

On Building Resilience

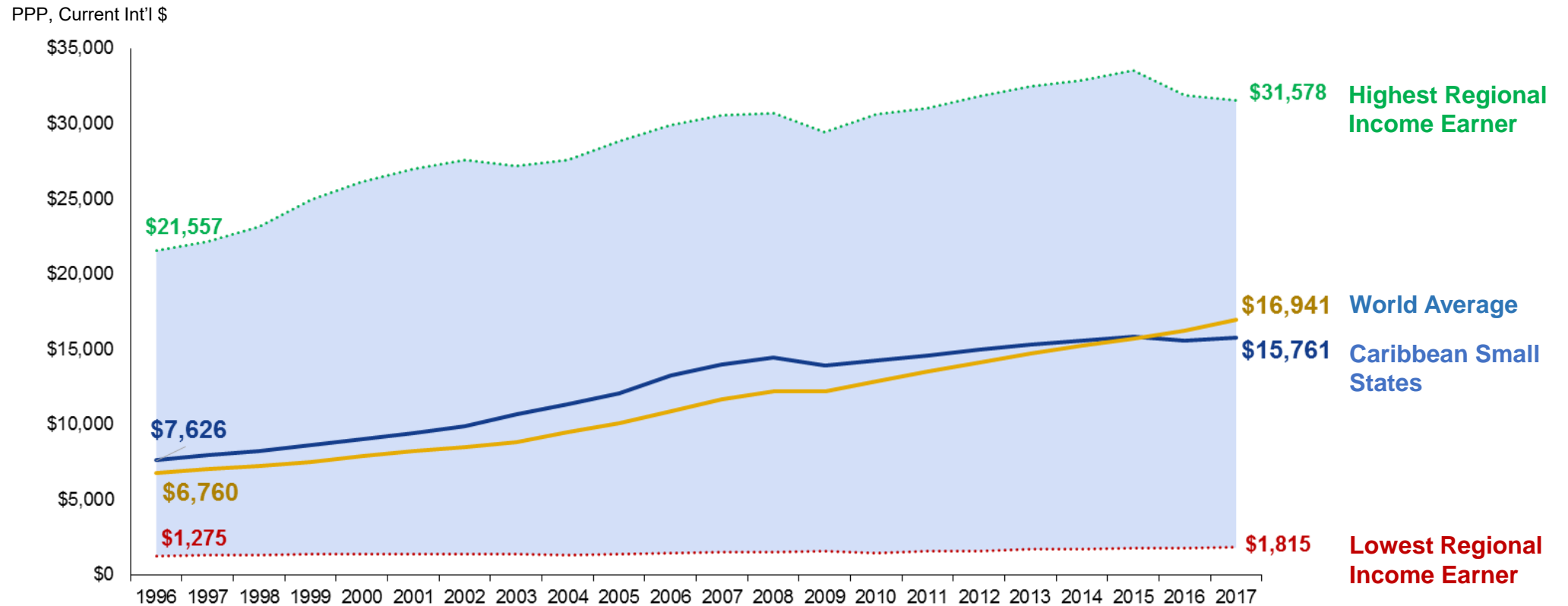
Justin Ram

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The Diplomatic Academy of the Caribbean
Institute of International Relations
The University of the West Indies
St. Augustine Campus

Although regional per capita production doubled in the last two decades, this growth is uneven across the Region

GDP Per Capita*, 1996 – 2017



*PPP, current international 4

Note: Based on available data from the World Bank. The *Lowest Income Earner* is always Haiti. The *Highest Income Earner* is The Bahamas until 2008, then Trinidad and Tobago thereafter

