



A Summary of Caribbean Economies' Policy Responses to the Covid-19 Pandemic

By
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The world economies have been in the economic doldrums since March 2020. News in January 2021 of a vaccine being found was a lifeline. Currently there are eight² approved vaccines for use and four vaccines that are authorised for limited emergency use, (Appendix I). The recovery process for economies is heavily linked to populations reaching a level of herd immunity³ to the virus. To achieve herd immunity for Covid-19, epidemiologists generally believe, requires having at least 60% to 80% of a population develop antibodies, curbing the virus's ability to spread, (Dvorak 2021).

There are two main ways that immunity can be achieved: through infection and recovery, and through vaccination. However, to have herd immunity occur naturally would result in a high number of infections leading to serious complications and millions of deaths, especially among the vulnerable groups in society. Unlike the natural infection method, vaccines create immunity without causing illness with its resulting complications. Using the concept of herd immunity, vaccines have successfully controlled contagious diseases such as smallpox, polio, diphtheria, rubella and many others. But reaching herd immunity through vaccination against COVID-19 might be difficult for the following reasons (Dowdy 2021) (Mayo Clinic 2021):

- Vaccine hesitancy. Some people may object to getting a COVID-19 vaccine because of religious objections, fears about the possible risks or doubts about the benefits. If the proportion of vaccinated people in a community is below the herd immunity threshold, a contagious disease could continue to spread.
- The efficacy and protection concern. It's not clear how long the COVID-19 vaccines will protect you from COVID-19. Further research is needed to see how much the COVID-19 vaccines reduce transmission of the COVID-19 virus. Also, research suggests that COVID-19 vaccines may have lower efficacy against some of the variants of the COVID-19 virus. New variants which could be more resistant to vaccines are regularly emerging (Brazil Variant, Delta Variant and Gamma Variant).

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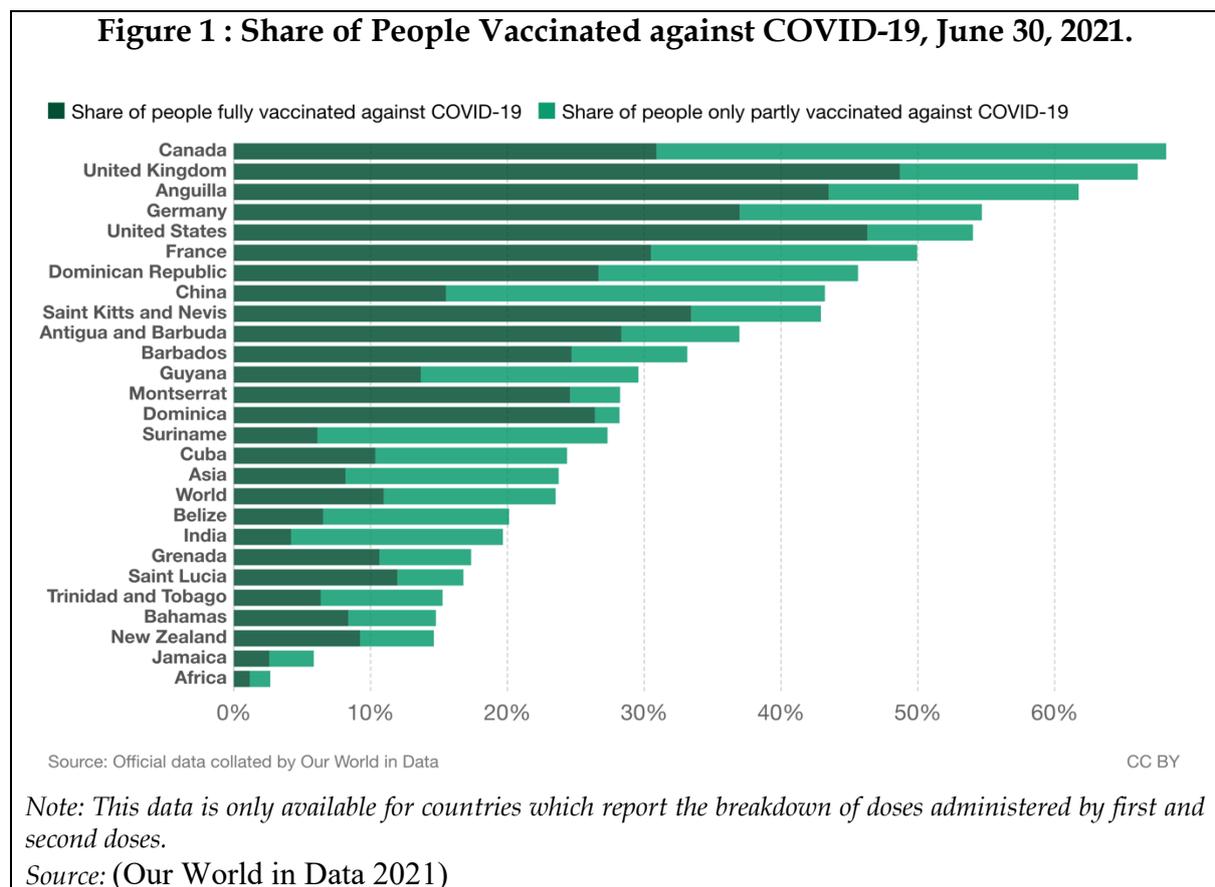
² The eight vaccines that have been approved by WHO to date: Pfizer-BioNTech's vaccine: COMIRNATY®, AstraZeneca-SK Bio, AstraZeneca-SII (Covishield), Janssen-Cilag, AstraZeneca (Vaxzevria™), Moderna (mRNA-1273), Sinopharm-BIBP and Sinovac COVID-19 vaccine – CoronaVac.

