

# 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?

We are restricted and constrained in our ability to use our own money to solve our problems.



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



“ 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. ”*

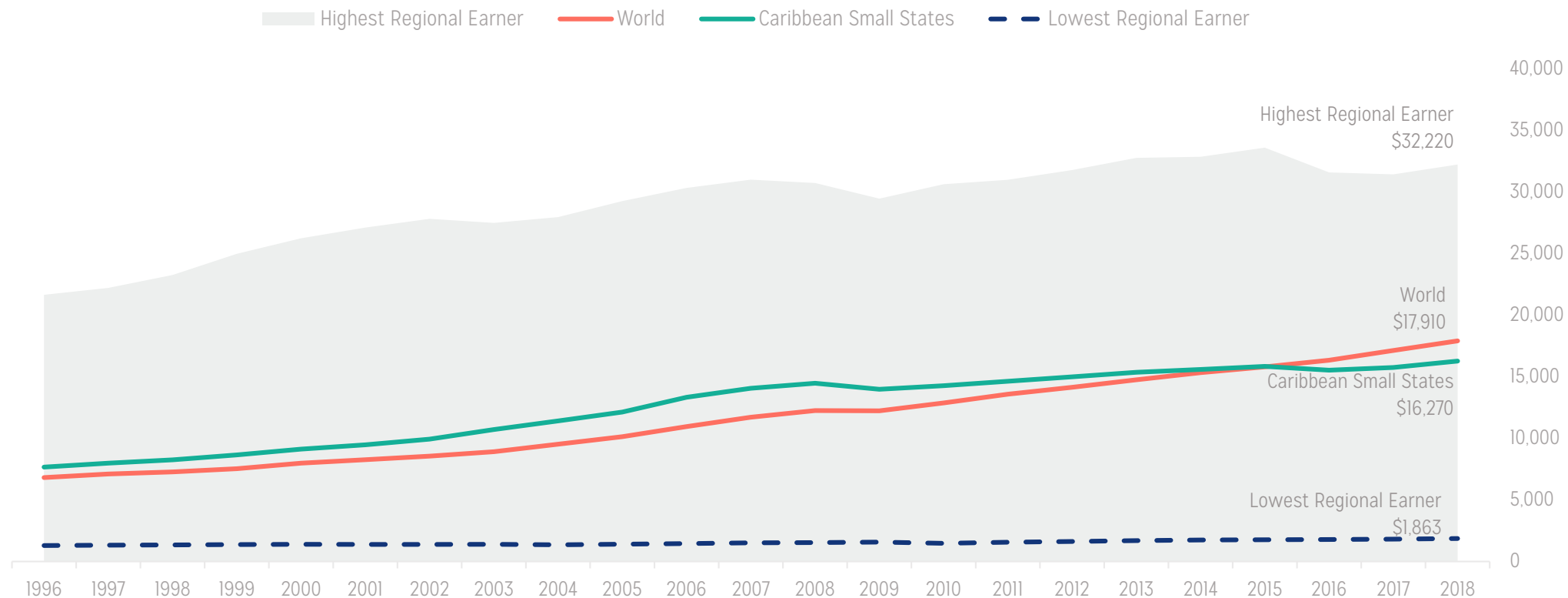
**-Dr. Justin Ram**

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

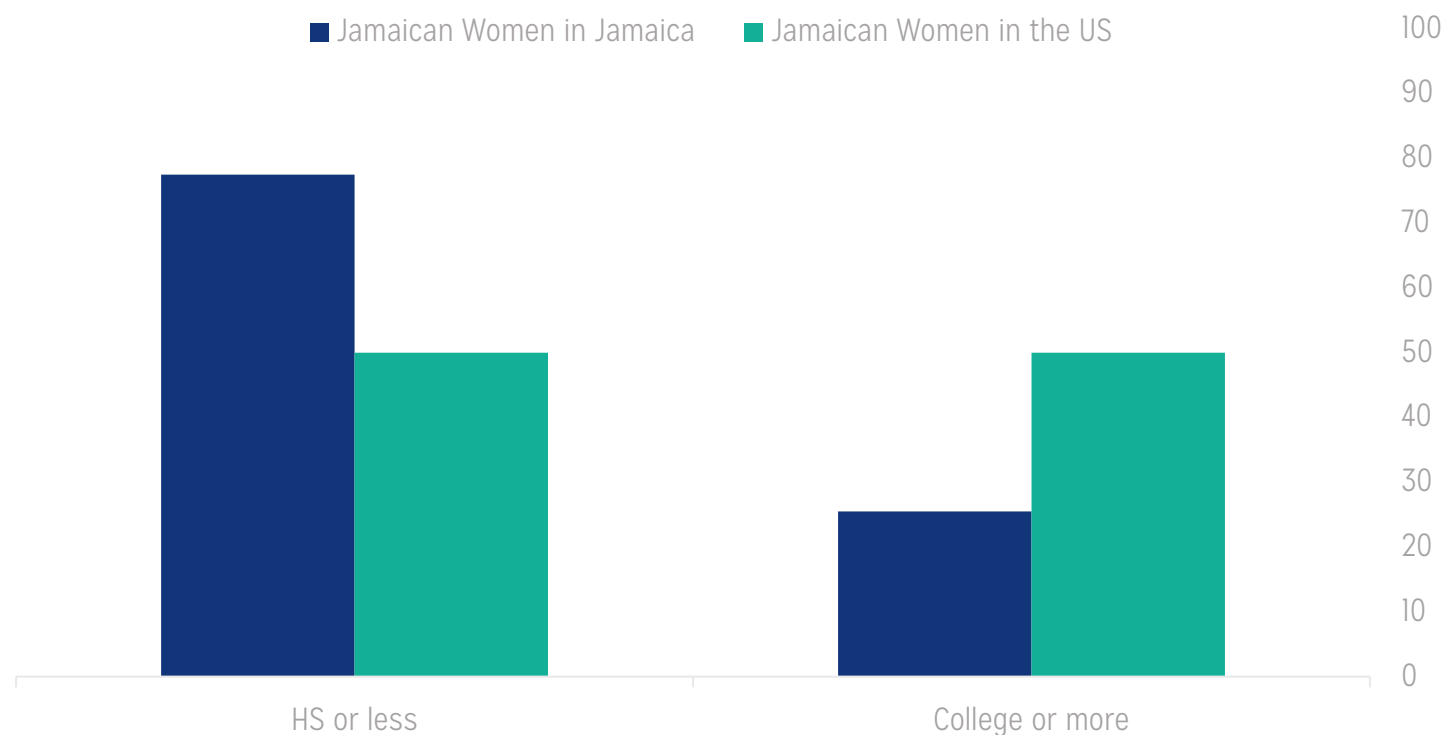
- 20% of the Caribbean population lives abroad
- Emigrants are younger, more productive, and higher educated
- 50% of Caribbean emigrants residing in the US have at least a college education

**“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

# JOBS AND OPPORTUNITY

Distribution of working-age population engaged in independent work (US and Europe)



	Primary Income	Supplemental Income
Preferred choice	Free agents 30%	Casual earners 40%
Out of necessity	Reluctants 14%	Financially strapped 16%

