

**Keynote Speech by Henrietta Doran-York, Minister Plenipotentiary of country St. Maarten at the Gala Dinner of 25<sup>th</sup> Trade Mission and congress on 29 November 2017**

Professor Dr. Peter Diekman, Chairperson of Congress,

Distinguished Guests,

Ladies and Gentlemen,

A very good evening to all of you.

It is an honor and pleasure to address this important assembly of congress and also to celebrate with you the 25<sup>th</sup> anniversary of InterExpo Caribbean.

The work of InterExpo in promoting sustainable business through the tried and tested matchmaking method conducted in a pleasing social atmosphere, around food and drink, builds on a longstanding Caribbean cultural and business tradition.

Before I start, I am conscious that before me is considerable talent and experience in the way the business world is conducted.

I am very much humbled and will not try and match that expertise, for should I do so would involve considerable venturesome on my part.

My address will dwell more on the macro environment within which future business relationships are to be conducted and the opportunities to be gained by business leaders and entrepreneurs alike choosing to lead the charge for sustainable growth as stakeholders in building a better world.

In particular, I will make the case that if businesses and entrepreneurs build from advances made in adopting sustainable business practices and embrace the 17 United Nations Global Goals for Sustainable Development in business strategies; there is the potential to generate considerable revenue and employment opportunities.

Business partnerships today are not immune to the pressing challenges relating to climate change, renewable energy and energy efficiency, good governance and sustainable financial management, sustainable development outcomes, and, of course, as potential contributors to the Sustainable Development Goals 2030 agenda.

These issues present new opportunities and, of course challenges. They present an increasing reality which we can no longer afford to be idle spectators or to allow those issues to be disconnected from core business strategies.

Sustainability is at the heart of the global development agenda.

Sustainability has long been on the agenda of many companies, but until recently their environmental, social, and governance activities have been disconnected from core strategy.

Unfortunately, some companies still take a fragmented, reactive approach—launching ad hoc initiatives to enhance their “green” credentials, to comply with regulations, rather than treating sustainability as an issue with a direct impact on business results.

However, a recent McKinsey Global Survey Results conducted in 2011, show an encouraging trend of companies worldwide integrating sustainability principles into their businesses.

That's good news.

There is clearly a business case in doing so. Incorporating environmental, social, and governance issues into their business model is good for bottom lines as well as enhancing good corporate governance, and social responsibility.

A report, entitled "*From the Stockholder to the Stakeholder*" published out of Oxford University, 2015, found that companies with robust sustainability practices demonstrate better operational performance, which translates into cash flows, and that prudent sustainability practices have a positive influence on investment performance.

What is interesting is that the report makes a strong case that responsibility and profitability are not incompatible but in fact wholly complementary.

When investors and asset owners replace the question "how much return?" with "how much sustainable return?", then they evolve from a stockholder to a stakeholder.

The transition of moving beyond the veil of corporate sustainable governance as a stockholder, to assuming corporate responsibility in building a better sustainable world as stakeholder, is where I would like to now dwell.

The Economic Commission of Latin and Caribbean countries, ECLAC, at its 2016 session, entitled *Horizons 2030, Equality at the Centre of Sustainable Development*, made a case that the implementation of the 17 United Nations Global Goals for Sustainable Development will require the joint participation of public and private stakeholders in

order to encourage collective action to achieve a new development pattern with steady gains in productivity and competitiveness.

In a recently published report by the Business and Sustainable Development Commission, entitled “*Better Business Better World, Sustainable Business Opportunities in Latin America and the Caribbean*” expressed concern that Latin American and Caribbean governments and businesses are not yet pulling together to effectively tackle the challenges confronted in the region.

Despite gains in the social conditions of people in the region, particularly in the reduction of people living in extreme poverty, challenges remain in terms of inequalities between gender and races, environmental degradation and worry some projections of increasing income poverty, rising unemployment, mounting inflationary pressures and governance issues.

And of course, extreme weather events such as droughts, floods, hurricanes frequently affect the region. The average number of people affected each year by natural disasters in Latin America has doubled over the past decade, and reconstruction costs are draining public resources.

The 2017 Atlantic hurricane season has already been the priciest season on record, with damages from Hurricane Irma alone costing the Caribbean US\$30 billion in September.

As ECLAC observes, the current model of development is unstable and not moving fast enough to adequately address these challenges.

An alternative growth model, advocated by the Business and Sustainable Development Commission in its report *Better Business Better World*, involves businesses and entrepreneurs becoming stakeholders in sustainable development by setting business strategies and transforming markets in line with the Global Goals.

According to the Business and Sustainable Development Commission, by adopting the Global Goals, business opportunities within the Latin America and Caribbean region will open up. The Commission identifies opportunities arising in four areas. They are:

- Food and agriculture,
- Cities and urban areas
- Energy and materials,
- Health and wellbeing.

It is reported that Investment in those four areas has the potential to generate business revenues and savings worth more than US\$1.2 trillion.

It is interesting to note that within the context of the four areas mentioned, the 10 largest investment opportunities in Latin America and Caribbean region are:

- forest ecosystem services;
- affordable housing;
- risk pooling in healthcare;
- circular models in automotive;
- renewable expansion;
- circular models in appliances;
- reducing food waste in the value chain;

- electric and hybrid vehicles;
- improving energy efficiency in buildings;
- remote patient monitoring.