³ Herd immunity occurs when a virus runs out of susceptible hosts to infect, that is, enough people in a population develop an immune response, either through previous infection or vaccination, so that the virus cannot spread easily and even those who are not immune have protection.

When the population gains some level of immunity, the disease's spread will slow naturally, but often this happens at the cost of many deaths.

- Uneven vaccine roll-out. The distribution of COVID-19 vaccines has varied greatly among and within countries. So long as there is a possibility of travel between countries, no one country can achieve herd immunity, because all the unvaccinated persons will be exposed to infection from abroad, even though there is no risk from within. Furthermore, as the virus continues to spread in poorer countries with little access to vaccines, there is increased risk of new variants against which the vaccinated population has no immunity.

A year and half since the onset of the COVID-19 pandemic, most CARICOM economies are still in some stage of being locked down, because they have high rates of infection and have not been able to receive sufficient vaccines (Appendix II and III). However the advanced economies have made considerable strides in vaccinating their populations from March 2021 to now (Figure 1 and Appendix II) .



The high rates of vaccination in the advanced economies coupled with the unprecedented fiscal and monetary stimulus in the United States, China, and Western Europe contributed to the raised expectations for the global economy recovery in the IMF’s World Economic Outlook, April 2021. The global economy is now projected to expand at a rate of six per cent in 2021, up from the 5.5 per cent growth rate projected in January 2021, due to the faster-than-expected recovery of advanced economies. But the outlook for the developing economies is not as promising. Table 1 shows the

revised growth outlook for the world, advanced economies and the emerging developing economies.

