

2020 Conference: “Building Resilience for Food and Nutrition Security”

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High-level panel on

Enhancing resilience for food and nutrition security in small-islands economies

Trade and Green Growth

Edwin Laurent¹

Mr Chairman, CTA fellow panellists, your Excellencies, ladies and gentlemen.

Let me first compliment the CTA and the UN-OHRLS for their valuable work in deepening international understanding of how development challenges can impact in a unique way on SIDS.² Their identification of solutions that are tailored to the specific circumstances of SIDS is also to be commended. In that regard I am confident that this morning’s panel will make an important contribution.

Like all other countries SIDS, seek better and more fulfilling lives for their people. True, many of them obtain remittances from family abroad as well as ODA, albeit that is declining. But generating secure jobs and income needs economic growth that results from increased production of goods and services.

But how can we get economic growth and lasting improvements to welfare?

We now appreciate that economic development entails more than just the operation of the market, new investment and expanding production, trade etc. Lasting improvement of living standards and of welfare is the outcome of the complex interplay of a varied set of economic, social and environmental processes that lead to durable growth in which the whole population participates, gets their social needs met and benefits from good jobs and income. All of this happens whilst preserving environmental assets.

¹ An independent trade and development consultant and Senior Advisor with the UNEP Green Economy Initiative for the Caribbean.

²The area of food security is one that demonstrates the peculiarity of the circumstances faced by SIDS. Whilst like most countries they seek to increase local food production and import less, their small size and limited range of productive resources, leave few if any SIDS able to provide the range and volume of their food needs from what they can produce for themselves. They must import. Therefore for most SIDS food security can be principally about having the means and assured income to purchase from abroad.

This is what UNEP in 2010 defined as the “green economy” that brings about *“improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities”*.

Sustainable development or the green economy is therefore founded on three pillars, the economic, social and environmental. For SIDS economic growth and expansion are essential since their economies are not able to generate the income and jobs that they need.

The academic literature has already outlined factors that limit the ability of SIDS to profitably produce and develop. Probably the most fundamental and defining constraint is their very small geographic, economic and market size. This means that increased output has to be exported before it floods the local market.

The resources available to the SID are also limited in range and volume, so to achieve minimum economic output levels and benefit from economies of scale, the country is obliged to pool its resources and specialise in just a few or even a single product.

International trade is therefore of particular importance to the SID. It exports the bulk of the limited range of goods and services that it produces. This generates foreign earnings which it uses to pay for the extensive range of goods and services that it requires but must import.

Therefore exporting competitively and profitably is key to the SID’s ability to expand domestic production on a viable and sustainable basis.

So what are the new opportunities open to SIDS for production and trade?

Awareness of the dangers of climate change and environmental concerns has created demand for products that did not exist before. SIDS can seek to capitalise on this by with “green” products. Barbados now produces and exports solar water heaters.

This is just one successful example but there are others including many that have not yet been attempted.

For instance the “green export” can be a domestic product that is not new at all and is already available even if it is not being commercially produced. Maybe it just needs to be preserved, better utilised and marketed; e.g. forest products that have traditional uses as food, medicine or industry. Commercialisation provides employment and income but it can also help the preservation of endangered species.

A word of warning though; commercialisation can work both ways. A sobering example relates to bananas; the most widely traded fruit. Though the banana possesses thousands of species, nowadays only one, the Cavendish, dominates international trade. In the countries that produce for the export market, it has displaced other varieties. I recall growing up in St

Lucia where bananas were available in a variety of colours, tastes and sizes. Now all you find is the ubiquitous Cavendish.

So what's the big deal you might ask? After all the demands of the international market are being satisfied. But when the world ignores bio-diversity and similar considerations focusing just on immediate commercial interests, the environment can get its own back. This time with a real vengeance.

A few months ago a deadly fungal disease, Tropical Race 4³ that attacks the Cavendish started in Asia and is poised to spread to the rest of the world. It can devastate global commercial production and trade. The only way to fight back would be reintroduce other varieties that are resistant to the disease or alternatively genetically modify the Cavendish. Both would be expensive and time consuming; not to mention that switching to GM would be most unwelcome by small farmers.

What are the lessons for policy-makers? The most important is that successful development policy cannot ignore broader environmental and indeed social concerns, otherwise outcomes might not always materialise as intended.

Let me use a hypothetical example to demonstrate how simultaneous action across sectors can be required to support a particular policy goal. Say that the Government of a small island seeks to reduce the extensive hillside erosion due to deforestation by charcoal producers. It could ban the felling of trees, but for the forests to be protected, an affordable alternative would have to be found for cooking, and employment opportunities created for the charcoal producers.

Such an integrated cross-sectoral approach lies at the heart of national strategy for green economy transitioning. Unfortunately though, the "joined up thinking" needed is not always easy in the real world.

Now back to the trade opportunities this time in the services sector.

Increasingly there is interest among tourists to move beyond the traditional sun, sea and sand concept. Many want to participate in holidays that are less disruptive of the natural environment or integrate better into the local culture.

This opens up real opportunities in two areas. One is eco-tourism. Many Caribbean countries with extensive forests and nature reserves like the Commonwealth of Dominica and Guyana find that small scale accommodation facilities and a tourism infrastructure that

³ Tropical race 4 (TR4) is a reinvigorated strain of Panama disease first discovered two decades ago. It is a soil fungus that is easily carried on boots, clothing or tools.

is well integrated into the environment is popular. It also tends to have stronger linkages with domestic agriculture.

The eco theme can be the entire or part of the holiday. Even without being eco-warriors other Caribbean destinations offer “green” tours and excursions to explore and enjoy their pristine terrestrial and maritime environments. St Lucia for instance organises whale watching and forest trekking.

The other emerging area is that of festival tourism. Caribbean islands have found that by adapting and marketing their own cultural and social events, they can attract tourists. Examples include Trinidad’s carnival, the historical Cropover celebrations in Barbados and the Jazz Festival in St Lucia.

From vulnerability to resilience: The Panel flyer summarises quite well what SIDS must do *“diversify production, enhance productivity and add value through quality niche products... optimisation of the use of indigenous capacities and resources....innovate, develop new technologies, and transform their adaptation and mitigation techniques”*.

For success, SIDS need all sectors on board in their pursuit of the goal of national sustainable development. Policy making must be holistic, transcending individual sectoral objectives. This will ensure coherence among the divergent activities so that they will have optimal overall positive impact.

Ministers of CARICOM committed to just such an approach to planning for sustainable development back in 2011.⁴ Then last year, in collaboration with UNEP they launched a regional Green Economy initiative for the Caribbean with three pilot countries, Haiti, Jamaica and St Lucia. It is hoped that the experience will help policy makers not only in the Caribbean but in SIDS worldwide.

Mr Chairman, the unique challenges facing SIDS are considerable; but not insurmountable. New, well informed, creative and courageous policies that fully take into account the realities in SIDS are needed both in the countries themselves and in the international community.

⁴ At its Thirty-Seventh Special Meeting in September 2011 Council of Trade and Economic Development (COTED) of the Caribbean Community (CARICOM), endorsed the concept note on *“Advancing Caribbean States’ Sustainable Development Agenda through Green Economy Policies”*,. At the same meeting, Caribbean countries agreed that the United Nations Environment Programme’s (UNEP) assistance and lead were required for developing a Green Economy initiative in close collaboration with the CARICOM Secretariat and its member states, with inputs from relevant regional and international organizations. The regional initiative was launched last year with financial support from the EU.