



critical economics

STATE OF THE ISLANDS

Review - May 2024

impact & risk

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# STATE OF THE ISLANDS PRIMARY FOCUS

Ongoing world geopolitical tensions and events are a major concern, but the short, medium and long-term consequences of such trends are equally worrying. This unstable situation is likely to remain with us for an extended period of time. It presents, as yet unknown, economic, social, and environmental challenges as well as inevitable financial risks for both island governments and those organisations based within them.

To identify and monitor these impacts in conjunction with other issues facing many island communities such as: ageing populations, labour shortages, infrastructure funding, and climate change, the primary objective of the quarterly Review Series is as follows:

*Having taken into account the rapidly changing international/national landscape with its resultant economic, social and environmental ramifications, to identify the significance of these on the level of resilience and vulnerability of a sample of islands around the world.*

This work harnesses our extensive knowledge and practical experience built up over many years of island economic and social lifecycles/ trends and their implications on island public and private sector organisations as well as the third sector.



## 1. PRIMARY FOCUS contd.

A specific island subject is also the focus of each Review. These range from Healthcare and Education to Economic Performance and Government Funding, from Climate Change to Artificial Intelligence. All are inter-related to a greater or lesser extent and influenced by external factors.

At the outset, it is also essential to compare 'like with like' in terms of the island's economic and social profile and this is currently being assessed under the following five categories:

- **Islands with high GDP per capita** - Strong financial services' sectors. Medium to strong tourism sectors. Highly evolved social infrastructure.
- **Islands with moderate GDP per capita** - Very strong tourism sectors with a 12-month season. Some strong traditional industries. May well have a finance sector presence. Medium to strong social infrastructure.
- **Islands with moderate GDP per capita** - Traditional economic base (agriculture, fishing) still strong but may be under threat. Need for tourism but may be seasonal. Strong social infrastructure.
- **Islands with newly emerging economies with moderate to low GDP per capita** - Need for economic diversification. May well have strong tourism base now and in future. Weak infrastructure.
- **Islands with low/very low GDP per capita** - Need to develop economy probably through tourism but must be sustainable. Weak social infrastructure. Need support from external agencies or 'mother' countries.

This analysis is ongoing and twenty resilience and vulnerability factors are being taken into consideration when determining an island's strengths and weaknesses as well as its opportunities and threats. It also assists in identifying best practice.

