

The Promises and Challenges of the Sustainable Development Goals for Caricom Caribbean Countries

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Abstract The objective of this paper is to show that the Sustainable Development Goals (SDGs), present a timely opportunity for CARICOM Caribbean countries to successfully advance along a sustainable and transformative developmental path. Country-relevant SDGs can be designed to address the root causes of the current developmental challenges, and reactivate economic growth along a development trajectory to end hunger, poverty, unemployment, food and nutrition insecurity, and appreciably enhance the general living standards of the population in these countries. Despite making much social and economic progress since independence, CARICOM Caribbean countries still face enduring developmental challenges, including achieving sustainable development and genuine economic transformation. The SDGs promise a truly transformative development agenda that is both universal and adaptable to country-specific conditions. But financing will be a huge challenge, and countries are cautioned about the need for good governance for the SDGs. Countries will require large and sustained amounts of investment funds. Governments cannot, and should not do this alone. Much of this financing will have to be sourced from domestic resource mobilization (DRM), including public-private-partnerships, in addition to traditional Overseas Development Assistance (ODAs), Multilateral Development Bank Funding, and Foreign Direct Investments (FDIs). But the process of development must involve a paradigm change, by both the public and private sectors, on the type of transformation that is required to transition these economies to sustainable development. The methodology adopted in the paper is a rigorous analysis of the economic and social statistics, and the development experiences of these countries, through the lens of the growth and development literature.

Keywords: *sustainable development goals, sustainable development, economic transformation, domestic resource mobilization*

Cite This Article: Tigerjeet Ballayram, “The Promises and Challenges of the Sustainable Development Goals for Caricom Caribbean Countries.” *Journal of Food Security*, vol. 5, no. 1 (2017): 1-8. doi: 10.12691/jfs-5-1-1.

1. Introduction

The objectives of this article are to demonstrate the relevance of the Sustainable Development Goals (SDGs), to CARICOM Caribbean countries¹, and present arguments why these countries must embrace these goals, and develop and implement programs to achieve them. This is an urgent task in light of the current developmental challenges facing these countries, including the need to reactivate economic growth, resolve pressing issues such as hunger, poverty, unemployment, and food and nutrition insecurity, and the imperative to advance these countries towards sustainable development and social and economic transformation.

The United Nation’s Sustainable Development Goals (SDGs), came into effect in January, 2016. These SDGs,

which were developed by the international community in close consultation with national stakeholders, now define the development agenda for developing countries over the next fifteen years (Agenda 2030). The 17 goals and 169 targets of the SDGs are ambitious and comprehensive, and cover social, economic development, and environmental outcomes. The SDGs promise a truly transformative development agenda that is both universal and adaptable to country-specific conditions. So programs to achieve the SDGs can be designed to address the root or structural causes that have constrained development in CARICOM countries, especially over the past 15-20 years.

Despite making much social and economic progress since independence, CARICOM countries still face severe developmental challenges. In particular, sustainable development (i.e., good governance, inclusive economic growth, building a resilient environment, and promoting social inclusion²) [1], and economic transformation have eluded these countries in the post-independence era. It is important, therefore, that CARICOM countries take a

¹For purposes of the study, the focus will be on 14 of the 15 regional trading block of Caribbean Common Market (CARICOM), now graduated to Caribbean Single Market and Economy (CSME), countries in the Caribbean: Antigua & Barbuda, Barbados, The Bahamas, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, St. Kitts and Nevis, St. Lucia, Montserrat, St. Vincent & the Grenadines, Suriname and Trinidad & Tobago. Because of data limitation, Montserrat receives only cursory treatment in this paper.

² These are operational dimensions of the Earth Summit’s definition of sustainable development as development that meets the needs of the present generation without compromising the ability of future generations to meet their needs.

proactive approach to the SDGs, by integrating them into national development objectives and priorities, and beginning a process of program design, implementation and national sensitization on the benefits to, and roles and responsibilities of all stakeholders.

Following this Introduction, Section 2 describes the materials and methodology used to conduct the analysis. Section 3 presents the results of the analysis, while Section 4 discusses these results. Finally, Section 5 contains the key conclusions of the paper.