**Table 1: International Monetary Fund Economic Forecasts
Real GDP Growth Rates (%)**

	World		Advanced Economies		Emerging Market and Developing Economies		: Latin America and the Caribbean	
	2020	2021	2020	2021	2020	2021	2020	2021
October 2019	3.4	3.6	1.7	1.6	4.6	4.8	1.8	-
April 2020	-3.0	5.8	-6.1	4.5	-1.0	6.6	-5.2	3.4
June 2020	-4.9	5.4	-8.0	4.8	-3.0	5.9	-9.4	3.7
October 2020	-4.4	5.2	-5.8	3.9	-3.3	6.0	-8.1	3.6
January 2021	-3.5	5.5	-4.9	4.3	-2.4	6.3	-7.4	4.1
April 2021	-3.3	6.0	-4.7	5.1	-2.2	6.7	-7.0	4.6

Source: World Economic Outlook, The International Monetary Fund (October 2019 and 2020; April 2020 and 2021; June 2020 ; January 2021 and April 2021)

Table 1 highlights the large disparities in the outlook of world economies, between advanced economies and the rest of the world. (Miranda and Nenova 2021) state that this divergence in growth projections for economies from January 2021 to April 2021 is a result of the following issues:

- (1) Differences in vaccination rates – the slow progress of vaccination efforts in developing countries threatens to hinder their recovery while also exacerbating the global risk of virus mutation. The current nationalistic vaccine behaviour of the advanced economies is not the best way forward for themselves or for the world in 2021.
- (2) The extent of each country’s integration into international value chains linked to advanced economies. As global economic activity rebounds, the World Trade Organization projects that merchandise trade will grow at a rate of 8.0 per cent in 2021. The re-establishment of global and regional value chains is also boosting trade in capital goods and intermediate inputs.
- (3) The policy response adopted by fiscal and monetary authorities. Several countries are confronting inflationary pressures that will limit the ability of their central banks to maintain accommodative monetary policies.
- (4) Fiscal pressure has also intensified as governments strive to extend emergency economic support without undermining investor confidence. The pandemic-induced recession has triggered a surge in deficits and debt levels in many economies, especially Latin America and Caribbean and ECA countries, many of which had already experienced a rapid debt build-up prior to 2020. Unsustainable debt dynamics could compel governments to rescind vital fiscal support before a broader recovery has been fully consolidated. While fiscal deficits are projected to narrow, on balance, between 2020 and 2021, they are expected to remain large by historical standards.
- (5) The relative vulnerability of each country’s private sector. Corporate debt burdens in emerging markets and developing economies were already at

historically elevated levels before the COVID-19 outbreak: with easy access to international credit markets, foreign-denominated liabilities accumulated over the last decade, resulting in a currency mismatch between earnings and debt service that heightened corporate vulnerability to exchange-rate shocks and rising global risk aversion.

The road to recovery from the COVID-19 pandemic for economies is hinged on each country's inherent resources and governance. While every economy suffered from the pandemic shocks – lockdowns, border closures and travel bans, trade losses and financial market volatility; not every economy will recover in the same manner. The Caribbean region is facing unprecedented challenges and is struggling to recover from the pandemic-induced shocks – negative growth, increased poverty, high unemployment and debt. The outlook for Caribbean economies remains highly uncertain as there has been an increasing number of COVID-19 cases and deaths in 2021 in addition to limited access to vaccines (Appendix II and III). The cost of the COVID-19 pandemic is still rising as many Caribbean governments are still funding expenses for health care, social welfare grants, fiscal support to small and medium businesses and unemployment relief grants.

Since the onset of the pandemic in March 2020, there have been calls for a number of international and regional institutions to have global coordination and cooperation to cope and combat the effects of the pandemic. While their efforts and intentions may have been genuine, the reality for many developing economies – CARICOM economies included – is that vaccine nationalism prevailed.⁴ There is need for a re-orientation and re-thinking of how Caribbean economies plan to exit this pandemic and also how they plan to relaunch their economies. (Miranda and Nenova 2021) state that the *“Success in the post-pandemic era will reflect a constellation of policies and capacities peculiar to each country, including national vaccination rate, integration into major economic blocks, the ability to provide fiscal and monetary stimulus, and the restoration of solvency in the private sector.”* If Caribbean economies are to survive and thrive in a post-pandemic world there needs to be greater collaboration of regional institutions and integration of Caribbean economies. *“We have to embrace the Share To Gro mentality. We cannot continue to behave as little atoms. We have to see the integration of the region as an essential element for moving forward.”*, (Leon 2021)

