

Cleviston Haynes: In search of practical solutions to strengthen economic growth

Opening remarks by Mr Cleviston Haynes, Acting Governor of the Central Bank of Barbados, at the 37th Annual Review Seminar, Bridgetown, 26 July 2017.

* * *

Let me extend a warm welcome to this 37th Annual Review Seminar of the Central Bank of Barbados. I wish especially to welcome those who have joined us from overseas on this occasion. To all participants, presenters, discussants and support staff, I wish on behalf of the Bank to convey our appreciation for your ongoing show of support for our conference over the years and we want to say a big thank you to you for your effort and participation again in 2017.

The Annual Review Seminar was conceptualised in the early 1980s to provide an outlet for the young economists in the Bank's Research department to share their work in progress with their peers in and outside of the Bank. For those of us there in the early years, it represented an opportunity for us to have our papers discussed by more experienced economists, including our former professors such as Sir Frank Alleyne and Professors Andrew Downes and Michael Howard. Over time, some of the research presented at these sessions was eventually published in the Bank's Economic Review or in well-respected academic journals.

Tough but fair criticism of my own research efforts at various Annual Review Seminars has been instrumental in my own development, and has enhanced my ability to systematically examine issues, assisted by a range of formal tools even while acknowledging limitations on existing range of information. This is perhaps an aspect of the profession that remains underdeveloped in my view, because as Sir Courtney Blackman has rightly noted, the profession is centred on its ability to persuade, and policies can only be effected if the economists possess the ability to persuade policy makers of the merits of their particular argument.

As the seminar grew, we have been able to attract to Barbados, a steady stream of experienced scholarly economic researchers over the years, from Trinidad, Guyana, the OECS, Jamaica, Guadeloupe, Martinique, the International Monetary Fund and other financial institutions.

The Annual Review Seminar has become, therefore, an important part of the Bank's ongoing training regimen designed to familiarise economists with best practice relating to statistical analysis, economic policy formulation, report writing, the design of an economic research project, and the application of econometric theory.

And so this seminar has played an invaluable role in the nurturing of the Bank's economists, as well as laying the foundation for the Bank's well-earned reputation for its research among regional central banks. Without doubt it has contributed to the development of our economists, facilitating the transition from the study of economics to the practice of research economics in the real world.

For more experienced economists, the ARS has and continues to provide an opportunity to stay at the cutting edge through on-going discussion and collaboration with their peers in academia, the public sector, and private business, in Barbados, the region and beyond.

Our theme this year, ***Practical Solutions to Strengthen Economic Growth***, is indeed timely. As I noted in a recent presentation, rates of economic growth in the CARICOM region declined significantly from 6% in the 1960s to less than 1% in recent years. Indeed, a recent IDB study points out that that Caribbean economies have grown by 1.7% over the past 25 years compared to 3.7% for the world and 4.6% for emerging markets.

Size, or lack thereof, and openness have made the region especially vulnerable to the many

exogenous shocks, including the several natural disasters that have impacted the region during this period. While the region as a whole is experiencing low growth, differences in endowments are impacting overall growth performance in individual economies. For example, last year, regional output declined largely because of falling output in the commodity based economies which have been adversely impacted by declines in commodity prices. On the other hand services based economies are registering modest growth.

As policy makers, we face the challenge of creating conditions that will contribute to improved standards of living over time. We all recognise that our policy framework must be credible and sustainable. In Barbados we face current policy challenges to which some of the research at this seminar can help to provide explanations as to how policy actions can be designed to favourably impact economic activity.

Indeed, a cursory view of the agenda for this week reveals topics of current interest, including de-risking, financial stability, the optimal size of government, macro-fiscal linkages of green energy and trade in cultural industries. I do hope that you will find the seminar this year to be interesting, stimulating and rewarding as you seek to share insights and practical solutions that might stimulate an acceleration of growth across the region.

To set us on the path of exploration, I have the distinct pleasure to introduce our Keynote speaker this morning, [Dr Justin Ram](#), Director of Economics at the Caribbean Development Bank. Dr. Ram is a specialist in energy and development economics and possesses a PhD in economics from the London School of Economics. In addition, Dr. Ram has a wide range of experience as a lecturer in economics, as a policy maker, and has acted as a consultant for the World Bank, United Nations and International Labour Organisation. In his address, he asks us to imagine an end to slow economic growth. It is therefore highly appropriate that he opens the batting at a conference such as this, designed to address the vexing problem of slow growth and economic instability in the small open economies of the Caribbean.

Ladies and gentlemen, please give a warm welcome to Dr. Ram.