response to the question by the Dominica representative, he stated that the OECS economic union was consistent with building the CSME, since it would mean that the OECS would become a single member. He also noted that governance was a responsibility for everyone and not only governments, and that the process of interaction must come largely from strong institutions. He urged that institutions be established with clear functions and responsibilities.

The representative of the Central Bank of Trinidad and Tobago stressed that the current Vision 2020 plan looked at a more detailed interaction between broad goals and sectoral activities. He also stated that Sir Arthur Lewis integrated human capital with economic growth and, hence, there was a need to explore suggestions emanating from his works.
IV. CARIBBEAN DEVELOPMENT IN THE XXI CENTURY:
THE SOCIAL COMPONENT

A. COMPASSIONATE LEADERSHIP: A KEY TO CARIBBEAN PROSPERITY

Dr. Rosina Wiltshire, SALISES, examined the performance of the Caribbean countries on the UNDP Human Development Index (HDI) for 2009 and suggested that their ranks were as a result of the type of leadership present. She stated that Caribbean leaders were ‘wedded’ to a colonial model of ‘boss leadership’ which was considered to be inappropriate for developing countries today. She observed that leaders in that type of model were considered to be lonely because they were unable to share common objectives with others, and that power did not come from one’s position. As a result, she emphasized the need for a shift from the ‘boss style’ to the ‘compassionate style’ leadership in the Caribbean.

She cited a number of theoretical analogies to explain the notion of compassionate leadership. For example, Thomas Merton saw compassion as the keen awareness of the interdependence of all living beings, which were all part of one another. Another example was Douglas Noll, who believed that true compassion in the business world was rare, and that compassion was a blend of fairness, kindness, gentleness, care, love, honesty and courage. Further, she noted Noll’s observation that even though there was a concern that many compassionate leaders might be too soft, compassion required inner strength and power. In this arrangement, the skills of every member were utilized and equity and equality were present.

She also made reference to Dr. Jill Bolte Taylor, a neuro-scientist who had a stroke and lost her left brain functions, but through development of her right brain functions, she experienced an extreme state of love and happiness.

She posited that the dynamics of both sides of the brain should be balanced in order to have effective leadership. Citing the relative scores of several Caribbean countries in the 2009 Human Development Report (HDR), she showed that Barbados was the lead in the Latin America and Caribbean region in its performance in the very high development category, followed by Antigua and Barbuda and the Bahamas. Drawing from the Barbados experience, she concluded that policy made a difference in the case of Barbados’ development strategy despite its lack of natural resources and, hence, policy and leadership were critical in the pursuit of any development strategy.

B. THE ROLE OF THE MILLENNIUM DEVELOPMENT GOALS
IN SHAPING THE REGION’S FUTURE

Ms. Karoline Schmid, Social Affairs Officer, ECLAC Subregional Headquarters for the Caribbean, opened her presentation with a quote that people should be placed at the centre of everything. She gave a brief overview of the Millennium Development Goals and acknowledged that there were a number of regional challenges to attaining the Goals. Moreover, apart, from economic development obstacles, she pointed to the need to consider new and emerging geo-political dynamics such as Venezuela and China. She also observed that there were a number of social challenges that were usually sidelined in development thinking, such as ageing, migration, poverty in all its dimensions, corruption and environmental security.

She believed that the attainment of the Millennium Development Goals would contribute significantly to the Caribbean subregion as it encompassed issues of democratic governance, the rule of law and the promotion of human rights. Furthermore, the Goals brought together responsibilities of
developing countries through strategic partnership. The Millennium Development Goals were time-bound and as such moved development policy to the centre stage. The Goals recognized that global poverty, State failure and disintegration of societies were mutually reinforcing, as they all had an impact on one another. As such, development spending was to safeguard everyone in the future.

She then explored some of the regional challenges associated with the “tool for action”, including, the lack of consideration of geo-political dynamics, for example, the activities of China and Venezuela in the region. The presenter mentioned that these countries might have interests that were not always in line with the region’s development. She also touched on topics such as economic and social challenges, environmental sustainability, food security and global warming.

