

Kevin Greenidge: Economic research is the antidote to our challenges

Welcome speech by Dr Kevin Greenidge, Governor of the Central Bank of Barbados, at the 55th Annual Monetary Studies Conference, co-hosted by the Central Bank of Barbados and the Caribbean Economic Research Team (CERT), Bridgetown, 6 November 2024.

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Good morning, distinguished guests, researchers, academics, and all participants.

It is my great honour to welcome you to the 55th Annual Monetary Studies Conference, which we at the Central Bank of Barbados are privileged to co-host alongside the Caribbean Economic Research Team (CERT). This event has become one of the most anticipated platforms for central bankers, researchers, and economists across the region – a place where we present our work, receive insightful feedback, and engage in valuable critiques that shape the economic landscape of the Caribbean. I enjoy and value these sessions where our friends and colleagues from across the region can reflect on our common challenges and provide possible solutions.

This year's theme, "Macroeconomic Management in an Era of Polycrises," is particularly relevant. The unique challenges we in the region face today – climate vulnerabilities, external shocks, public health crises, and economic instability – all call for in-depth research to inform policymaking that fosters sustainable growth and development. Caribbean economic research plays a critical role in guiding us through these turbulent times.

As I reflect on the importance of this conference, I am reminded of the words of renowned economist John Maynard Keynes, who said, "The difficulty lies not so much in developing new ideas as in escaping from old ones." Indeed, it is our responsibility as researchers to challenge the status quo, to question the effectiveness of our longstanding economic policies, and to push the boundaries of what is possible in this era where we face so many crises all at the same time.

Caribbean economies are small, heavily reliant on tourism, and exposed to global shocks, which lead to vulnerabilities like low growth rates, high debt, and inequality. Despite these challenges, **we must ensure that our research is not simply an academic pursuit. It must grapple with these binding constraints, making a tangible difference in the lives of our people.**

Permit me to share three broad benefits of the research we will unveil over the next three days.

1. Informing Policymaking

Research helps us understand the political, social, and economic forces shaping the Caribbean. It enables us to craft policies that are effective, sustainable, and grounded in evidence. The power of evidence-based policymaking lies in its ability to improve the economic welfare of all. By analysing data on unemployment, poverty, and general

economic trends, we can prescribe policies that promote inclusive growth and drive real change. As former UN Secretary-General Kofi Annan once said, "Knowledge is power. Information is liberating. Education is the premise of progress, in every society, in every family." Our research is the foundation of this progress.

2. Addressing Structural Challenges

The Caribbean's low productivity and competitiveness are exacerbated by high debt and limited fiscal space. Research plays a pivotal role in identifying these structural barriers and proposing targeted solutions. For instance, we know from global case studies that economic growth, job creation, and poverty reduction are interlinked. The success stories of countries like Vietnam and Indonesia demonstrate that by focusing on employment strategies, nations can experience significant poverty alleviation. Our research must emphasise the importance of human capital development to drive productivity and innovation.

3. Enhancing Economic Resilience:

We are all aware of how vulnerable the Caribbean is to external shocks. However, by diversifying our economies and strengthening our institutional frameworks, we can build resilience. Understanding the effects of phenomena like bank de-risking or global supply chain disruptions is essential to crafting policies that ensure stability and continued growth.

Yet, we are not without challenges. **Limited data access, under-resourced institutions, and the ever-present brain drain hinder the growth of our region.** But these challenges only strengthen our resolve. As Nelson Mandela wisely said, "It always seems impossible until it's done." Let us view these obstacles not as insurmountable barriers but as opportunities to create innovative solutions through the research we undertake.

In closing, **Caribbean economic research is not just vital-it is the antidote to our challenges.** Through our research, we can solve our own unique problems and unlock sustainable growth, reduce inequality, and improve the quality of life for all our citizens. Investing in research is not merely for academic exercise; it is a key component to unlocking a brighter future for all of us. Together, through our collective efforts, we will chart a path to resilient, innovative, and thriving economies that strengthen our macroeconomic management to withstand the era of many crises.

It is with the greatest pleasure that I deliver these opening remarks, and I look forward to the fruitful discussions and insights that will emerge over the course of this conference. Let us continue to push the boundaries of what is possible, to inform policy, address challenges, and ensure that Caribbean research remains at the forefront of global economic thought.

Thank you.