

Marc Hollingsworth, Media Support International

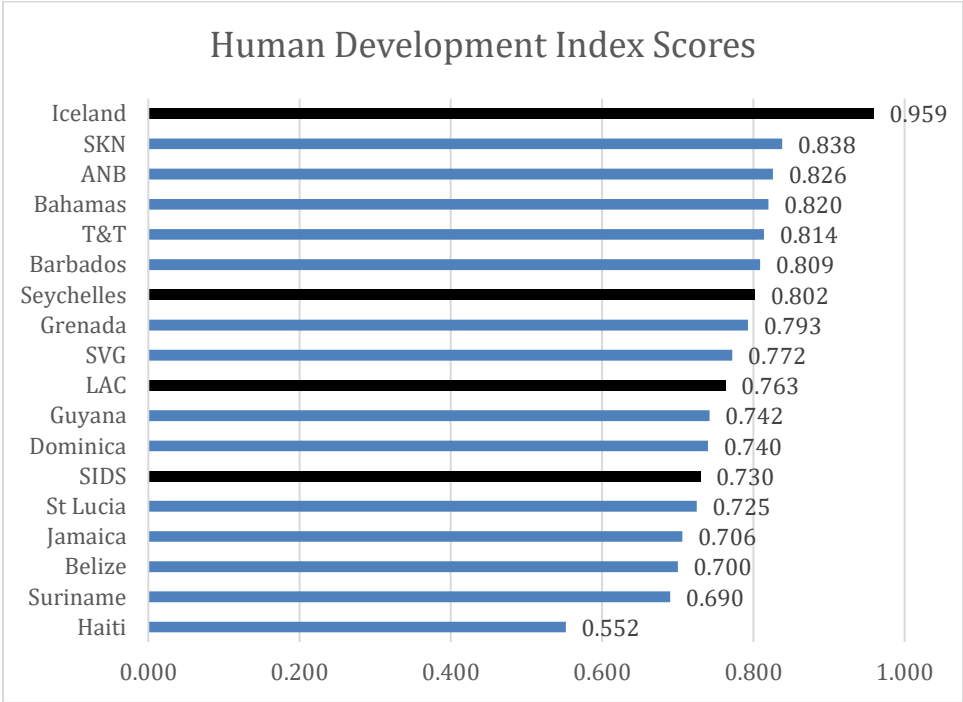
The Caribbean Enjoys Comparatively High Levels of Human Development

On March 13, the United Nations Development Programme released the 2023-2024 edition of the world's best measure of the quality of life everywhere on the planet, the [Human Development Report \(HDR\)](#). The *HDR* reports each country's score for an index which captures average incomes measured in US dollars, how much that income will buy in each country, the expected lifespan of someone born in the country this year, and the years of schooling the average person receives. Thanks to this combination of factors, the *HDR* gives a picture that is reasonably close to the actual experiences of the residents of any country, and it is a reliable guide to the comparative quality of life in different countries.

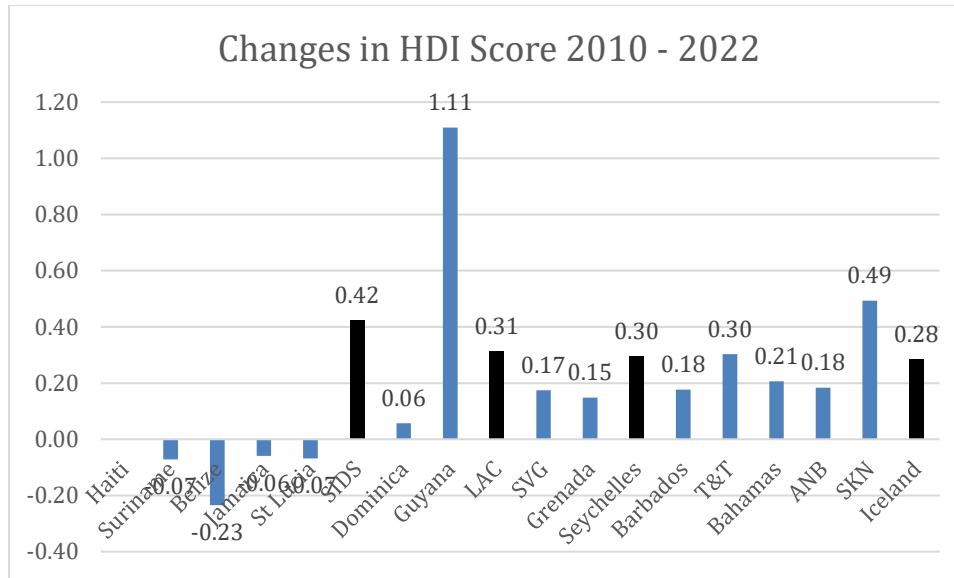
Those who believe that small size and dependence on tourism limit the Caribbean's growth potential may be surprised to find that Iceland, with a population slightly less than The Bahamas, is third in the global Human Development Index (HDI) rankings. What is more, tourism is that country's main source of foreign earnings, with almost half the total, and export diversification is limited. The only other foreign earnings of significance are fisheries and aluminium, each with less than one-fifth of the total.