2. Materials and Methods

The approach taken in this paper is to develop a set of arguments in support of the potentials of the SDGs as transformative mechanisms for CARICOM countries. The arguments rest on three methodological planks. The first retraces the main scholarly positions regarding the root causes of underdevelopment of these economies during the colonial and immediate post-colonial periods, and the prescriptions offered by this literature on how to advance the development agenda of these economies. This literature emphasized the imperative of transforming the inherited colonial structure of production, distribution and exchange as an essential condition for advancing sustainable development of these economies.

Using this prescription and its envisioned outcome as guiding principles, the second strand of the approach is an analysis of the policy and developmental approaches of CARICOM countries, and reports on the progress made by these economies in the post-independence period. The final plank of the methodology is a discussion of the potential of the SDGs to advance the transformation and sustainable development agenda of CARICOM countries, and to highlight the challenges of implementing these goals.

The arguments are built upon a solid and rigorous analysis of the economic and social statistics that underscored the development experiences of CARICOM countries, and is guided by the growth and development literature. Given that this is a multi-country study, every effort was made to use the same sources of data for all the countries, thereby ensuring some uniformity of the quality of data for the comparative analysis of the countries. In this regard, three main data sources were used, namely, The World Bank (www.worldbank.org/data), the International Monetary Fund (www.imf.org/wef), and the Food and Agriculture Organization FAOSTAT (www.fao.org/faostat). In addition, national official statistics were used when discussing country-specific issues.

2.1. Literature Review

The English-speaking Caribbean gained its independence from Great Britain between 1962 and 1983. The intellectual underpinnings of the post-independence quest for economic transformation into self-sustaining growth and development drew from, but also critiqued various strands of development thinking at the time. What eventually emerged was a core body of Caribbean development thought that shared some unity and divergences on what held back social and

economic progress, and policy prescriptions for moving these countries forward.

Caribbean underdevelopment and dependence were explained by an appeal to class relations as well as the historical insertion of these countries into the sphere of Western European expansion as it created a truly capitalist world economy around the fifteenth century. Underdevelopment and dependence were then posed as two sides of the same asymmetrical class relationship of the colonizers (the metropole/center) *over* the colonies (satellite/periphery) [2,3]. For some analysts, to reverse this underdevelopment and dependence required a delinking from the metropolises. This position was based on the observation that genuine economic and social development occurred when the ties between the Caribbean and the developed metropole were the weakest [4]. Others drew attention to structures and institutions developed and sustained by the colonial system and even in post-independence society, in which production, consumption and exchange in the Caribbean disproportionately benefited the metropole. The structural underpinnings of this colonial dependence economy took expression in:

- i) The concentration of production for exports on a very narrow range of primary commodities—mainly sugar, banana and bauxite—sold mainly to the metropolitan markets, known for wide price and demand fluctuations;
- ii) In turn, these countries imported food, manufactures, fuel and intermediate products from the metropole.

This dependent economic relationship led to two divergences, namely, between production and consumption, and between consumption and needs. To rectify this situation required “two iron laws”, namely, the convergence of resource use and consumption patterns, and consumption and needs [5].

In tandem with its development, Caribbean critical thought offered scalding criticisms against the received models of growth and development. By arguing that underdeveloped countries had to pass through the same stages of growth as the advanced countries, stages of growth theories were dismissed on the grounds of their unilinear interpretation of history. Critics argued that while the advanced countries were at one time undeveloped, they were never underdeveloped in the sense of being in an asymmetrical relationship where their underdevelopment was a reflection of the development of advanced countries.

The common theme in these intellectual efforts was an explanation for persistent underdevelopment, and policy prescriptions for advancing the socio-political and economic conditions in these countries. The attention was focused on the socio-economic and political class-relations that created, undergirded and sustained a structure of ownership, production, distribution and exchange that perpetuated income inequality, high unemployment, poverty and social stagnation [2]. The post-independence development policy agenda then was the transformation of these structures into self-sustaining growth and development, increased national wealth creation, and enhanced living standards for the population [2,3,4,5]. The next section provides an assessment of the extent to which these outcomes have been achieved in CARICOM countries.

3. Results

3.1. Post-Independence Policies

The economic policies and social-political experiments that emerged during post-independence Caribbean aimed at achieving this transformation. Much attention and resources were directed at diversifying the economies. The inward-looking import substitution strategy was meant to develop the manufacturing sector, create employment, and produce the products hitherto imported from the metropole. Based on the infant-industry argument and supposedly patterned after the Puerto Rican industrialization model, this strategy quickly faltered largely due to its high foreign import contents, inward-looking character, and relatively small domestic markets for the products [5].

