



## CARIBBEAN MINISTERIAL MEETING ON THE ERADICATION OF POVERTY

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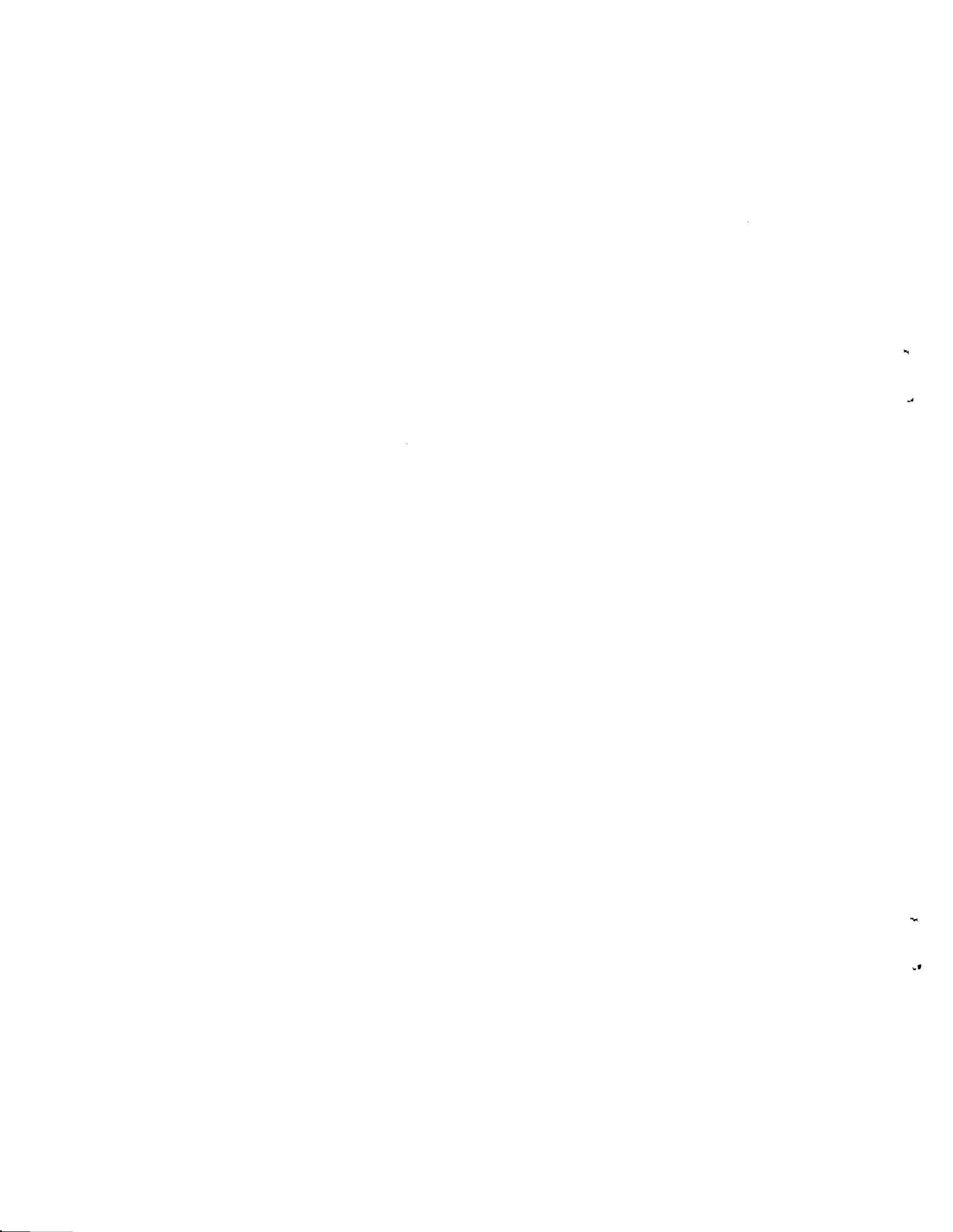
### POVERTY AND POVERTY ERADICATION IN SIX SELECTED CARIBBEAN COUNTRIES: A CASE STUDY

Prepared by the

Economic Commission for Latin America and the Caribbean/  
Caribbean Development and Cooperation Committee (ECLAC/CDCC)  
and the  
Caribbean Development Bank (CDB)

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The Caribbean Community (CARICOM)  
Caribbean Development Bank (CDB)  
Inter-American Development Bank (IDB)  
United Nations Development Programme (UNDP)  
International Labour Organisation (ILO)  
United Nations Children's Fund (UNICEF)  
United Nations Population Fund (UNFPA)  
United Nations Information Centre (UNIC)  
United Nations Educational, Scientific and Cultural Organization (UNESCO)  
The World Bank



## INTRODUCTION

This is the United Nations Year for the Eradication of Poverty. This is also the time to reflect on the Plan of Action signed by governments at the World Summit for Social Development, held in Copenhagen in 1995.

