

THE VIEW FROM EUROPE

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When the pandemic is over

*The pandemic will pass. The long term challenge, **David Jessop** writes, will be whether the region can come together to respond to the multiple structural shortcomings it has exposed, and the likelihood of a global recession.*

A day will come when a vaccine is available, the World Health Organisation confirms there are no new coronavirus cases, and our lives return to normal. When this will be is uncertain, but as the effects of the pandemic start to ease, governments and businesses everywhere have begun to consider how to rescue once buoyant economies.

Some nations like Germany are taking a cautious step-by-step national approach that seeks to balance the resumption of commerce and daily life against the continuing requirement to preserve public health. Others like the US Administration want, for political reasons, to rapidly upend the lockdown. Elsewhere, the positions taken by global outliers raise wider questions. These include Brazil, which has a President who is a pandemic denier, and Russia where infections and deaths continue to surge because of an initial slowness to react at high levels.

For the Caribbean, where national restrictions are being gradually eased, the challenge of economic recovery will be considerable.

Before the pandemic struck, most CARICOM economies were heavily indebted. Now, according to a recent World Bank report, debt-to-GDP ratios could in 2022 reach 80% or more in some nations. Moreover, the narrow base of most Caribbean economies other than the Dominican Republic, means that recovery will depend to a significant extent on factors beyond the region's control, including weak global demand for oil, gas, commodities and minerals, and uncertainty about how tourism will recover.

Speaking about this recently in her capacity as Chair of CARICOM, Mia Mottley, Barbados' Prime Minister, told CNN that when the burden of the pandemic is added to these factors, it has the ability to cripple the economies of region.

There was a pressing need, she said, for a Global Leadership Initiative to repurpose international institutions, to develop "a plan that protects not just the strongest amongst us, but also the most vulnerable", and for the international community to recognise the region's vulnerability.

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Having as an objective the re-framing of international institutions so that they are more equitable and people-centric are worthy tasks, and issues which all Caribbean Heads of Government must pursue. However, obtaining a single international consensus on the future role of global institutions or what constitutes vulnerability will prove hard in a world in which some nations now regard multilateralism as only valid if it enhances their national interest.

For this reason, a more immediate and pressing regional task once the steps for national economic recovery have been identified, should be to outline a plan that pays particular attention to the region-wide structural shortcomings that the pandemic has shone a light on.

Most of the regional failings that COVID-19 has highlighted should come as no surprise as they have been the subject of multiple conferences and reports over decades, but have remained unaddressed for a wide variety of intra-regional reasons including national self-interest, inaction or a lack of financing.

At its most obvious, the pandemic has pointed to the absence of a region-wide integrated approach to food security and - despite being able to feed itself - the Caribbean's continuing dependence on food imports, which by 2022 are expected to cost the region somewhere between US\$8bn and US\$10bn.

It has also indicated the continuing failure to address the logistical challenge of having efficient intra-Caribbean shipping and air transport links that could have enabled food, public health related requirements, and manufactured and other items produced in the region to be traded and shipped intra-regionally quickly and cheaply.

The pandemic has demonstrated too the shortcomings in the region's IT infrastructure and connectivity. It has highlighted the need to act decisively to encourage investment in the infrastructure necessary to ensure nations and a geographically fragmented region are fully prepared to operate in a world in which e.commerce and e.governance are central to future competitiveness, efficiency and any future crisis.

The coronavirus crisis has additionally highlighted many other issues such as the need for region-wide procurement and inter-operability in relation to public health, as well as sector specific or geopolitical issues that a better integrated region ought to be able to respond to in a unified way.

Caribbean governments are already well advanced in developing a phased post COVID-19 exit strategies, recognising the need for a disciplined gradualist approach that encourages common purpose while balancing public health considerations and economic recovery.

However, the overall tendency is still to focus on a return to 'normality' and restoring the way the world and Caribbean was at the end of 2019, rather than considering whether new thinking

may be required if tourism, agriculture and the regional economy are to evolve in ways that are sustainable.

The outcome of 'business as usual' may not be on offer when the pandemic is over as much will have changed globally, requiring industry and government in the Caribbean to think differently.

For this reason, Prime Minister Motley's previous analysis and her continuing commitment to vigorously engage her fellow Heads on what is required to make the CSME work is of particular importance post-virus. It offers a chance to change the way the region thinks practically about delivering solutions, integration, and competitiveness.

As this column observed in February, the pandemic will pass, but more telling will be how the region responds to the impact of a virus-induced global recession in what had promised to be an economically positive year for the Caribbean.

If when this is all over, governments, business and civil society allow fragmented nationalism to continue to determine the response to the messages the pandemic has delivered, the economic consequences will bedevil growth, future prosperity and opportunity. The COVID-19 pandemic clearly demonstrates the need to broaden functional integration and Caribbean interdependence.

David Jessop is a consultant to the Caribbean Council and can be contacted at david.jessop@caribbean-council.org

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