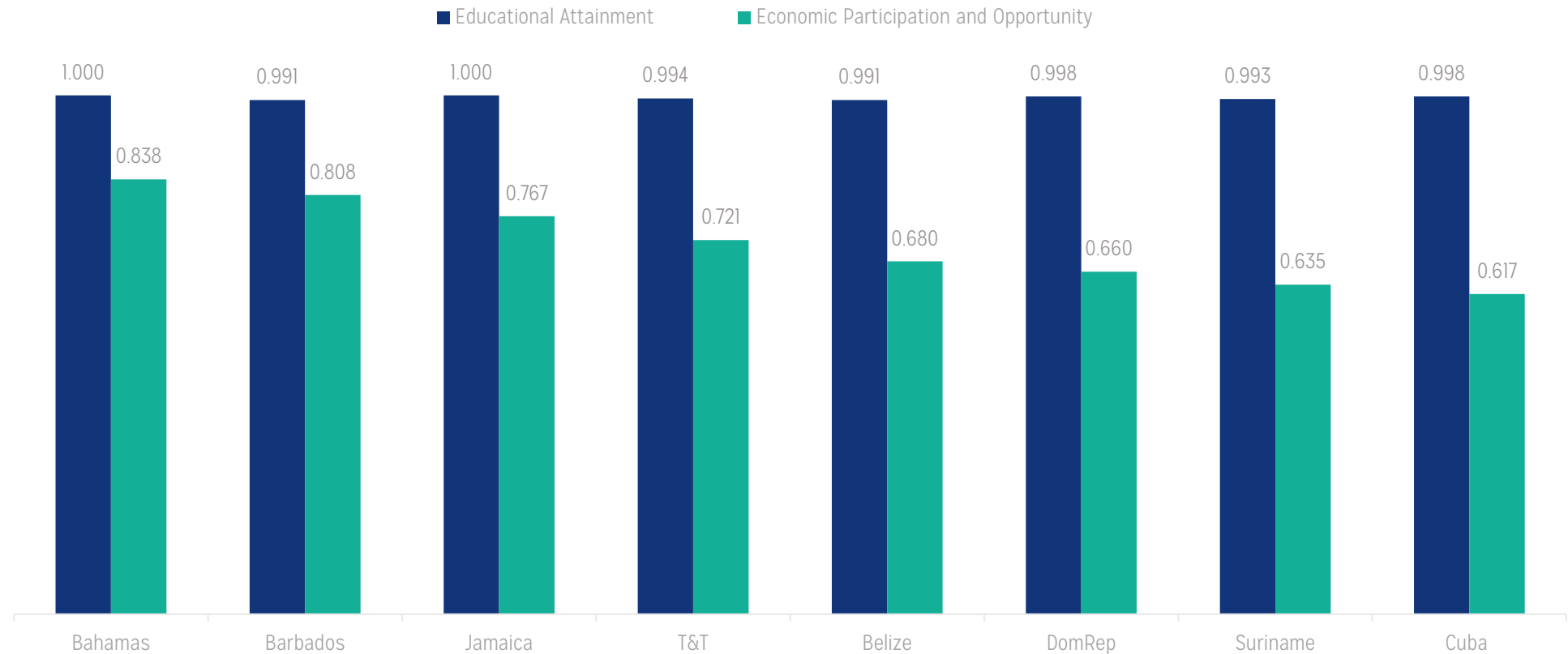
In the digital age we can bring the jobs and opportunities to the people.