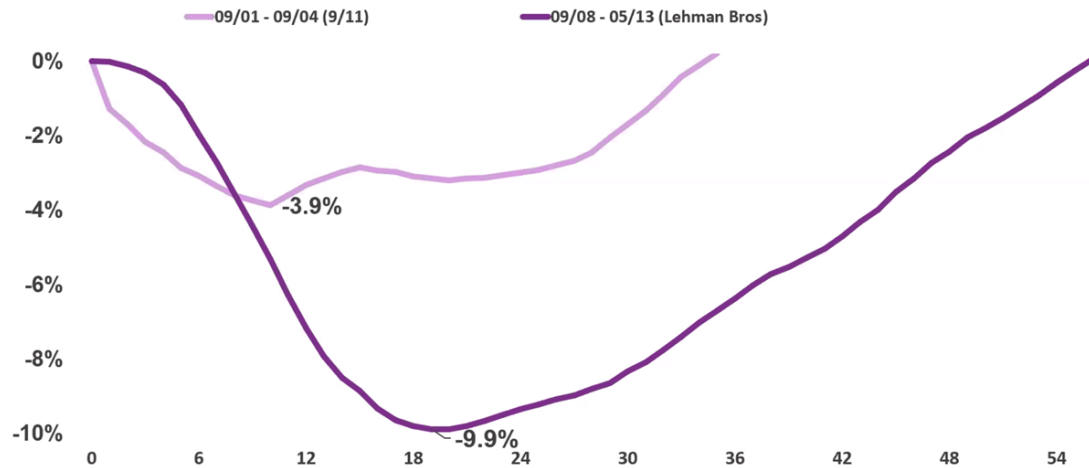
The Big Picture: What causes our vulnerability?



COVID: How long will it take to recover?

ADR discounts lead to long recovery time

Total US, 12MMA , Monthly ADR % Change, Indexed to Event



Source: STR, 2020 © CoStar Realty Information, Inc. 32

Many Hotel Owners and Bankers are still thinking about a “U” shaped recovery curve.

Current analysis and research tells us to expect a “Nike” shaped recovery curve.