The presentation continued with a discussion on the contribution of the Millennium Development Goals to the development of the Caribbean subregion, for example, the Goals:

- Were not intended to be looked at individually. They illustrated the interrelationships between different aspects of development
- Gave quantitative and measurable targets that could be included in national plans and policies
- Empowered people to put all aspects of development at the centre stage
- Provided prerequisites to safeguard everyone’s future

She also highlighted the role of ECLAC in the pursuit of the Goals, such as holding expert group meetings and establishing the Millennium Development Goals metadata bank. Further challenges were then identified, including:

- A scarcity of development frameworks that were comprehensive, conclusive and practical
- A very fragmented approach to data collection
- Insufficient inter-agency coordination at both the country and even the United Nations level

In conclusion, she stressed that there was a need to promote an understanding of the interdependence of the Millennium Development Goals and facilitate their integration into the region’s development plans. She also suggested that the way forward for the attainment of the Goals should include the promotion of integrated development at the national level; the enhancement of inter-agency cooperation in Millennium Development Goal monitoring and reporting and the promotion of understanding of the interdependence of the Goals.

C. GENDER AND DEVELOPMENT IN THE CARIBBEAN:
GENDER EQUALITY AT THE CROSSROADS- THE WAY FORWARD FOR THE CARIBBEAN

Ms. Sheila Stuart, Gender Affairs Officer, ECLAC Subregional Headquarters for the Caribbean, summarized the mandate of ECLAC as one of deepening the understanding of the development challenges facing the Caribbean. In addition, ECLAC contributed to solutions by conducting research and analysis and providing sound policy advice and technical assistance to Caribbean Governments, with a focus on policy development which integrated a gender perspective in its formulation, implementation and evaluation to achieve sustainable, equitable growth and recognition of the region’s vulnerability.
She stated that the strategy of gender mainstreaming started with the Fourth World Conference on Women (FWCW) and its outcome document, the Beijing Declaration and Platform for Action. Furthermore, she stressed that gender analysis and gender planning were the key components of gender mainstreaming. This was further supported by the Economic and Social Council definition of gender mainstreaming whereby women and men’s concerns were implemented into any programmes that were being designed.

She critiqued gender mainstreaming as a strategy for influencing policy across all sectors to promote gender equality in the Caribbean, as she believed that the programmes promoting women’s empowerment and gender equality had remained unchanged and, in some cases, had worsened. The policy environment had been discouraging and stressed that gender equality was a basic human right and must be viewed as such. Gender issues should become central to the development of all national goals and, furthermore, should be a cross-cutting issue throughout all the Millennium Development Goals.

She outlined some of the ongoing gender inequality issues in the Caribbean, which ranged from continued lack of equality because of the unequal sharing of reproductive work between women and men, and the invisibility of women’s work and wage inequality. She lamented that, generally, not much had changed in terms of measuring or accounting for women’s contribution to the economy.

She also looked at actions taken by ECLAC to address some of the challenges. Since there was a need to develop a framework for gender analysis, ECLAC was embarking on the establishment of a Gender Equality Observatory and was working within a context of new and emerging challenges such as the global financial crisis. The organization had also commissioned a study to look at the impact of the crisis on Caribbean women; gender-based violence, including cyber violence and pornography; health issues, such as, HIV and AIDS and non-communicable diseases.

In conclusion, the presentation stressed that policymakers had to redirect gender equality goals in the Caribbean in order to create a new vision for women’s empowerment. There was also a need to more seriously and honestly address the intersections of class, race, ethnicity and geographic location in order to truly realize the vision of women’s empowerment.

**D. CLIMATE CHANGE: A SHARED VISION**

Ms. Charmaine Gomes, Sustainable Development Officer, ECLAC Subregional Headquarters for the Caribbean, focused her presentation on international negotiations (COP13) and topics of key considerations for that forum. She explained some of the technical issues associated with valuing the impacts of climate change, including available climatic scenarios, different concentrations of CO2 and related temperature increases.

A recent study on the tourism sector in the Caribbean found that the cost of climate change in the Caribbean’s tourism sector was approximately US$350 million. The costs in terms of GDP by 2100 would amount to 23% of GDP. She also made it clear that recommendations for coping with climate change already existed and that action was now necessary.

She mentioned that Caribbean countries were not listed as Annex 1 countries under the Kyoto Protocol. As a result, they had no legally binding obligations with respect to emission targets, but that the focus of the subregion was adaptation and mitigation. Some of the issues identified included the lack of collaboration between developing and developed nations, particularly in the area of technology transfer.
She also acknowledged the fact that climate change presented opportunities for development and stressed that the situation was not all bad and both the private and public sectors could benefit. By way of example, she observed that there was a greater opportunity to invest in ecosystem services towards achieving sustainable national resource management. She also suggested that there could be more encouragement for incorporating local knowledge into resource management, as well as having more community organizations. Green bonds and green banking were also identified as prospects for development.