# 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)

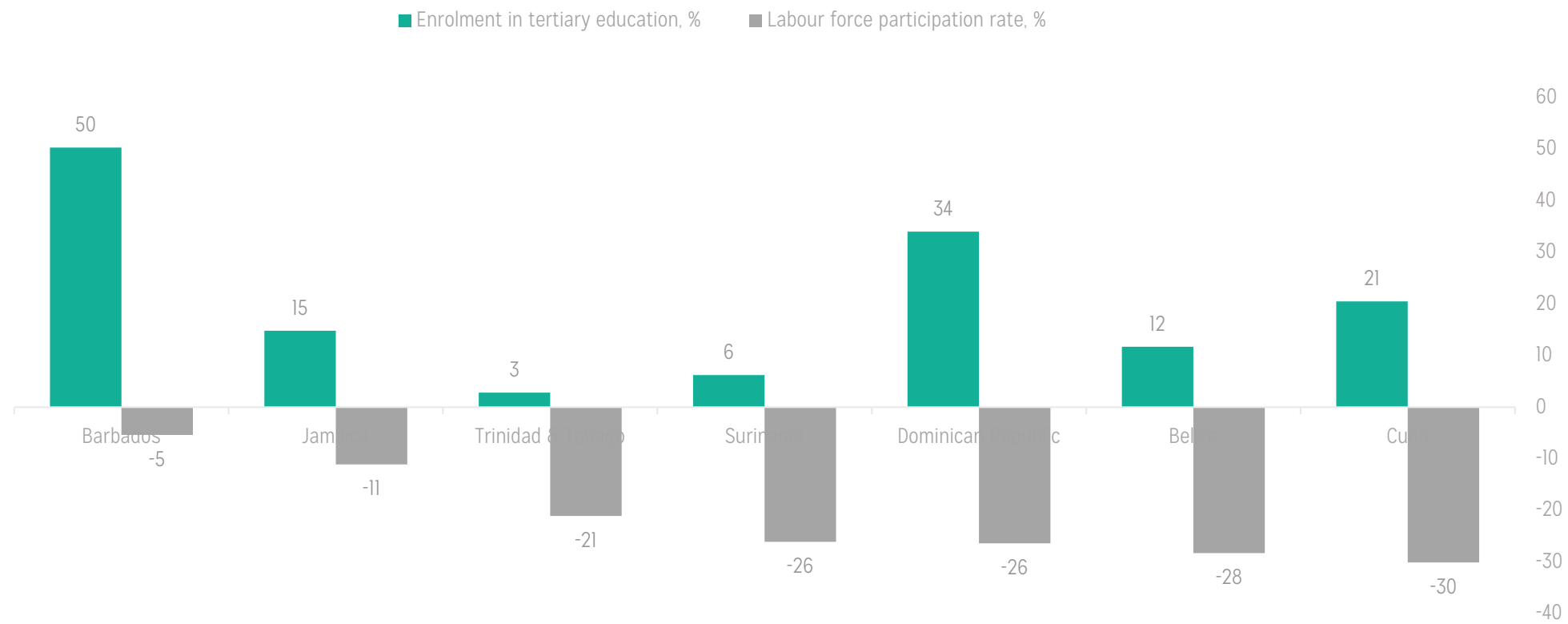


Source: World Economic Forum Global Gender Gap Report 2020, Marla Dukharan

# WOMEN ARE MORE EDUCATED, AND LESS EMPLOYED IN THE CARIBBEAN

## Caribbean Gender Gap

Percentage points gap



Source: Source: World Economic Forum Gender Gap Report 2020, Marla Dukharan

# 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

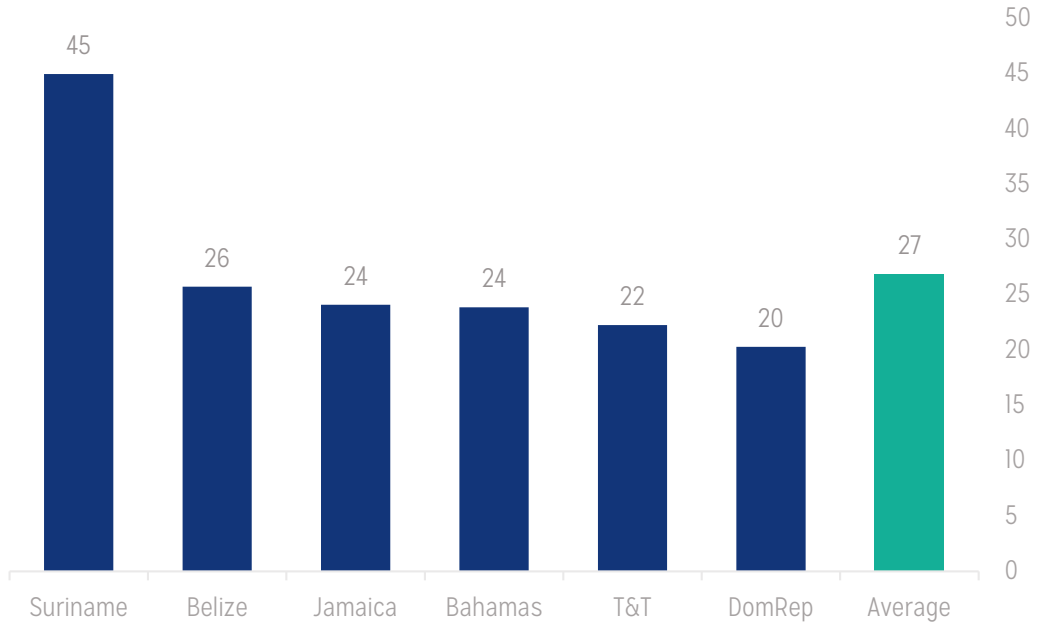
Women's earnings for every USD1.00 of men's earnings