In preparation for this Ministerial Meeting on Poverty Eradication which is convened in collaboration with several agencies and United Nations organizations, ECLAC and the CDB have jointly conducted a series of national consultations co-sponsored by the CDB.

Poverty, so far, has not helped any country to advance with sustainable development. The United Nations, Governments, Development Organizations and the Private Sector know this. The World Summit for Social Development warned us about the growing gap between those who have and those who have not. The rich are getting richer and the poor are getting poorer. It is recognized by all that this is a dangerous situation which should not be allowed to worsen or expand.

There is a degradation of our environment, a breakdown of Social Development, disintegration of society and disempowerment of social groups such as Women, Youth, the Elderly, the Disabled, the Indigenous Peoples and many other groups, who do not participate in the production process. Some will be excluded by the circumstances in which they start life already, for example, street children, in some instances.

The consultations identified major poverty areas of concern at the regional level, national poverty issues and the most affected and vulnerable groups in the Caribbean.

- Among those excluded from participation in the benefits of social and economic development in the Caribbean were: the unemployed, the youth, small farmers, women, the elderly, the disabled and Indigenous people in some countries. By their marginality, these groups are vulnerable to poverty and extreme deprivation.
- Areas of concern include the withdrawal of the young male from social and economic life, drop-outs, drug trafficking and drug abuse, functional illiteracy and other social development problems

The choice of countries represents a good cross-section of the countries which are members of both the Caribbean Development Bank and the Economic Commission for Latin America and the Caribbean in terms of levels of development, political statuses, geographical distribution and differing experiences of poverty, while Country Poverty Assessments have not been conducted and poverty related data is scarcely available.

The countries where national consultation have been held include Antigua and Barbuda, Bahamas, British Virgin Islands, Dominica, Grenada and Saint Kitts and Nevis



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## I The Economic Setting

An examination of Gross Domestic Product (GDP) provides a useful starting point whenever one seeks an understanding of economic structure and performance. One needs to know the rate of growth of product, to see whether aggregate national product, and therefore wealth, is expanding or contracting. The size of product, in relationship to the size of population, provides an indicator of product available to each person on the average, although it is also desirable to have some idea about the distribution of such resources, since the evenness of distribution and, therefore, the gap between the rich and poor, can vary from country to country. Further study of GDP can provide us with an indicator of the sources of wealth, whether it be in agriculture, manufactures or tourism, also whether it is export directed or domestically derived and the performance of these sectors over time. These indicators can alert us as to whether agriculture is being displaced by another sector, for example Tourism, and signal the need for further study and action.

Table I

COUNTRY	Population 1990/91	GDP per capita 1993	Economic Base
Antigua and Barbuda	59,355	5,369	Tourism (14%)
Bahamas	255,049	16,180	Tourism
British Virgin Islands	16,115		Tourism
Dominica	71,183	3,810	Agriculture (27%)
Grenada	95,597	3,118	Agriculture (13%) Tourism (7%)
Saint Kitts and Nevis	40,618	9,340	Tourism (7.5%) Agriculture (7%)

SOURCE: ECLAC, derived from national data.

Of the six countries surveyed only *Dominica* is primarily Agricultural, 27 per cent of Product being derived from agriculture in 1993<sup>1</sup>. The main Agricultural product is banana, which accounts for 95 per cent of agricultural production and 75 per cent of total exports. GDP has grown steadily in the 1980s, but the rate of expansion has slowed in recent years, notably in 1995 because of severe hurricane damage to banana crops. The industry is also seriously concerned by the effects of the restructuring of protected European markets.

In contrast, *Antigua and Barbuda* received about 4 per cent of Product from agriculture but 14 per cent directly from Hotels and Restaurants in the same year. *Antigua and Barbuda* has experienced steady economic growth throughout the 1980s and continues to do so in the 1990s. The country relies heavily on tourism and tourist construction projects. A decline in GDP was experienced in 1995 as a result of damage, caused by hurricane Luis to tourism facilities and a consequent fall in arrivals in the second half of 1995. The economy is nevertheless projected to grow by 2-3.0 per cent based on renewed construction activity and on-going recovery within the tourism sector. Growth in the cruise ship industry also provides a contribution to improved economic performance in 1996.

<sup>1</sup> 1993 is a more appropriate year of comparison because of the availability of data and the fact that natural disasters skewed sectoral performance in 1995.