In similar vein, the diversification of the agriculture sector was meant to dilute the highly concentrated export propelled development model based on primary products. This initiative managed to develop a wide range but low volumes of food crops. Consequently, it did not curtail the high food imports into these countries, most of which now have food-import dependency ratios in excess of 50 percent. Nor did the diversification programs achieve the kinds of transformation implied in the thesis about the convergence of resource use and consumption patterns [5]. In fact, with the exception of rice in Guyana and Suriname, and to a lesser extent coffee in Jamaica, the region cannot claim any successful agriculture value chains other than those of sugar and bananas, born out of the wombs of colonialism. Because of preferential trading arrangements, sugar and bananas dominated agriculture until recently, when these preferences were phased out as Britain became a member of the European Union.

Most of the island states in the region took advantage of the sea, sand and sunshine and promoted tourism. This sector has contributed to economic growth, employment and foreign exchange earnings. Some of these countries also engaged in off-shore financial services. While both of these activities have contributed significantly to the relatively high per capita incomes in these countries, neither has been a catalyst for economic transformation, due largely to tourism's enclave nature [6,7], and the inherent characteristic volatilities of international banking transactions [8,9].

Finally, other experiments included development models based on socialism, with its attendant nationalization of key industries, and centralized planning (mainly Guyana and Jamaica, and to a lesser extent, Grenada). These were dismal failures, which managed to reverse most of the early post-independence development gains in these countries. More significantly, these experiments contributed virtually nothing towards sustainable development or the transformation of these economies [2,5].

By the late 1970s many of the economies were facing economic crisis and resorted to the International Financial Institutions (IFIs), especially the International Monetary Fund (IMF) and the World Bank for stabilization and structural adjustment support. The neoliberal structural adjustment programs (SAPs) implemented by the IFIs in the Caribbean were narrowly defined to accomplish internal balance (fiscal and monetary), and external

balance (trade balance) of the economy. While these programs schooled Caribbean governments into fiscal and monetary discipline, they aggravated the living conditions of the population. This was the direct consequences of the IFIs' standard philosophy, based on neoclassical economic theory, that market forces and free trade allocate resources most efficiently, and contribute to faster economic growth and higher standards of living. The corollary to this, and which has been the standard conditionality by the IFIs, was to dismantle public support and social safety-nets to at-risk population groups, and dissuade governments' active role in socially efficient allocation of resources in priority development areas.

The IFIs must be credited for several positive economic outcomes in CARICOM countries, including, *inter alia*, returning macroeconomic stability, and realigning exchange rates with domestic export and import capacities in these countries [9]. These institutions continue to exercise significant influence on macro and sectoral policies and programs in CARICOM countries. However, these policies and programs are not designed for, nor have they achieved the kinds of structural transformation as articulated by the core body of Caribbean thought on how to effectively overcome underdevelopment and achieve self-sustained development in these countries. After almost four decades of active involvement of the IFIs in the economic affairs of CARICOM countries, these countries are still faced with severe developmental challenges (see sub-section 3.1). It is against this record that the IFIs are currently reassessing their neoliberal agenda, motivated by the observation that, notwithstanding much successes, some of these policies have increased inequality and jeopardized growth and economic expansion. This recent literature recommends a more nuanced application of neoliberal economic policies [9].

3.2. State of Development in CARICOM Countries

Compared to where they were in the 1960s and 1970s, CARICOM countries have made good economic progress:

- i) With the exception of Haiti, all countries have stable democracies;
- ii) Most of the countries are ranked in the top half of the Human Development Index (HDI), which takes into account life expectancy at birth (health dimension), years of schooling for adults, and expected years of schooling for children (education dimension), and gross national income per capita (standard of living dimension);
- iii) By the World Bank classification, five countries are classified as High Income, eight as Upper Middle Income, and only one as Low Income;
- iv) Undernutrition rates are less than 8 % [10];
- v) With the exception of Haiti, all other countries have sufficient food calories and macronutrients available to meet recommended dietary allowances of the population [10];
- vi) Unemployment, poverty and hunger, although at unacceptable levels, have declined relative historical rates;
- vii) The post-colonial region has displayed remarkable capacity for change, resilience and recovery when

faced with natural disasters and other exogenous shocks [8].