Source: World Economic Forum Global Gender Gap Report 2020, Marla Dukharan

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

Years



Source: World Economic Forum Global Gender Gap Report 2020, Marla Dukharan



“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

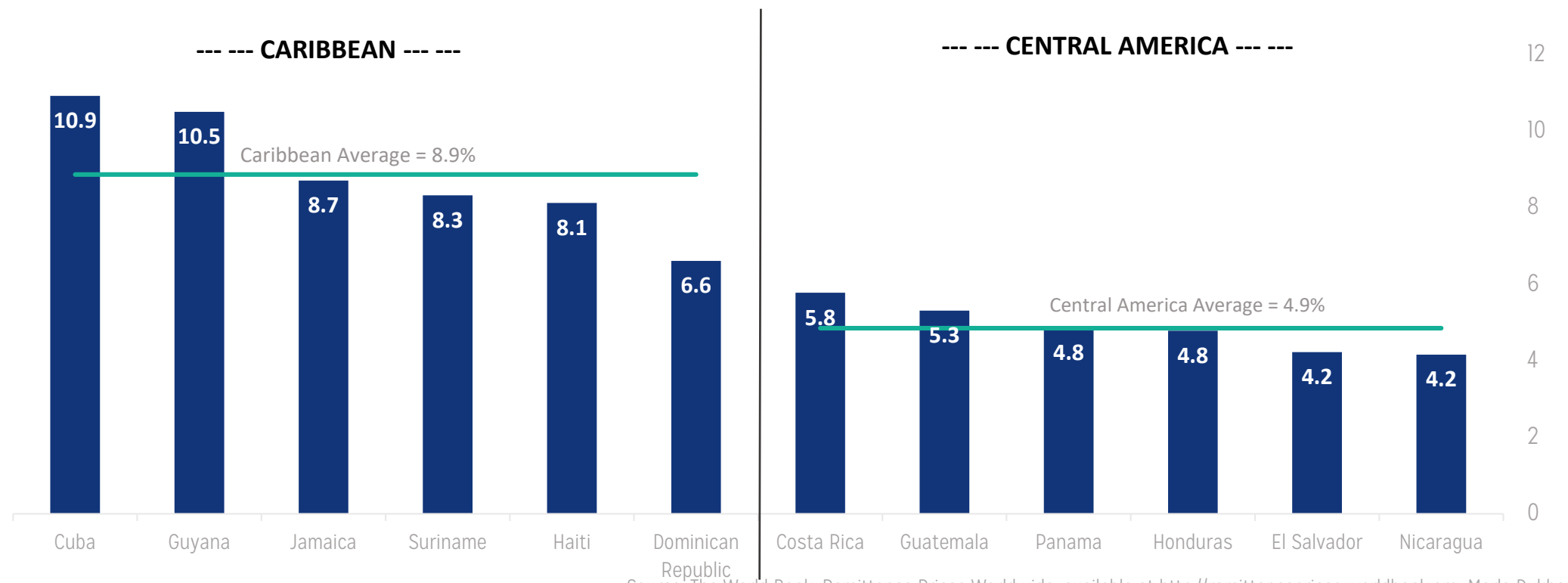
*Source: IMF WP17/144*

... 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

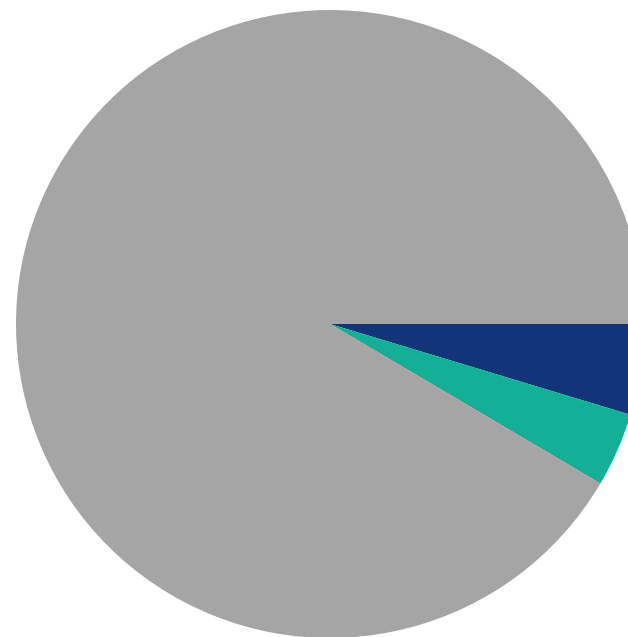


Source: The World Bank, Remittance Prices Worldwide, available at <http://remittanceprices.worldbank.org>, Marla Dukharan