She gave some considerations for CARICOM that included:

- Reducing global green house gases to 350 ppm ~ 1.5 degrees Celsius
- Implementing legally binding agreements to ensure that mitigation was taken
- Requesting countries such as Japan, New Zealand, Canada and the United States to take on more ambitious targets
- Promoting collaborative research and development with both developed and developing countries
- Establishing innovation centres to promote economic development
- Providing reward mechanisms

In conclusion, she asked participants to consider whether a multilateral vision based on shared values should be promoted, or whether a unilateral vision based on market forces should be adopted.

1. Discussion

The following points were raised:

- Arthur Lewis’ model of Industrialization by Invitation spoke about cheap labour being good for developing countries. However, the issue of low salaries and the growing inequalities associated with this model must be taken into consideration. In Joseph Stiglitz’s work on “Globalization and its Discontents”, Lewis’ theory was critiqued as he showed that low wages did not contribute to increased growth, but resulted in increased inequality.
- The idea of leadership that promoted compassion should be adhered to in the Caribbean
- Different issues affected different sexes in the subregion and, thus, more attention should be paid to gender equitable socialization
- In the future, there would be less trade and less globalization, however, what should be seen was less activity in the international financial sector but not necessarily a decrease in international trade
- The financial crisis presented an opportunity to bring the issues of gender and climate change in the Caribbean back on the agenda of governments.
- Policymakers should explore the multi-dimensional approach to Caribbean development
• The notion that gender mainstreaming was not working was untrue in the case of Dominica as females have held a number of top posts in some ministries. An assessment was needed on the issue of male marginalization
• There was need for people to be at the centre of the development dialogue
• Focus should be on the process of measuring and benchmarking, as this was crucial to the planning agenda.

One participant argued that new sectors for the Caribbean to aid in its development should be identified, for example, the Caribbean might have a comparative advantage in the Information and Communications Technologies (ICT) sector and its potential for promoting social and economic development. It was further suggested that another opportunity for the Caribbean might be the expansion of small and medium enterprise sectors.

2. Panel response

One presenter suggested that within the context of the Lewis model of “Industrialization by Invitation” and gender, Caribbean governments had established industrial plants which predominantly employed women who received lower wages than men especially within concentrated sectors, such as garment making and electronics assembly. It was noted that working conditions included intensive working hours with very little incentives and that women in such sectors were discouraged from participating in unions. In fact, it had been found that when employees became unionized, many of those companies moved out of the Caribbean.

Additionally, with the implementation of trading agreements such as the North American Free Trade Agreement (NAFTA), many such industries relocated to countries such as Mexico where labour was cheaper, resulting in great loss to Caribbean women’s labour in the formal sector. Within recent years, the Caribbean had established call centres, which also attracted mainly female employees. Again wages were low and working conditions poor.

It was agreed that even though the Caribbean subregion was highly dependent on tourism, it was also extremely vulnerable to climate change. However, there were several mitigation measures that could be adapted to decrease its impact such as the use of geo-thermal energy to reduce greenhouse gases, which was being pursued by some countries, such as Nevis. The Government of Guyana was very active on the issue of deforestation and greenhouse gas emissions, and Belize was also pursuing mitigation actions on climate change and deforestation.

Sustainable development should be seen as a key component of sustainable tourism. Since the Caribbean depended on outside markets, there was need to consider what was happening in all areas of development for tourism to be sustainable. There was also a need to develop strategies to deal with increasing violence which was threatening tourism in the subregion.

The Gender Affairs Officer at the ECLAC Subregional Headquarters for the Caribbean agreed that gender mainstreaming programmes still focused primarily on women because, even now, there was a need to empower women in order to achieve gender equality. Also, studies on men’s participation in the educational system as well as a focus on men and crime and violence were currently being undertaken by a number of institutions. It was pointed out that the situation of males and their participation in the educational system was not peculiar to the Caribbean but was also prevalent in other regions of the world,
such as Europe. However, there was still the need to look at gender in the true sense whereby women were still marginalized in most sectors of society.

The Gender Affairs Officer stated that Dominica was one of the few countries where a gender policy was approved by Cabinet and was being implemented, however, even though women held top position in a few ministries, there was much more that was needed to be done. For example, gender mainstreaming required that there should be gender focal points in all ministries, but this still remained a challenge in all Caribbean countries. There were a lot of shortcomings in the Caribbean in terms of implementing its gender mainstreaming policies.

In terms of the advancement of Millennium Development Goals, it was suggested that the Caribbean had made some progress especially in relation to generating information and its accessibility. Most countries had reports and ECLAC had been working with them to develop a common database. Social issues were still not at the centre of development discussions.