Despite these positive developmental outcomes, severe challenges still remain and are compelling reasons for CARICOM to embrace the SDGs:

- i) Average real growth rates of Gross Domestic Product (GDP) over the past 15 years have been disappointingly low: 1.6 % for 11 countries, and 4.4 % for the other three [10]. At these growth rates it will take these countries 45 years and 16 years, respectively, to double their current GDP. This should alarm policy makers in light of findings by [9], that after the late 1990s, CARICOM countries appeared to have entered a period of jobless growth; to achieve full employment, the region would have to grow by 12.3 % annually for the next 5 years. Average unemployment rate is about 13 %, and is twice as high for youths [10]. Moreover, the growth rates in CARICOM countries have lagged relative to other developing countries in Asia and Africa in every decade since 1970, and even further behind better comparators, namely other small island developing states (SIDS), [9,11].
- ii) National incomes in CARICOM countries lag significantly behind those of their 1960s peers'. The Purchasing Power Parity (PPP) per capita Gross National Income (GNI), currently averages about \$10,000 in the region, compared to \$57,000 for Singapore, Hong Kong, and South Korea, countries that were at similar levels of economic development as CARICOM countries in 1960s;
- iii) Ten of the 14 countries in CARICOM have debt-to-GDP ratios above 55% [11]. It is established that debt-to-GDP ratios above 55% become a drag on growth [8,12].
- iv) Income inequality is among the highest in the world [10]:
 - a. Leaving out the extreme case of Haiti, consumption expenditure of the richest decile income earners is on average 19 times higher than that of the poorest decile income earners;
 - b. Three countries have Gini Coefficients that indicate extreme income inequality and the rest as high income inequality;
- v) Head count poverty rates range between 13 and 59 percent and have been increasing over the years. Children and infants, 0-14 years of age, are disproportionately included among the poor. Moreover, in excess of 60 percent of the poorest income quintile are in full-time employment, characterized as the "working poor". Their wages are too low to pull them out of poverty. While the poor may have completed some levels of schooling, the vast majority have no certification, thereby relegating them to lower paying jobs [10];
- vi) While progress was made at reducing hunger, only three of the 14 CARICOM countries in 2015 met the 1996 World Food Summit and the 2000 Millennium Development Goals hunger targets;
- vii) The food import bill in CARICOM is in excess of US\$ 4.5 billion annually, and is projected to

increase to US\$ 8-10 billion annually by 2020 if present trends continue. Most countries have food import-dependency ratios of over 50 %. Worse still, 7 of the 14 countries have ratios in excess of 80%, in a context where most countries have functioning food systems, which rural populations depend on to sustain their livelihoods [10]. Much of this imported food is calorie-dense, high in fats, sweeteners and sodium, which can be linked to:

- a. Adult male obesity, which is currently 12 % and is four-times higher among female counterparts;
- b. Nutrition-related chronic non-communicable diseases (NCDs), which are the main health problem in the region and account for over 60% of mortality [13];

viii) Regular natural disasters reverse years of development gains, affect millions of people, cause deaths and extensive damage to property and infrastructure, and place a significant premium on public and private expenditures for disaster recovery and resilience building [10,11].

In summary, after more than 50 years of independence for most countries in the region, the economic policies and political experiments in post-independence Caribbean did manage to make significant economic and social progress when compared to the pre-independence situation. With the exception of the mainland countries—Guyana, Suriname and Belize—with relatively large primary sectors (agriculture, forestry, fishing and livestock), the other CARICOM countries have successfully transitioned to predominantly service-based economies. However, over the past fifteen years economic progress in these countries has been particularly disappointing [10,11]. More importantly, the economic and structural transformation and sustained economic development that should have resulted from a loosening of the grips of the structural factors that perpetuated unemployment, poverty, hunger, inequality and economic stagnation, that was high on the development agenda of these countries at independence, managed to elude them.

3.3. The Promises of the SDGs

The 17 SDGs are listed in Table 1, and are organized under five thematic areas for convenience. The SDGs cover economic and social outcomes, such as health, education, reduction of poverty and hunger, etc., (which were the focus of the MDGs), and economic development outcomes such as adequate and resilient infrastructure, energy, food and nutrition security, inclusive growth and so on, that were not covered by the MDGs. These are outcomes that CARICOM countries have been seeking since independence but without the successes envisaged by policy makers, which is why these SDGs are consistent with the current development objectives of CARICOM countries. More importantly, programs to achieve the SDGs can be designed to address the root or structural causes that have constrained development in these countries over the past 50 years and provide an opportunity to significantly improve their development trajectory.

