

# Raising resilience in Small Islands States: A Caribbean Perspective

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*Brussels, 10 October 2014/ ACP:* Island countries have long capitalized on their unique geography, tropical climate, remote locations and vibrant cultures to attract tourists from across the globe looking for a quick “get away”.

But beyond the sand and sun, life for local communities is complicated by a unique set of challenges, due precisely to islands’ small size and, in the case of the Pacific, relative isolation.

“In 2004 in Grenada, Hurricane Ivan wiped out two years’ worth of GDP [Gross Domestic Product] in 20 hours,” points out Dr. Len Ishmael, Ambassador of the Eastern Caribbean States to the European Union and a prominent voice in Brussels on issues relating to Small Island Developing States (SIDS).

Increased risk of floods, droughts, extreme weather events, and sea level rise are just some of the effects that come with climate change, the most serious long-term threat to the very survival of SIDS.

Moreover, a narrow range of resources, high dependency on international trade, serious exposure to external shocks, and high transport and communication costs, set further hurdles for sustainable development for island countries, which make up almost half the membership of the ACP Group of States.

“When the Millennium Development Goals were first touted in 2000, the Caribbean generally had to work to localise and make the MDG’s relevant to us. Some of the variables were not relevant to us, such as the focus on extreme poverty. We had to decide on whether these benchmarks were at the ceiling or floor. In many cases we had to raise the benchmarks,” Dr. Ishmael explains.

Reflecting on the 3<sup>rd</sup> International Conference on Small Island States recently held in September in Samoa – which itself suffered a devastating tsunami in 2009 that killed more than 140 people and deepened the sting of the global financial crisis on the islands – Dr. Ishmael says the biggest setbacks for her region are gaining access to finance to support development



and the inherent lack of economic resilience.

### In search of resilience

The paradox faced by most Caribbean economies is that they are classified by international bodies as “upper middle income” or higher, based on Gross Domestic Product (GDP). (Haiti is the only “low income” country and Guyana the only “lower middle income”).

The growth of GDP was largely thanks to sound investments in socio-economic structures and high yielding agricultural programmes, which were especially lucrative in the 1970’s and 80’s under special and differential access into European markets.

Unfortunately, the figures do not automatically translate to economic resilience.

Dr Ishmael cites the case of St Kitts and Nevis, which has one of the highest GDP per capita amongst the SIDS, but was at one point one of the most indebted countries in the world.

The global financial crisis since 2008 also caused a severe economic recession across the Caribbean region, to the point

where social infrastructural gains from the 1970's and 80's are under threat of reversal.

Meanwhile, to take just one example on the effects of climate change, some countries are losing their famed beaches to sea level rise – along with the tourism revenue they generate.

Despite these conditions, SIDS continue to be “graduated” up the economic ladder based largely on GDP – a trend Dr. Ishmael calls “sobering and scary”.

“The issue of graduation based only on GDP flies in the face of the reality of SIDS vulnerability and lack of economic resilience. GDP could be based on a single high net worth sector, which, if compromised, leaves the whole country at risk,” she stresses.

Caribbean states, through the ACP Group, have thus strongly resisted the European Union's approach to “differentiation”, whereby aid is directed mainly to “the poorest of the poor” – that is, the Least Developed Countries. For many SIDS that may appear better off in GDP terms, this could mean less access to EU development finance, and less support for their long term sustainable development, including the capacity to bounce back after economic crises.



### Homegrown models

However, island states continue to come up with innovative solutions to fortify their economies.

For instance, nine countries in the Eastern Caribbean jointly boast a “homegrown model” of regional integration, featuring a common currency, common Supreme Court, a common authority for regional aviation and another for telecommunication, a regional parliamentary assembly, and a permanent Secretariat. The Organisation of Eastern Caribbean States (OECS), as it is known, is dedicated to economic harmonisation, good governance between countries and shared responsibility and liability in the event of natural disasters.

“As the OECS, we are able to provide services in common in certain areas that we would not be able to do separately as individual countries,” says Dr Ishmael, who served as OECS Director General for 10 years from 2003 to 2013.

She adds that the most important thing for SIDS is to move forward as a unified and distinct grouping. Their increasing unity is perhaps a key point of progress since SIDS were recognized as a distinct group in 1992. This was followed by the finalization of the Barbados Programme of Action of 1994, the Mauritius Strategy in 2004, and most recently, the Samoan Pathway of 2014, which identifies main focus areas for the sustainable development of SIDS.

“It is vital that the issues which face SIDS find resonance within the different international summits and different fora if progress is to be made on the SIDS agenda,” concludes Dr. Ishmael.

*(Photos from top: Ambassador Len Ishmael; Damage in Grenada after Hurricane Ivan; Canaries fishing village in St Lucia and similar coastal communities are at risk of sea level rise)*

- ACP Press

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