⁴ “This nationalistic behaviour could have negative consequences on how well the global pandemic is managed and contained,” (Hafner, et al. 2020). Also see (Çakmaklı, et al. 2021)

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Appendix I

Table A.1 : Leading Vaccines in Use and in Testing Phases

Developer Country / Company	How It Works	Status	
 <u>Pfizer-BioNTech</u>	Vaccine name: BNT162b2 Vaccine type: <u>mRNA</u>	Dose : 2 Doses, 3 weeks apart Storage temperature: -70°C Efficacy: 95%	Approved in several countries. Emergency use in U.S., E.U., other countries.
 <u>Moderna</u>	Vaccine name: mRNA-1273 Vaccine type: <u>mRNA</u>	Dose: 2 Doses, 4 weeks apart Storage temperature 2-8 °C Efficacy: 95%	Approved in Switzerland. Emergency use in U.S., U.K., E.U., others.
 <u>Gamaleya</u>	Vaccine name: Sputnik V Vaccine type: <u>Ad26, Ad5</u>	Dose: 2 Doses, 3 weeks apart Storage temperature -18 °C Efficacy: 92%	Early use in Russia. Emergency use in other countries.
 <u>Oxford-AstraZeneca</u>	Vaccine name: AZD1222 Vaccine type: <u>ChAdOx1</u>	Dose: 2 Doses, 12 weeks apart Storage temperature 2-8 °C Efficacy: 82%	Approved in Brazil Emergency use in U.K., E.U., other countries. Factories set up in India are making this vaccine
 <u>AstraZeneca/SKBio</u>	Vaccine name: AZD1222 Vaccine type: <u>ChAdOx1-S</u>	Dose: 2 Doses, 12 weeks apart Storage temperature 2-8 °C Efficacy: 82%	Approved in Brazil Emergency use in U.K., E.U., other countries. Factories set up in India are making this vaccine
 <u>CanSino</u>	Vaccine name: Ad5-nCoV Vaccine type: <u>Ad5</u>	Dose: 1 Dose Storage temperature: 2-8 °C Efficacy: 66%	Approved in China. Emergency use in Mexico and Pakistan.
 <u>Johnson & Johnson</u>	Vaccine name: Ad26.COVS.2.S Vaccine type: <u>Ad26</u>	Dose: 1 Dose Storage temperature: 2-8 °C Efficacy: 72% (USA) , 64% (South Africa), 61% (Latin America)	Emergency use in U.S.A., Bahrain and Canada.
 <u>Vector Institute</u>	Vaccine name: EpiVacCorona Vaccine type: <u>Protein</u>	Dose: 2 Doses, 3 weeks apart Storage temperature: 2-8 °C Efficacy: unknown	Early use in Russia. Approved in Turkmenistan
 <u>Novavax</u>	Vaccine name: NVX-CoV2373 Vaccine type: <u>Protein</u>	Dose : 2 doses, 3 weeks apart Storage temperature:2-8 °C Efficacy: 89%	
 <u>Sinopharm</u>	Vaccine name: BBIBP-CorV Vaccine type: <u>Inactivated</u>	Dose : 2 Doses, 3 weeks apart Storage temperature: 2-8 °C Efficacy: 79%	Approved in China, U.A.E., Bahrain. Emergency use in Egypt, other countries.
 <u>Sinovac</u>	Vaccine name: CoronaVac Vaccine type: <u>Inactivated</u>	Dose : 2 Doses, 2 weeks apart Storage temperature 2-8 °C Efficacy: 79%	Approved in China. Emergency use in Brazil, other countries.
 <u>Bharat Biotech</u>	Vaccine name: BBV152 A,B,C Vaccine type: <u>Inactivated</u>	Dose: 2 Doses, 4 weeks apart Storage temperature: at least a week at room temperature Efficacy: 80.6%	Emergency use in India and Zimbabwe.