It was observed that if the world economy grew at a slower rate, then international trade would also grow slowly. The financial sector would be smaller than before and the financial institutions would be more regulated which would mean fewer loans would be financed and, as such, this would contribute to less financial globalization.

V. WRAP-UP AND CONCLUDING REMARKS

The Director of the ECLAC Subregional Headquarters for the Caribbean thanked the panelists for their presentations and summarized the main outcomes of the discussions. He stated that all the presentations set out the traditional social and economic dialogues of the development of Latin America and the Caribbean. There was a rich set of discussions referencing the need to highlight the new and emerging issues that affected the development of the subregion today, such as, climate change, gender and leadership.

Some of the main points included:

- A strong key role for governments in the promotion of development in the Caribbean
- Any model/framework/paradigm must be people centered. People’s participation in policymaking was critical to any development process
- The need for functional cooperation to establish regional partnerships
- The need to look at the increasing efficiency of the public sector. Governments needed to be efficient on how to regulate markets
- The Latin America and Caribbean region was part of a global space and, as such, there was need to analyze the Caribbean in relation to Latin America and China and other places
- The need for stronger regulation institutions to bolster the development process of the Caribbean
- The need to look at the implementation of the multi-dimensional approach to development
• The continuation of valuable dialogue to development thinking

• The need for continuous benchmarking of progress and the need for data to assess the progress that was being made

He thanked everyone for attending and being so passionately engaged in the process.
Annex I

List of Participants

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## Annex II

### PROGRAMME

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
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<tbody>
<tr>
<td>8:30 am</td>
<td>Registration</td>
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<tr>
<td>9:00 am</td>
<td>Opening remarks&lt;br&gt;Mr. Neil Pierre – Director, ECLAC Subregional Headquarters for the Caribbean</td>
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<tr>
<td>9:15 am</td>
<td>Introduction: Economic implications of the global crisis for the Caribbean and the new world economy&lt;br&gt;Mr. Roberto Machado – ECLAC</td>
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<tr>
<td>Session I</td>
<td>Six decades of development thinking in Latin America and the Caribbean&lt;br&gt;Chair: Mr. Roberto Machado – ECLAC</td>
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<tr>
<td>9:45 am</td>
<td>ECLAC’s legacy: contribution to development policies in the region&lt;br&gt;Mr. Ricardo Bielchovsky – ECLAC</td>
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<tr>
<td>10:05 am</td>
<td>Sir Arthur Lewis - Perspectives on Caribbean development&lt;br&gt;Dr. Patrick Watson – SALISES, UWI</td>
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<tr>
<td>10:25 am</td>
<td>New paths in Economic Development&lt;br&gt;Mr. René Hernández – ECLAC</td>
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<tr>
<td>10:40 am</td>
<td>Discussion</td>
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<tr>
<td>11:00 am</td>
<td>Coffee Break</td>
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<tr>
<td>Session II</td>
<td>Caribbean development in the XXI century: new paradigms and strategies&lt;br&gt;Chair: Dr. Dillon Alleyne – ECLAC</td>
</tr>
<tr>
<td>11:15 am</td>
<td>Development paradigms for the Caribbean today: a critical assessment&lt;br&gt;Dr. Compton Bourne – Caribbean Development Bank</td>
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<tr>
<td>11:35 am</td>
<td>Building a common development policy for the Caribbean&lt;br&gt;Professor Norvan Girvan – UWI</td>
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<tr>
<td>11:55 am</td>
<td>A Caribbean development experience: Trinidad and Tobago&lt;br&gt;Dr. Shelton Nicholls – Central Bank of Trinidad and Tobago</td>
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<tr>
<td>12:15 pm</td>
<td>Discussion</td>
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<tr>
<td>12:45 pm</td>
<td>Lunch</td>
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Session III  Caribbean development in the XXI century: the social component  
Chair: Mr. Neil Pierre – ECLAC

2:00 pm  Compassionate Leadership: A Key to Caribbean Prosperity  
Dr. Rosina Wiltshire – SALISES, UWI

2:20 pm  The Role of the MDGs in Shaping the Region’s Future  
Ms. Karoline Schmid – ECLAC

2:40 pm  Gender and Development in the Caribbean: Gender Equality at the Crossroads- The Way Forward for the Caribbean 
Ms. Sheila Stuart – ECLAC

3:00 pm  Climate Change: A shared vision  
Ms. Charmaine Gomes – ECLAC – Port of Spain

3:20 pm  Discussion

3:45  Wrap - Up and closing remarks  
Mr. Neil Pierre – ECLAC