

Opening Statement
Antonio Prado, Deputy Executive Secretary of ECLAC
at the 26th Session of the Caribbean Development and Cooperation Committee
Basseterre, St. Kitts and Nevis
22 April, 2016

The Honourable Mark Brantley, Minister of Foreign Affairs and Aviation,
Other Distinguished Ministers and Senior representatives of Government,
Members of the Diplomatic Corps,
Representatives of the United Nations system, regional and international organizations,

Ladies and Gentlemen,

I extend a very warm welcome to you all to the 26th Meeting of the Caribbean Development and Cooperation Committee. I am especially happy to be here in Basseterre. This is my first visit to St. Kitts and Nevis, but not to the Eastern Caribbean. I had the pleasure to attend the CARICOM Summit held in Antigua and Barbuda two years ago, and the Caribbean Climate Summit in Martinique last year.

We are here this year in the country that hosts the ECCB, the institution that is at the heart of the Eastern Caribbean Economic and Currency Union. We are here in the subregion that birthed two Nobel Laureates; Sir Arthur Lewis for economics, and the renowned poet Derek Walcott for Literature. And since we are here in the twin island that resembles a cricket bat and ball, we simply must celebrate again the unprecedented victory of the West Indies teams: the men, women and juniors, who swept the ICC World Twenty20 Championships two weeks ago. I am sure that the entire cricket-loving world now knows the DJ Bravo dance! So I want to start by celebrating all things Caribbean; all things Eastern Caribbean.

I convey to you the best wishes of the Executive Secretary, Alicia Barcena, who is now in New York for the historic signing of the Paris Agreement. I extend her congratulations to St Kitts and Nevis and to Minister Brantley, who assumes the mantle of leadership of the CDCC today.

Minister, Alicia looks forward to welcoming you to Mexico City, when you attend the 36th Session of the Commission to present the report of this meeting. I also extend sincere appreciation to Jamaica for so ably leading the work of the Committee for the past two years. A special word of welcome to the Associate Members that are with us today. I know that our team at the Subregional Headquarters in Port of Spain has been making a real effort to embrace all countries and territories of the Caribbean in their work programme. I recognize the Honourable Richard Gibson, Minister of Finance of Sint Maarten and his delegation who will be welcomed as part of the CDCC family today.

Distinguished representatives,

I am sure you will agree that we had a very rich and rewarding exchange of views yesterday, as we explored how best to deal with the unsustainable levels of public debt in the Caribbean in a manner that builds the resilience of your countries to external shocks, while at the same time re-igniting growth and promoting economic transformation by investment in green industries and climate adaptation initiatives.

This we believe is by far the most important challenge over which the Caribbean must gain control if you are to achieve measurable gains forward. It is not the only challenge, however. I would therefore use this opportunity to underscore a few more which your subregion must keep in view if you are to secure the promise of sustainable development that all governments pledged to their citizens when they adopted the Sustainable Development Goals last September.

Balance of payments deficits, a critical factor undermining macroeconomic stability, remain a major challenge for the subregion. The root cause of this has been an inability to diversify your economies into productive and competitive activities that could grow your exports. A fundamental challenge that demands response, therefore, is the need for structural change to create a productive and resilient economy. We believe that structural change in the Caribbean should entail the shift in activity from stagnant, sunset sectors with declining productivity to

high productivity sectors based on innovation and niche marketing. This would lead to increased employment in these more dynamic sectors, providing higher quality jobs and higher incomes for more workers. It is also important that structural change provides decent jobs in labour intensive activities to help solve the unemployment problem and raise living standards in the subregion.

The vulnerability of your subregion is made all the more challenging by weaknesses in the social compact. To be sure, there is much that you have accomplished; much for which the region can be justly proud. With only few exceptions, your countries are ranked with high human development. You have made admirable strides in health and education, with marked increases life expectancy, and a decline in infant mortality. However subregion is now faced instead with new demands on its health and welfare systems as populations live longer.

Non-communicable diseases pose a major health and economic burden. With the projected ageing of the population, the prevalence of these diseases will increase, putting even greater demand on healthcare systems. The ageing of the population will also demand increased social spending on pension and other welfare programmes. Another challenge for the subregion is the persistently high levels of unemployment, particularly among the youth. In fact, there are signals that continuing high youth unemployment could intensify the migration of skilled labour, further limiting the human resource capacity of the subregion.

High incidence of poverty, inequality and crime continue to erode social capital and social cohesion. The statistics speak clearly; poverty in the Caribbean averages about 25% for countries with data, while the Gini coefficient averages more than 0.4, reflecting high levels of inequality. These are important concerns, for not only do they impact social welfare and harmony, they also dampen economic growth. It is now well established that growth is good for equality and equality is good for growth. By opening the space for more citizens to realise their full potential, equality promotes productivity and growth, leaving no one behind.

So you need to ask the question: are the social protection programmes being implemented sufficient to redress the levels of inequality and social exclusion that impact the most vulnerable and marginalized groups of society, particularly women, children, and older persons?

Distinguished Representatives,

The challenge facing the Caribbean is to identify paths to development that emphasize macroeconomic stability with growth, equity, and environmental sustainability. This will provide a bulwark against external shocks and the protection necessary for those that are most vulnerable. We know well the challenge to financing sustainable development in Caribbean presented by your classification as middle and high income countries, even in the face of high debt. You need to find strategies for redress that are within the reach of the leaders and decision-makers of the subregion. You need to look beyond the traditional arrangements from which you once received support to explore meaningfully new and innovative partnerships which afford space for creative and durable solutions to be pursued, and for the resilience of our subregion to be strengthened.

Let us therefore consider some bright areas of opportunity. The subregion has the potential to develop a growth strategy based on its areas of competitive advantage. We are all aware that the transition to a new pattern of structural change takes time. But we are equally certain that it can be done. In making this change, the region needs to begin with the sectors in which they are already active. A key aspect of structural change should therefore include the upgrading of traditional agriculture, tourism, mining and light industry. The focus should be on increasing value added, improving the quality and standards in production and innovation to meet the specific needs and preferences of particular customers.

The time is ripe for the subregion to increase food production to meet niche demand in the tourism sector; to create a high value added and indigenous content-based handicraft sector; to focus on its creative industries. It is time to leverage the collective creative talent of your

peoples in the areas of music, fashion, the culinary arts and local design to provide products, services and solutions that hold their own in export markets.

We also encourage a growth strategy that leverages activities in the green and blue economy, combining indigenous capital and foreign direct investment to encourage local entrepreneurs to grow new businesses in these areas. As was discussed yesterday, there are a number of areas where green industry development has strong potential in the subregion. Emphasis should continue to be placed on green energy, which is central to the effort to reduce the subregion's 90% dependence on fossil fuels.

Distinguished delegates,

I have no doubt that, though formidable, the economic transformation required is very possible. The nations of the Caribbean comprise a strong and resilient people. Your subregion is a shining example of societies forged historically from adversity. The leaders and policy makers now have the opportunity to join with their people to harness the talent, creativity and commitment of all to forge a sustainable path that responds to the fundamental needs and development aspirations of all citizens of the subregion.

In this regard, I extend an invitation to all delegations to attend the thirty-sixth Session of the Commission in Mexico City next month, and to participate in the dialogue on the treatise for the future, entitled "Horizons 2030: Equality at the Centre of Sustainable Development".

Distinguished representatives

Let our meeting here serve to revive and renew our commitment to bring shared prosperity to all your peoples through a more integrative, coherent sustainable development process.