St Kitts-Nevis is the Caricom country with the highest score in the HDI, followed in order by Antigua-Barbuda, Bahamas, Trinidad-Tobago and Barbados. These all score above Seychelles, the highest scoring non-Caricom country in the Small Island Developing States (SIDS) grouping to which the Caribbean belongs. All these countries, plus Grenada and St Vincent and the Grenadines, which follow in the HDI rankings, have scores that exceed the average for all of Latin America and the Caribbean.

Below the Latin America and Caribbean average, but higher than the average for SIDS worldwide, are Guyana and Dominica, while below the SIDS average we find St Lucia, Jamaica, Belize and Suriname. Though they are the lowest scoring in Caricom, Haiti excepted, they are all in the top half of all countries included in the *Human Development Report*, and their human development is rated either High or Very High, for every country.



Thanks to explosive growth in oil exports, Guyana scores very high on every measure of economic gains, and the HDI is no exception. The country’s HDI improved at an annual rate averaging 1.1 percent for the period 2010 to 2022. Almost all of that growth took place after 2019 when oil production began. St Kitts-Nevis was the only other Caricom country that did better than the SIDS group, in terms of HDI gain. The comparator countries (Iceland and Seychelles) and the LAC region all showed improvement of about 0.3 percent per annum. Trinidad-Tobago was the only Caricom country to match that rate of improvement among the remainder (Haiti excepted; it recorded improvement averaging 1.74 percent per year, but from a very low base). Five countries lost ground, recording scores in 2022 that were lower than in 2010: Belize, Suriname, St Lucia and Jamaica.



The *Human Development Report* is accompanied by data which allows journalists, researchers, commentators or anyone who may be interested to explore the factors that have contributed to the overall HDI score for any country. We may calculate how much average income contributes to the score, in comparison with life expectancy or years of schooling; how the purchasing power of average incomes varies among countries; how these indices have changed over time; and what impact the Covid-19 pandemic has had. There is also information on the impact of income inequalities on the country's score.

The HDI is best interpreted as a general indicator of the relative quality of life in different countries and regions. We should view two countries with roughly similar scores as offering comparable lifestyles, without expecting to experience a discernibly higher quality of life in the one with the marginally higher score. However, differences will usually be apparent when HDI scores differ widely. Also, the HDI as published for all countries cannot speak to such issues as the quality of educational services, or inequities that derive from institutional limitations and cultural practices, because comparable information on these factors is not available for a sufficient number of countries. However, the HDR provides templates and suggests methodologies for exploring these effects, in countries which wish to do so.

The picture which emerges from the *HDR 2023-2024* is of Caricom countries which enjoy a relatively high level of human development, by world standards, all except Haiti. However, apart from the oil exporting countries, the region has not kept pace with its peers, nor has it advanced at a rate comparable to the Latin American and Caribbean region as a whole, in the years since 2010. The *HDR* provides material for us to explore the reasons this disappointing performance. It is to be hoped that, in the coming weeks and months, economists, journalists, commentators and the interested public will mine the wealth of data the report makes available to provide our Caribbean with better guidance for future policy choices.

My Economic Letters may be found under "[Commentary](#)" at DeLisleWorrell.com.