Table 1. The Sustainable Development Goals, 2016-30.

Goal	Economic and Social Well-Being	Goal	Environment
Goal 1	End poverty in all its forms everywhere.	Goal 11	Make cities and human settlements inclusive, safe, resilient and sustainable.
Goal 2	End hunger, achieve food security and improved nutrition and promote sustainable agriculture.	Goal 13	Take urgent action to combat climate change and its impacts.
Goal 8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work.	Goal 14	Conserve and sustainably use the oceans, seas and marine resources for sustainable development.
Goal 9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.	Goal 15	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.
	Equity and Fairness		Access to Essential Services
Goal 4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	Goal 3	Ensure healthy lives and promote well-being for all at all ages.
Goal 5	Achieve gender equality and empower all women and girls.	Goal 6	Ensure availability and sustainable management of water and sanitation for all.
Goal 10	Reduce inequality within and among countries.	Goal 7	Ensure access to affordable, reliable, sustainable and modern energy for all.
Goal 12	Ensure sustainable consumption and production patterns.		Implementation and Partnership
Goal 16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.	Goal 17	Strengthen the means of implementation and revitalize the global partnership for sustainable development.

Source: [14].

The SDGs were framed and presented in terms of five important transformative characteristics [14]. There are:

- (i) To end poverty and fight inequalities (dignity);
- (ii) To ensure healthy lives, knowledge and the inclusion of women and children (people-centered);
- (iii) To grow a strong, inclusive and transformative economy (prosperity);
- (iv) To protect the ecosystems for all societies and their children (protecting the planet); and
- (v) To promote safe and peaceful societies and strong institutions (effective governance).

These five essential elements, individually or integrated, underscore a universal call for commitment by all countries to a set of principles that frame and reinforce the universal, integrated and transformative nature of a sustainable development agenda [14]. Moreover, when juxtaposed against the state of development in CARICOM countries as articulated in subsection 3.2 above, it is clear that each of these five elements, as conditioning factors for the SDGs, holds compelling relevance for these countries. In the final analysis, however, it is the responsibility of the countries, with whatever external assistance which usually accompanies these global mandates, to seize the opportunity which Agenda 2030 provides, and develop their country-relevant SDGs framework, including synchronizing these goals with national policies and priorities.

3.4. Designing and Integrating the SDGs into National Policies

The successful implementation of the SDGs will require their appropriate designing, effective integrating, and mainstreaming into national policies, strategies and action plans. Several factors can fast-track this process.

- (i) First, mainstreaming global, hemispheric and regional mandates into the national policy space is not new for CARICOM countries, having demonstrated experiences as shown in Figure 1 [10].

- (ii) Second, even prior to the SDGs, CARICOM countries have been pursuing policies and strategies with goals that are in consonance with the SDGs, albeit with subdued successes. So there are already in existence in CARICOM countries a suite of policy goals with which the SDGs, appropriately prioritized and designed to meet country-specific needs, could be dovetailed.
- (iii) Third, there is a demand in these countries for global mandates, regional cooperation and partnerships. These have exerted significant influences in providing much needed resources for national development-oriented programs, and prioritizing policies and actions in these countries. Without these kinds of technical cooperation support, many countries would not have made the kinds of progress observed in advancing their development agendas [10].



Figure 1. Mainstreaming external mandates into the national policy space of CARICOM countries. (Adapted from [10])

- (iv) Finally, Agenda 2030 countenanced that the SDGs, while universal, are also adaptable to country-specific conditions, and hence in mainstreaming the SDGs, countries have the flexibility to consider their concrete conditions and realities.

In designing the SDGs to meet the needs of CARICOM countries, attention must be placed on the key issues that require urgent attention. Guided by the information presented in subsection 3.1 and 3.2 above, at the minimum, the following are key issues³ for country-relevant SDGs to address in CARICOM countries:

- (i) Pro-poor economic growth (SDGs 8 and 9)
- (ii) Poverty, Hunger and Food Security, (SDGs 1 and 2)
- (iii) Reduce inequality (SDGs 4, 5, 7, 10 and 12)
- (iv) Effective governance (SDGs 16 and 17)
- (v) Natural Disaster Resilience (SDGs 6, 11, and 13-15)
- (vi) Non-communicable Diseases (SDG 3).

