

The small, fragile, Caribbean economies are being hampered by low productivity, high energy costs, and high crime rates. With the emergence of climate change, the enforcement of zonal laws and building codes are vital. Additionally, investing in the youths of today will secure the future of the generations to come.

Growth in the Caribbean continues to lag behind other Small Island Developing States (SIDS) as the region has only managed to grow 0.8% annually in real GDP since 2010. In my perspective, low growth in Total Factor Productivity (TFP), high energy costs, and high crime levels including threats, violent crime and corruption, are the three (3) main challenges to rapid economic growth, macroeconomic stability, and sustainable development in Caribbean territories.

TFP has been on a negative trajectory in most Caribbean economies since the early 1970s and the growth rates of the economies have mirrored this downward trend with the exception of Trinidad and Tobago whose TFP exhibits a cyclical pattern but has trended upwards since the mid-90s. Due to strong dependence on expensive imported fossil fuels, gas and oil expenditure account for up to 20% of GDP in some nations which is cause for concern. The average cost of energy in the region is 4 times more expensive relative to the richer nations which has eroded competitiveness on a global level. Regional violent crime rate (6.8%) with the inclusion of Latin America, are higher than the global average (4.5%) and, in 2014, 84% of Caribbean businesses reported that crime was a major impediment in conducting business (IDB, 2017). This undermines the impact of Micro, Small and Medium Size Enterprises (MSMEs) which are dubbed the engine of growth for Caribbean economies.

Even though TFP, energy costs and crime are major bottlenecks to growth in the region, climate change is also of equal importance. More violent hurricanes will form as temperatures increase and the IMF's estimated annual 2.2% of damages relative to GDP will also potentially increase. Caribbean economies will have to invest in adaptation strategies. Building codes and zoning laws should be reviewed as to increase the resilience of infrastructures and ensure that construction do not occur in disaster prone areas. Additionally, great emphasis should be placed on the enforcement of these codes and laws and violators should be heavily penalized. Emerging Caribbean markets should also take a long-term approach to fiscal planning as to be more forward looking and less susceptible to sudden changes in the macroeconomic environment.

In improving economic prospects and resilience over the next decade for the next generation, the inclusion of the youth is of paramount importance. Youth unemployment is in excess of 30% in most Caribbean territories which creates the demand for more youth developmental programmes, otherwise they may end up contributing to crime. Additionally, we should also focus on improving both our cognitive and technical capabilities to engage in more rigorous research to possibly open new market opportunities that can continue delivering goods and services even as the external environment changes. We should also prepare ourselves to take on high or advance skill level jobs which require constant critical thinking and "learning by doing" which will increase economic efficiency. Measures like these are critical to the transition of emerging markets to prosperity and to the success of the 2030 Sustainable Development Goals (SDGs).