Source: Author's adaptation from (Zimmer, Corum and Wee 2021) Coronavirus Vaccine Tracker, March 8, 2021 and Vaccine Timeline, (Bloomberg 2021), June 24, 2021.

Appendix II

Table A.2 : Snapshot of Reported COVID-19 Cases and Deaths in the Caribbean (Cumulative)

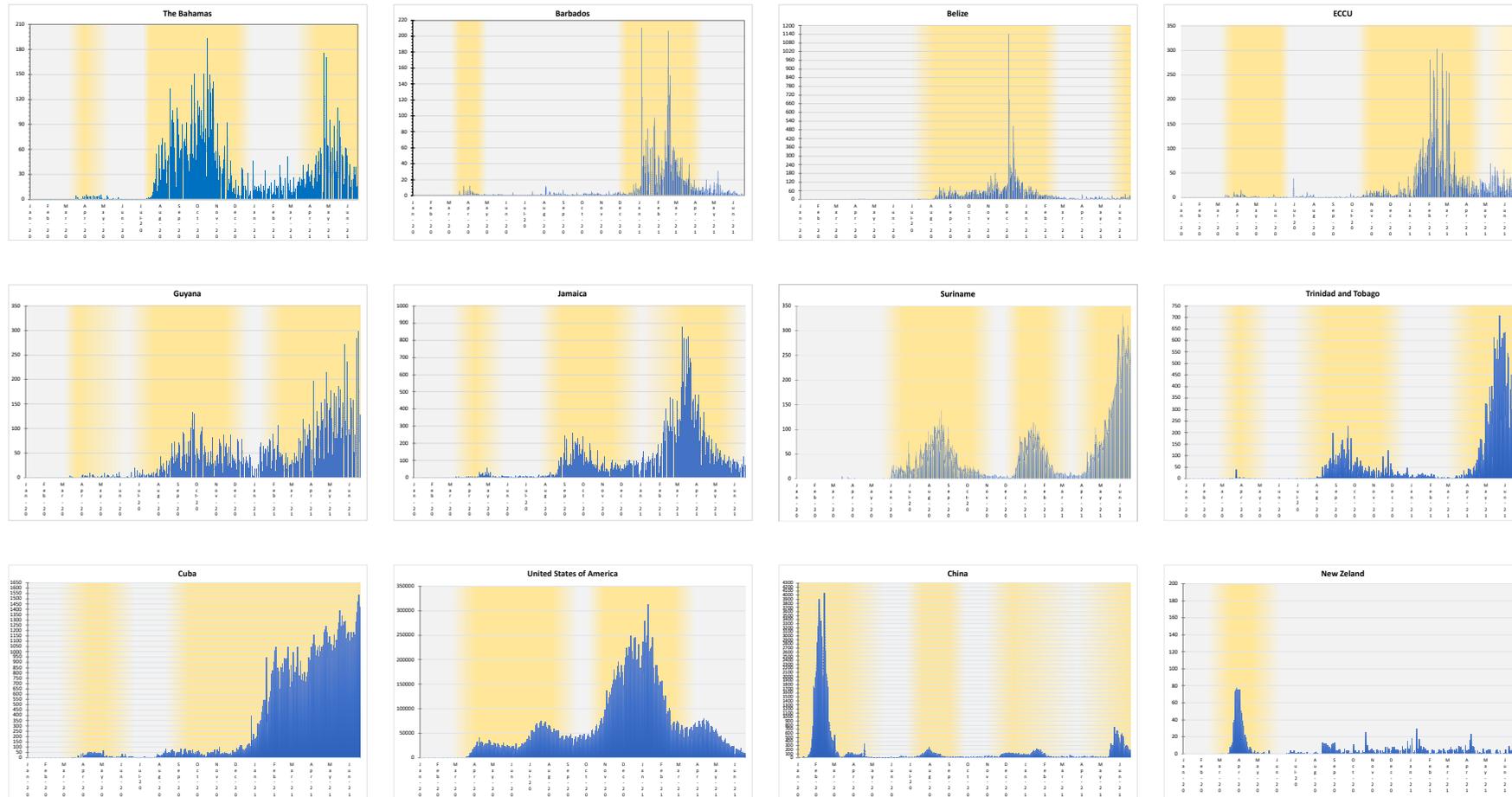
Countries	COVID-19 (May 28,2020)		COVID-19 (October 12, 2020)		COVID-19 (December 14, 2020)		COVID-19 (March 16, 2021)			COVID-19 (June 28, 2021)			
	No. of confirmed cases	of which the no. of deaths	No. of confirmed cases	of which the no. of deaths	No. of confirmed cases	of which the no. of deaths	No. of confirmed cases	of which the no. of deaths	Vaccine doses administered	No. of confirmed cases	Of which the no. of deaths	Vaccine doses administered	
Bahamas	96	11	5,163	108	7,659	163	8,765	186	1	12,586	246	79,246	
Barbados	92	7	208	7	292	7	3,421	37	50,263	4,079	47	161,059	
Belize	18	2	2,569	37	9,173	192	12,370	316	2,511	13,189	329	106,010	
Eastern Caribbean Union	Anguilla	3	0	3	0	10	0	21	0	4,843	109	0	15,789
	Antigua and Barbuda	25	3	111	3	148	4	963	27	14,218	1,263	42	63,755
	Dominica	18	0	32	0	87	0	156	0	11,714	193	0	39,309
	Grenada	23	0	25	0	69	0	154	1	7,665	162	1	31,494
	Montserrat	11	1	13	1	13	0	20	1	1,055	20	1	2,640
	St. Kitts and Nevis	15	0	19	0	27	0	43	0	5,176	439	3	35,659
	St. Lucia	18	0	29	0	275	4	4,053	55	2,094	5,284	84	51,849
	St. Vincent and the Grenadines	26	0	64	0	98	0	1,681	9	6,491	2,219	12	23,970
Guyana	125	10	3,521	104	5,879	154	9,160	207	4,343	19,891	466	335,091	