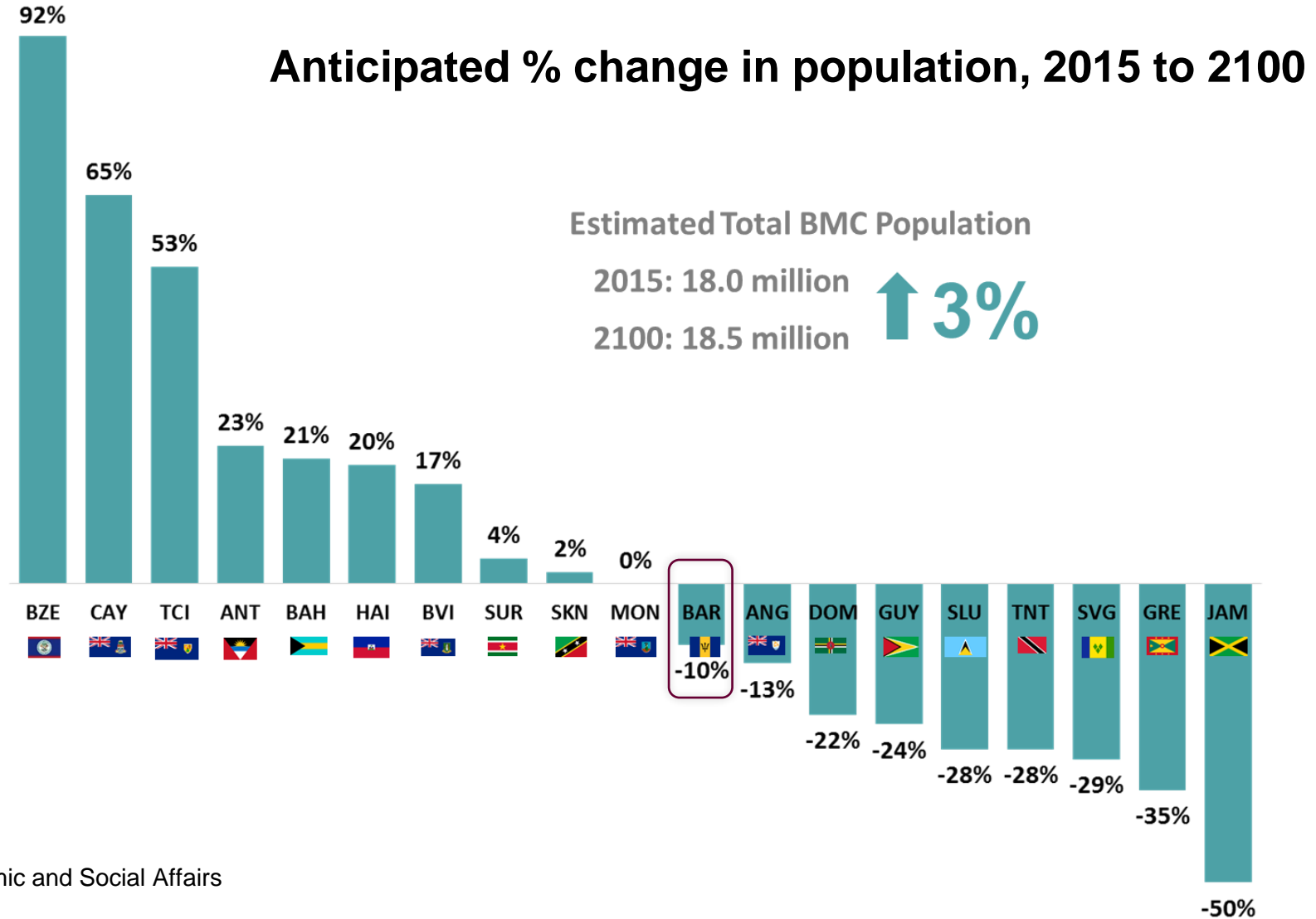
VS



Registered trademark of NIKE, Inc.

Source: ECLAC

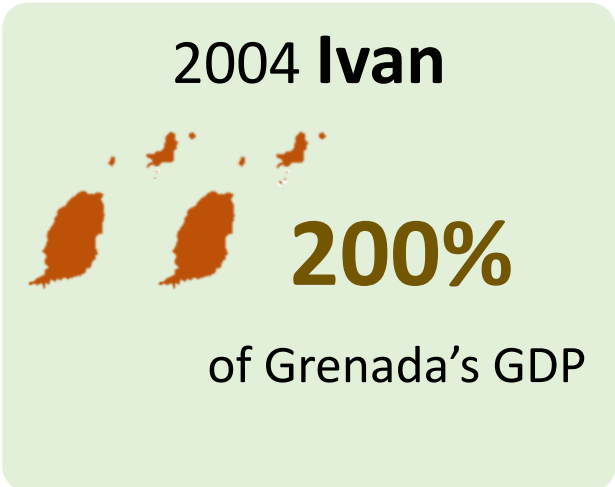
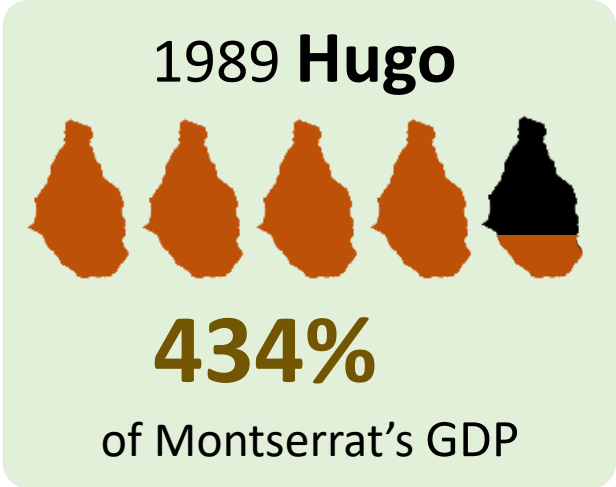
Some Caribbean countries will experience population decline during this century