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

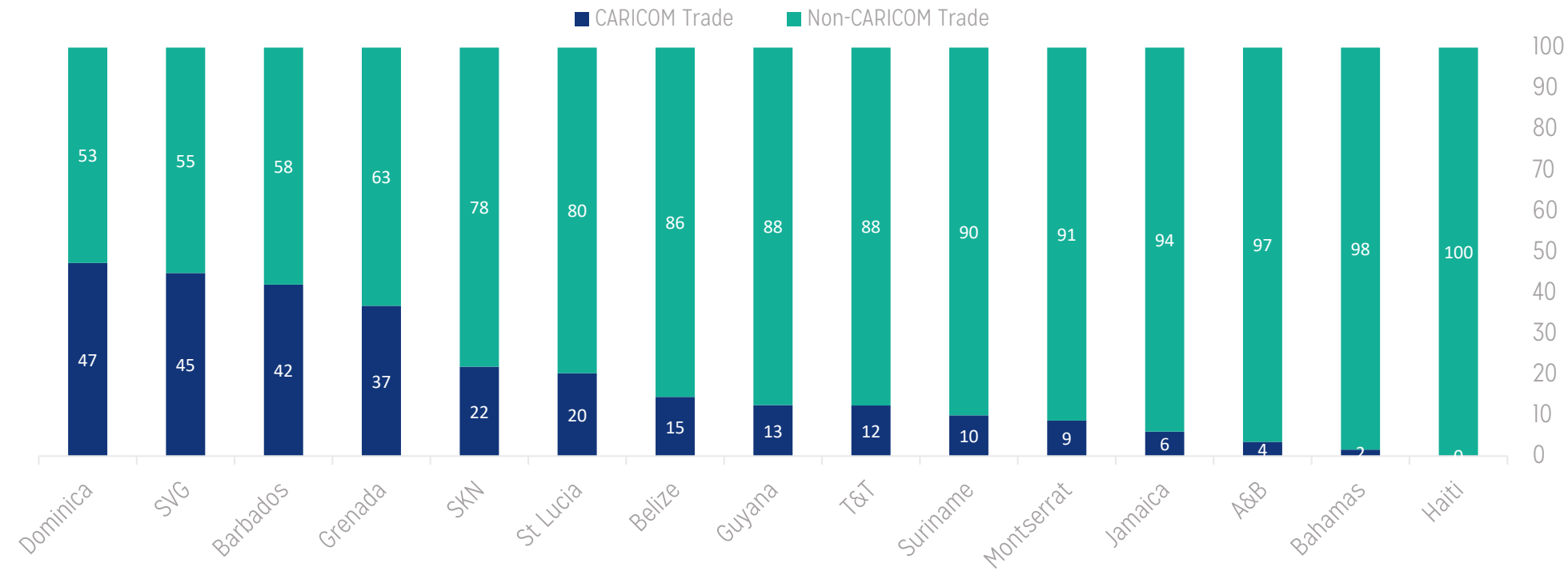
## INTRA-REGIONAL TRADE

- **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





## 1

MAKE THIS A  
PRIORITY FOR OUR  
GOVERNMENTS /  
CENTRAL BANKS

## 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:

# 2

## TECHNICAL DESIGN & ROLLOUT



# 3

## 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**





CARIBBEAN  
SETTLEMENT  
NETWORK