3.5. The Challenges

3.5.1. Financing the SDGs

Both at the global and national levels, the SDGs are ambitious and would require incisive diligence to optimize the time available to achieve them. Equally important, a well-developed country-relevant SDG-plan to address the key issues facing CARICOM countries will require large amounts of investment finance. The SDGs were framed within the context of commitments by the international community to provide much needed resources for countries to achieve these goals. Preparations by World Bank, the IMF and other Multi-lateral Development Banks prior to, and including the Addis Ababa Meeting in July 2015, on financing the SDGs, and subsequent work by these key international financial organization, proposed several ways to achieve this massive financing needs of the SDGs. The sources for financing these SDGs include:

- Domestic Resource Mobilization (DRM)
- Official Development Assistance (ODI)
- Multi-lateral Development Banks (MDB)
- Private sector financing, including domestic private investors, and Foreign Direct Investment (FDI)

While these are all sources of finance that CARICOM countries should explore to fund their country-relevant SDGs, this paper will elaborate only on DRM and private-sector financing. Suffice to note, however, that the international financial architecture has undergone rapid changes since the Monterrey Consensus in 2002. This has implications for the volume of traditionally sourced international development finance. In particular, although 40 percent of ODA grants go to upper middle income countries⁴, ODA is relatively small compared to private inflows (FDI and bond-financing), and remittance, which were the primary sources of financial flows into developing countries in 2012 [15].

Developing countries have been fore-warned that they will need to improve domestic resource mobilization to finance their own development [16]. It has been estimated that DRM in emerging and developing economies was

US\$ 7.7 billion in 2012, a 14 percent increase between 2000 and 2012 [16]. However, ODA and DRM will not be enough to finance the SDGs, and increasing amounts will have to be mobilized from private resources. The international community has suggested several ways for increasing DRM, including mobilizing financing from the private sector [15,16,17]. These include:

- (i) Increase tax compliance, and strengthen tax administration:
 - Ensure small and medium size businesses, property owners, and professionals pay their taxes
 - Reduce illicit financial flows (IFFs), currently taking place through invoice-manipulation, under-payment of royalties, and other vulture-accounting practices
- (ii) More efficient ways of public expenditures:
 - Transparent public procurement processes
 - Greater accountability of public-sector contracts
 - Better targeting of government subsidies
- (iii) Crowd-in private investments—every dollar invested by the public sector should have a private-sector crowd-in multiplier of two or more additional dollars in public investments through:
 - Blended financing approach—mixing public and private sector returns on investments
 - Aggressively engaging in public-private-partnerships (PPP) to finance development projects
 - Segmenting risks, i.e., allocate components of projects to companies according to their ability and willingness for risk-taking
- (iv) Tap into the capital markets where large pools of funds can be raised and mobilized for long-term investments:
 - Pension funds, Trust funds, etc.
 - Engage in/establish bond markets such as:
 - Infrastructure bonds
 - Green bonds—for building resilience, reducing carbon-foot-prints and advancing sustainable development
 - Thematic bonds for health, education, youth development, employment generation, etc.
 - Catastrophic bonds—to address natural disasters, etc.
 - Diaspora bonds—mobilizing resources from nationals residing abroad for targeted investment projects such as housing, community development, clinics, etc.;
- (v) Cross-border financing
 - Establish alliances with other countries to integrate capital markets as is the case of the Pacific Alliance (Columbia with Mexico, Peru, and Chile).

3.5.2. Effective Public Management

Mobilizing adequate financing for the SDGs is a critical and necessary, but not a sufficient condition for their successful implementation. In addition to ensuring that countries have the absorptive capacity for these increased financial inflows, the World Bank warns “Simply increasing public spending is unlikely to lead to better outcomes in countries suffering from poor governance”

³[11] elaborates compelling arguments, which are not repeated here, in support of the Caribbean-relevant SDGs to address the issues listed here.

⁴By the World Bank classification, five CARICOM countries are High Income, eight are Upper Middle, and one is Low Income.

[15:4], a position that has been supported by other country-specific empirical studies [18,19]. Effective management of the policy and intervention environment (i.e., good governance), within which public policies and interventions are implemented, will be critical for successful outcomes of the SDGs.