Source: UN Department of Economic and Social Affairs

The economic costs of natural disasters have been significant

Economic Costs of Storms in the Region



Regional Challenges



Macroeconomic

- Low economic growth
- High debt, low savings and declining reserves
- Poor sovereign debt ratings
- Loss of CBRs and the high cost of AML/CFT compliance



Productivity & Competitiveness

- Low rankings in the World Bank's Ease of Doing Business index
- Large infrastructure gaps
- Inefficient and costly transport links
- High energy and electricity costs and nascent regulation



Human Development

- High poverty and unemployment
- Very high youth unemployment and poor education outcomes
- High crime and citizen insecurity
- Limited social data available for designing and measuring effective strategies



Environmental

- High annual natural disaster costs
- Low insurance payouts
- Insufficient building codes
- Poor climate change adaptation tools

Implementation Gap

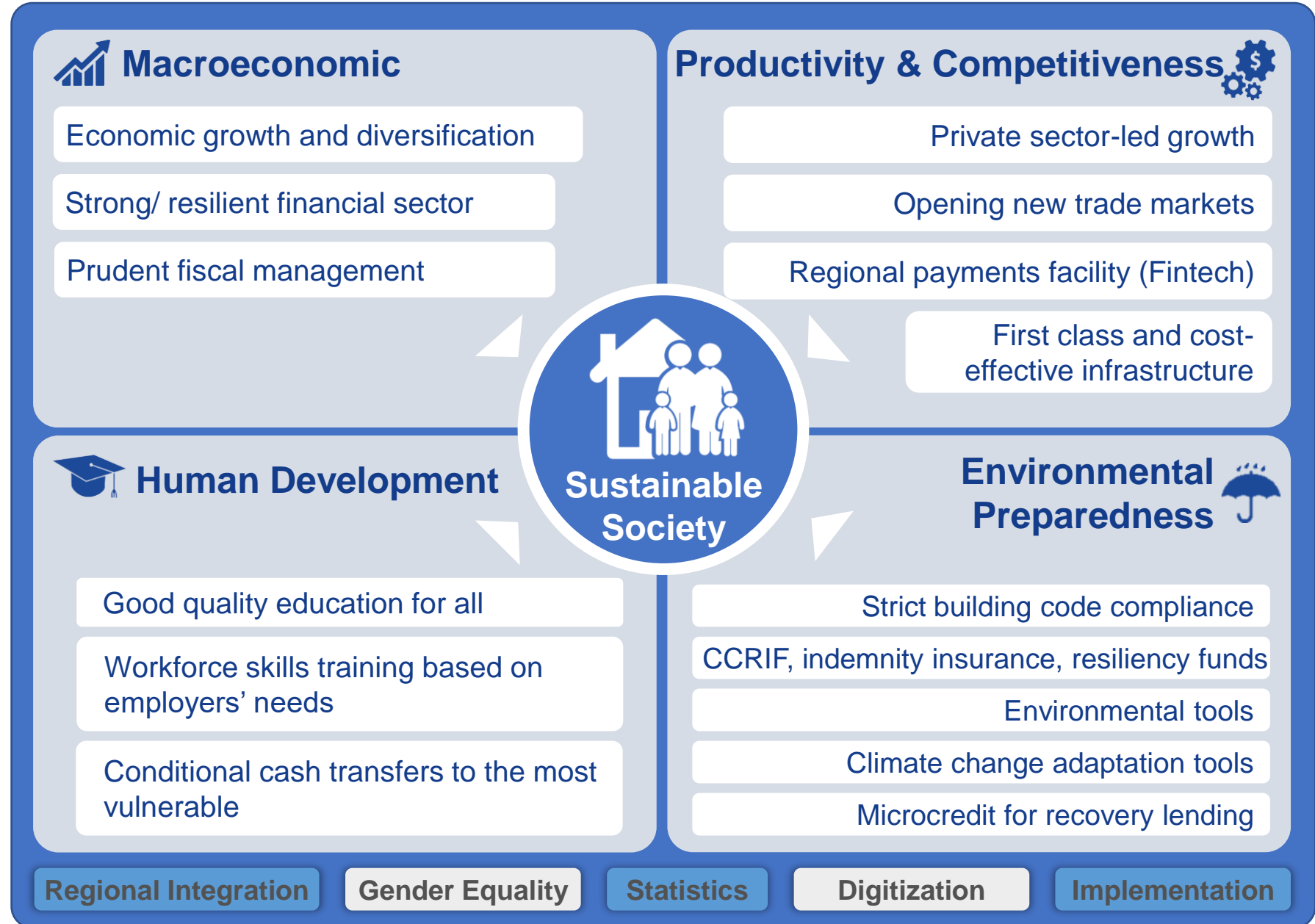
Regional Approach Gap

How to build resilience: Stepping back in order to jump better

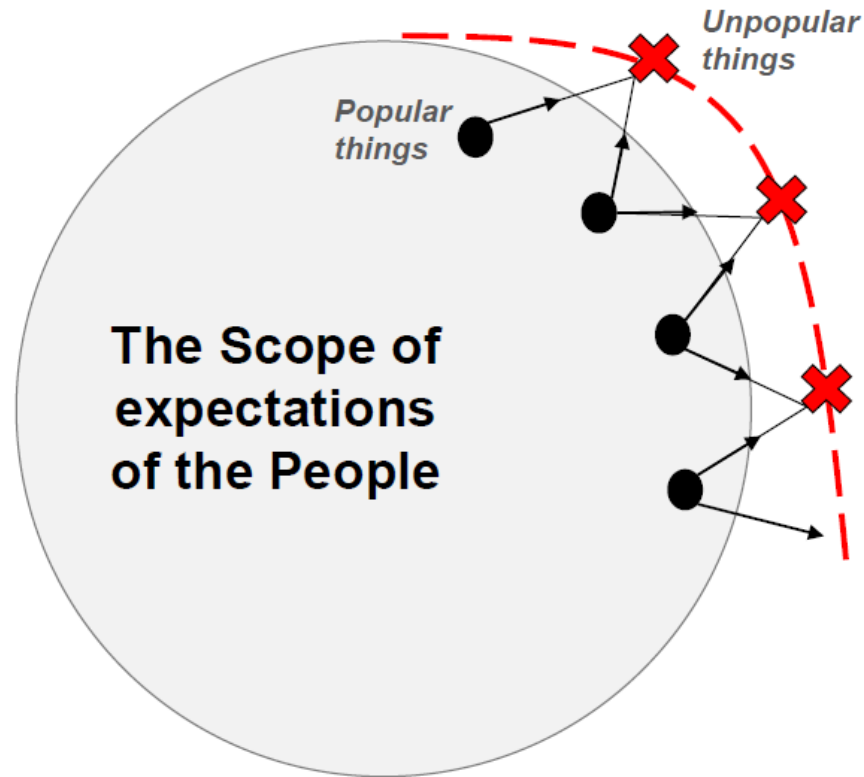


Caribbean Blueprint:
A strategy for resilience
and
to turn equal
opportunity into
tangible rewards
at the household and
individual level

FINANCE is CRITICAL!



Diplomacy will require Transformational Leadership for resilience



Transformation is about broadening the scope

It's about

- 01 dancing on the edge
- 02 building trust capital
- 03 doing things **outside of popular expectation**

“Transformation Leadership is about disappointing people at the rate they will permit”

Marty Linsky, Harvard Professor

SIDS can...

- Act as **laboratories** to test and perfect technology and economic paradigms
- Create **fully-employed, globally competitive economies**, adapting/building **resilience** to natural events as well as creating **consumption and production patterns**.

Prof. Dennis Pantin (2008)