Jamaica	529	9	7,813	146	11,710	273	31,305	492	2,700	50,080	1,065	249,983	
Suriname	10	1	5,058	107	5,349	117	9,024	176	729	21,360	512	184,583	
Trinidad and Tobago	117	8	5,116	92	6,864	122	7,783	140	1,137	32,343	822	243,574	
Cuba	1,974	82	5,978	123	9,354	137	62,206	373	n.a.	188,023	1,2070	798,655	
Dominican Republic	15,723	474	118,477	2,173	154,692	2,361	246,299	3,226	606,006	324,364	3,815	7,482,545	
USA	1,568,448	98,889	7,636,803	212,804	15,860,675	295,406	29,155,892	530,114	98,081,045	33,317,803	599,089	323,751,943	
China	84,547	4,645	91,333	4,746	95,064	4,758	102,411	4,849	52,520,000	118,503	5,490	1,189,495,322	
New Zealand	1,154	22	1,515	25	1,740	25	2,076	26	18,000	2,386	26	1,090,651	
World	5,610,320	353,633	37,504,149	1,077,607	71,052,025	1,612,372	119,960,700	2,656,822	326,858,656	181,521,067	3,937,437	2,915,585,482	

Source: WHO COVID-19 Dashboard. Geneva: World Health Organization, 2020. Available online: <https://covid19.who.int/> (last cited: June 30, 2021).

Note: Daily updates on the COVID-19 pandemic statistics can also be found at Worldometer COVID-19 Data <https://www.worldometers.info/coronavirus/>.

Number of doses administered is not the same as the number of persons fully vaccinated; a fully vaccinated person is a person who has received 2 doses of the vaccine.

Appendix III
Figure A.1 : Selected Economies Covid-19 New Confirmed Cases per Day



Source: WHO COVID-19 Dashboard. Geneva: World Health Organization, 2020. Available online: <https://covid19.who.int/> (last cited: 28 June,2021).