By embracing the Global Goals into business strategies recognizes how poverty, inequality, and lack of financial access can create new market opportunities for smart, progressive, profit-oriented companies.

On that note, the World Resources Institute estimates that people at the bottom of the income pyramid, who earn less than \$3,000 a year, embody a global market of more than \$5 trillion.

How then do you make the transformational change? The Commission has identified six actions you can take as business leaders to make this transformational change a reality and become a stakeholder in building a better world that focuses on the sustainable return of your investment.

Let me recite the six actions the Commission advises to make change:

**One, Build support for the Global Goals as the right growth strategy**

That means understand the business case for the Global Goals and pursue them

**Two, Incorporate the Global Goals into your company strategy**

That means applying a Global Goals–focused lens to every aspect of a business strategy

**Three, Drive the transformation towards sustainable markets with your peers in the sector**

That means shifting whole sectors onto a sustainable footing in line with the Global Goals. This will unlock much bigger business opportunities.

#### **Four, Work with policymakers to pay the true cost of natural and human resources**

In this case, sustainable competition depends on all competitors accepting prices that reflect the true costs of the way they do business

#### **Five, Push for a financial system oriented towards longer-term sustainable investment,**

In doing so, business leaders can strengthen the flow of capital into sustainable investments by pushing for transparent, consistent league tables of sustainability performance linked to the Global Goals; and

#### **Six, Rebuild the social contract.**

Business leaders can regain society's trust by working with governments, consumers, workers, and civil society to achieve the whole range of Global Goals

At this juncture, it is important to note there is one other component that I think needs to be mentioned.

It relates to women's enterprise for sustainable development.

Just a few weeks back on the 17<sup>th</sup> was Women's Entrepreneurship Day.

Business opportunities do not adhere to a level playing field when it comes to supporting women entrepreneurial initiatives.

We know that women face three specific obstacles in entrepreneurial development, namely funding, mentorship, and experience.

Expanding women's economic opportunities is fundamental to sustainable growth and building more equitable societies. There are wonderful programs through the World Bank to promote entrepreneurship including the Entrepreneurship Program for Innovation in the Caribbean (EPIC).

A component of EPIC is the Women's Innovators Network in the Caribbean whose aim is to ensure that growth orientated female entrepreneurs can grow their businesses and be successful.

So who are the Caribbean women entrepreneurs? According to a survey conducted by the Women's Innovators Network aimed at identify the most innovative women entrepreneurs in the Caribbean, out of 70 applicants, 21% worked in professional, scientific and technical activities, followed by manufacturing (18%) and administrative and support services (18%), 11% in ICT.

Almost 50% of the applicants were exporting.

This snapshot shows that there are indeed women entrepreneurs in the Caribbean who consider themselves growth orientated.

Globally, 30 percent of small and medium enterprises around the world are owned and run by women.

Business experts have agreed for several years that the world needs to support the development of women entrepreneurs. Studies are showing that when women gain access to their own financial freedom, they are lifted out of poverty, children begin to become healthier, and the overall economic status of a country improves.



The question I put to you is that all forward-looking entrepreneurs should be asking themselves as the global economy continues to develop and diversify is: what can be done to support women entrepreneurs?

By supporting programs that help women learn about the world of entrepreneurship, connect them with successful female entrepreneurs, and helping them find access to high-quality credit sources, women can build strong businesses, solidify their position in the global economy and local business world, and gradually build a stronger, better marketplace.

Before I conclude, I would like to mention the destruction Hurricane Irma wrought to the Leeward Islands and my country, Sint Maarten in particular.

The magnitude of the destruction is amplified by the United Nations Economic Committee for Latin America and the Caribbean in monetary terms with estimated damage and loss of the Hurricane at US\$2.1 billion. The impact of the hurricane on our GDP in the years to come is being calculated at this time.

The cost in social terms is high. Very visible are the many houses that sustained damage in addition to some 3000 houses that are considered to be lost. Largely invisible is the emotional stress from affected persons who instantly lost their income and have to face the reality that the country's tourist economy will not be fully operational until the end of 2019.

In that regard it should be noted that Micro, Small and Medium Enterprises account for 80% of all businesses in St Maarten.

The trickledown effect from an operational tourist product is vital in sustaining our business infrastructure. Re-stimulating the micro small and medium business environment is a priority.

The principle adopted for the recovery is to Build Back Better. This principle goes beyond simply reinstating what the storm has destroyed but instead seeks to improve the community and achieve a recovery that is better, fairer, stronger and more resilient than the situation before the disaster.

In this spirit disaster brings opportunities and responsibilities for all to contribute. Rebuilding a nation is a challenge that government cannot and should not address alone. Rebuilding St Maarten requires a coproduction. Government, the private sector and civil society all need to work together to build back better. There are plentiful opportunities for businesses that are driven by social corporate responsibility.

Embracing the Global Goals as I referred to earlier is perhaps the most constructive way businesses and entrepreneurs alike can contribute to the rebuilding and development of St Maarten.

And so enclosing, I wish to extend on behalf of the Government and people of St Maarten our heartfelt gratitude for the support from all dimensions in assisting my country in need.

We invite you to explore business opportunities as we rebuilt a stronger St. Maarten.

Thank you very much for your attention.

## Sources used:

The Business of Sustainability; McKinsey Global Survey Results

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Better Business Better World: Sustainable Business Opportunities in Latin America and the Caribbean.

<http://report.businesscommission.org/>