ONE CARIBBEAN:
PLENTY LOVE, BUT NO MONEY

CTU: 4th Caribbean ICT Collaboration Forum by:
Marla Dukharan, Spokesperson, Caribbean Settlement Network
SENDING MONEY IN THE CARIBBEAN

- Complicated
- Costly
- Time consuming

We rely on USD even when we transact within this region.
HOW DOES THIS NEGATIVELY AFFECT US?

• Limiting our markets
• Making it hard and expensive to remit funds
• Complicating purchasing and making payments abroad
• Making Caribbean businesses less competitive

We are restricted and constrained in our ability to use our own money to solve our problems.
We have funds that we could deploy into different businesses in different territories for different reasons over different durations and at different costs. But we don’t have an easy transmission mechanism for capital across our borders. And if you cannot move your money, if you cannot access capital, you just cannot play.

-Bruce Mackenzie
Head of Strategy, Massy Group
It is easier to do business in Gaza and the West Bank, than in the Caribbean, on average. And if we do nothing, the Caribbean will be the poorest region in the world, by 2050.

-Dr. Justin Ram
Director of Economics
Caribbean Development Bank
THE CARIBBEAN HAS FALLEN BELOW THE WORLD AVERAGE IN TERMS OF GDP PER CAPITA

GDP Per Capita
PPP, Current International Dollars

Source: Dr. Justin Ram, Caribbean Development Bank, Marla Dukharan
CARIBBEAN WIRELESS BY NATURE…

... a region of vast potential
POTENTIAL
- latent qualities or abilities that may be developed and lead to future success.
WHO DOES THIS AFFECT?

- Send and receive remittances
- Intra-regional travelers
- Immigrants and their families
- Those affected by natural disasters
- Students abroad
- Small businesses
- Entrepreneurs
- Large corporations

It affects ALL OF US
HOW DOES MAKING IT EASY TO MOVE MONEY ACROSS THE CARIBBEAN IMPACT OUR ECONOMIES AND OUR LIVES?
EMIGRATION

- 20% of the Caribbean population lives abroad
- Emigrants are younger, more productive, and higher educated
- 50% of Caribbean emigrants residing in the US have at least a college education

“The negative impact of emigration on real per capita growth seems to outweigh growth gains from remittances, notably for the Caribbean.”
- IMF
CASE OF JAMAICA: THE MOST HIGHLY EDUCATED WOMEN ARE LEAVING

Educational Attainment and Emigration for Women: Jamaica
Percent of Jamaicans living in the US or living in Jamaica

Source: International Monetary Fund, Marla Dukharan
In the digital age we can bring the jobs and opportunities to the people.
CLOSING THE GENDER GAP

Women in the Caribbean attain higher education than men, but have less jobs and opportunity.

Global Gender Gap Index: Caribbean
Score (0=low to 1=high)

WOMEN ARE MORE EDUCATED, AND LESS EMPLOYED IN THE CARIBBEAN

Caribbean Gender Gap
Percentage points gap

DURING HER 40 YEAR CAREER, A WOMAN IN THE CARIBBEAN WILL EARN AN AVERAGE OF USD332,000 LESS THAN A MAN

Estimated Earned Income Gap: Caribbean
Women's earnings for every USD1.00 of men's earnings

Additional Years of Work Women Face to Achieve Men's Career Earnings at 60: Caribbean
Years

“Women are less mobile and flexible because they spend so much more time than men on unpaid care work—more than 1.1 trillion hours a year, compared with less than 400 billion hours for men.”

-McKinsey Global Institute

“The future of women at work: Transitions in the age of automation”
REMITTANCES HELP REDUCE INEQUALITY

- Remittances average around 8% of GDP in LAC

- After a natural disaster, the remittance-to-GDP ratio increased by 0.6 percentage points
  
  Source: IMF WP17/144

... Yet a chunk of the remittance value is lost in fees.
REMITTANCE FEES IN THE CARIBBEAN ARE NEARLY DOUBLE CENTRAL AMERICA

Average Remittance Cost: Central America and the Caribbean
Total Cost as Percent of Remittance Value

--- --- CARIBBEAN --- --- --- --- CENTRAL AMERICA --- --- --- ---

THIS MEANS CARIBBEAN REMITTERS PAY BETWEEN USD777 MILLION AND USD1.4 BILLION PER YEAR IN FEES

Remittance Inflows: Caribbean
In USD millions

USD15.85 billion Total Remittances
USD0.8 billion @ 4.9% (Central America Ave)
USD1.4 billion @ 8.9% (Caribbean Ave)

Source: The World Bank, Knomad, Marla Dukharan
AND BUSINESSES IN THE REGION ARE DOING VERY LITTLE BUSINESS INTRA-REGIONALLY

INTRA-REGIONAL TRADE

- Caribbean
  ~4% of GDP

- European Regional Bloc
  13-20% of GDP
TRADE EXPANSION ALSO LEADS TO MORE JOBS AND HIGHER WAGES

Intra-Regional Goods Trade: Trade with CARICOM

Percent of Total Goods Trade

Source: International Monetary Fund WP20/08, Marla Dukharan
OBsolescence

We hold the potential, but the systems and ways we are doing things are obsolete.
STEPS TO MAKE THIS OUR NEW FUTURE

1. Make this a priority for our Governments / Central Banks
2. Technical design & rollout
3. Improve digital connectivity
MAKE THIS A PRIORITY FOR OUR GOVERNMENTS / CENTRAL BANKS

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TREATY OF CHAGUARAMAS

ARTICLE 40: Removal of Restrictions on Movement of Capital and Current Transactions

“The Member States shall, in order to ensure the proper functioning of the CSME, remove among themselves:

(a) restrictions on the movement of capital payments;
(b) restrictions on all current payments including payments for goods and services and other current transfers.”
Central Banks, Dev Banks, and private entities around the region have voiced their support for the CSN, including:
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IMPROVE DIGITAL CONNECTIVITY

• Build wider, more robust and affordable connectivity throughout the region.

• Who can make this new future a reality for the Caribbean? **YOU**!

• Because without connectivity, and mobile devices in people’s hands, none of this will be possible.
All nations have opportunities which they may grasp if only they can summon the courage and will ... it is possible for a nation to take a new turn if it is fortunate enough to have the right leadership at the right time.

-Sir William Arthur Lewis