Good governance takes expression in (a) responsive and effective delivery of public services (political level); (b) existence of appropriate legislation, strategies, action plans and policies (policy level); and (c) functioning institutions with responsibilities to ensure implementation of policies (institutional level) [20]. The Caribbean region has formal democratic governments. Citizens generally enjoy political rights and civil liberties; state institutions function fairly well; and constitutionally prescribed multi-party elections facilitate transfer of power, and reflect the preference of the masses. But there are deficiencies that undermine effective governance in the region [21]:

- (a) Political will that too often allocate resources to preferred constituencies rather than being motivated by broad-based national priorities;
- (b) For extended periods appropriate policies and strategies to address key socio-economic challenges may be absent, or even when they are available, are not implemented;
- (c) Institutions available to facilitate policy implementation may be weak, lack funding and adequate staffing, and are uncoordinated.

Against this background, CARICOM countries will have to iron-out these governance deficiencies as they prepare for, and implement the SDGs. These countries, in implementing the Development Millennium Goals (MDGs), made significant improvements in their capacity to gather, process and report data, and lessons learned should inform the implementation of the post-2015 development agenda. Additionally, the multilateral development banks (MDB), will play an active role in ensuring that the governance issues do not constrain the implementation of the SDGs [15,16].

4. Discussion

The SDGs seek to build on the foundation of the 1992 United Nations Conference on Environment and Development (Earth Summit), complete the unfinished business of the Millennium Development Goals (MDGs), and respond to new challenges [1,22]. The MDGs were criticized as being too narrowly focused on symptoms rather than providing directives or support to countries to address the structural underpinnings of poverty, hunger, unemployment and economic stagnation [11]. On the other hand, the 1992 Earth Summit established a Commission on Sustainable Development (CSD), tasked with promoting the concept and principles of sustainable development among countries. While the CSD could be credited for its role in keeping the principles of sustainable development high on the international and national agendas, it was not very successful in several areas [22]. In 2012, at the Rio+20 Conference in Rio de Janeiro, Brazil, the CSD was replaced by the High-Level Political Forum (HLPF), tasked with tracking and facilitating the implementation of Agenda 2030 and its Sustainable Development Goals [23]. One of the advantages of the

HLPF is that it has the benefit of a well-defined core set of goals (the SDGs), to report on, compared to the wide range of principles and plans that overwhelmed the CSD [22].

The SDGs are a comprehensive set of goals that have the potential to address the structural factors that have held back genuine economic transformation in Caribbean countries. But the region's leaders, policy makers and the private sector will have to act now, and aggressively. Moreover, they will need a particular mind-set if they want to reap the full benefits of these SDGs. This mind-set has to vision developmental outcomes that build upon, but transcend what these countries have achieved since independence. It must countenance where countries such as the "Asian Tigers" are today compared to where they were in the 1960s when most developing countries, including those in CARICOM, were at similar levels of development, and be guided by the actions and omissions from that development experience. There should be no compelling reasons for poverty, high income inequality, food insecurity, high unemployment, and non-inclusive economic growth, to be the enduring characteristics of these countries. Leaders and policy makers must envision a society that is prosperous, politically stable, and provides the citizenry with a sense of inclusiveness and ownership to the process and fruits of development.

In addition to good governance, two additional pre-conditions are absolutely necessary at the national level to support investments for the SDGs. First, an economic, regulatory and predictable investment environment must be engendered for the private sector to become engaged with the SDGs. Second, the creation of a dedicated Unit/Agency with a cadre of persons with the technical competences in public and private sector investment finance and management, and the ability to capture the financial and technical dispensations that would be available from the international community to support the SDGs at the national level.

5. Conclusions

The SDGs present a good opportunity for CARICOM countries to reactivate their economy along a development trajectory that will appreciably enhance the general living standards of the population. But financing of the SDGs will require large and sustained amounts of investment funds (*the literature refers to this as "from billions to trillions of dollars"!*). The government cannot, and should not do this alone. Much of this financing will have to be sourced from domestic resource mobilization and public-private-partnerships, in addition to traditional Overseas Development Assistance (ODAs), and Foreign Direct Investments (FDIs). Finally, the process of development must involve a paradigm change, by both the public and private sectors, on the type of transformation that is required to transition CARICOM countries to sustainable development.

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