Table 2

Percentage Change in G.D.P.  
(At constant prices)

COUNTRY	1991	1992	1993	1994	1995
Antigua and Barbuda	4.4	1.3	3.9	5.5	-3.8
Bahamas	-	-	-	-	-
British Virgin Islands	-	-	-	-	-
Dominica	2.1	2.7	1.9	2.1	1.8
Grenada	3.6	1.1	-1.2	2.6	2.8
Saint Kitts and Nevis	3.9	3.5	5.0	5.5	3.4

SOURCE: ECLAC, derived from national data

Similar proportions would probably apply also the *British Virgin Islands (BVI)* at 3 and 22 per cent for agriculture and hotels, respectively. The thriving tourism sector which permeates the economy of the *BVI* is accompanied by an extensive service and support sector around yachting and water sports. The *BVI* remain a United Kingdom Dependent Territory. Growth, based on tourism, banking and financial services, has been steady over the past decade and the country now has a per capita GDP estimated at US\$16,000<sup>2</sup>. The figures, however, disguise inequities in earning patterns introduced through the financial industries.

The *Bahamas* would probably have similar proportions to the other major tourist destinations, *Antigua and Barbuda* and the *BVI*, although precise data are not available. With tourism as the major industry, a well established offshore financial services sector, a significant oil

<sup>2</sup> Opening remarks attributed to the Permanent Secretary in the Ministry of Health and Welfare.

refinery and trans-shipment sector, a growing business in shipping registration, the *Bahamas* has one of the most prosperous economies in the Caribbean.

*Grenada* and *Saint Kitts and Nevis* fall between these extremes with a more balanced set of activities, agriculture contributing 13 per cent of product and Hotels and Restaurants 9 per cent in *Grenada* while in *Saint Kitts and Nevis* the proportions are almost equal at 7.5 from agriculture and 7 per cent for Hotels and Restaurants. Agriculture remains the prime sector in the *Grenada* economy, although tourism remains a major contributor to product. After several years of fiscal imbalance the government undertook a domestically prepared structural adjustment programme to reestablish balance in the economy, reduce outstanding debt arrears and so resuscitate funding from international agencies for development projects. Since 1990 *Grenada's* economic growth has slowed down, in line with several other OECS countries and consequent on its adjustment programme.

Although the *Federation of Saint Kitts and Nevis* has been developing tourism as a priority, its economy still relies on the agricultural sector, where sugar production employs the large portion of the country's labour force. Export earnings have benefited from the largest electronics assembly industry in the Organization of Eastern Caribbean States as well as from garment assembly, data entry and rum manufacturing operations. Unemployment is lower than the norm in the rest of the region, labour shortages in areas such as sugar production being endemic.

**Table 3**

**Profile of Human Development in  
Six Selected CDCC Countries, 1992/1993**

COUNTRY	HDI RANK	GDP per capita
		1993
Antigua and Barbuda	HHD	5,369
Bahamas	HHD	16,180
British Virgin Islands		
Dominica	MHD	3,810
Grenada	MHD	3,118
Saint Kitts and Nevis	HHD	9,340

SOURCE: Human Development Report

**Table 4**  
**Selected socio-economic indicators of**  
**Six Selected CDCC Countries**

Country	Population Size (1994)	Total Dependency Ratio(1991)	Life Expectancy (1992)	Infant Mortality (per 1,000 Live Births) (1992)	Daily Calorie Intake (1989)	Adult Illiteracy Rate(%) (1992)	Enrollment Ratios (1990)			GNP per capita (US\$)
							Primary	Secondary	Higher	
Antigua and Barbuda	65,000	93	74	19	2222	5	n.a.	n.a.	1.0	6970
Bahamas	273,000	65	72	22	2761	1	79.0	52.0	1.4	11500
British Virgin Islands	-	-	-	-	-	-	-	-	-	-
Dominica	71,000	73	72	18	2810	6	n.a.	n.a.	0.6	2830
Grenada	92,000	85	70	15	2706	3	n.a.	n.a.	0.5	2620
Saint Kitts and Nevis	41,000	74	68	24	2609	10	n.a.	n.a.	1.1	4760

n.a.: Not Available

SOURCE: Figures on Life Expectancy, Infant Mortality, Adult Illiteracy, Daily Caloric Intake, Enrollment Ratios and GNP per Capita, World Bank, Social Indicators of Development, 1995. Population and Dependency Ratios from National Censuses (1990-1991). See Technical Notes for explanation of indicators.

## II The Social Setting

The relatively positive signs in terms of the economy of the six countries should, however, not automatically suggest that everyone benefits equally or that social problems do not exist. Various issues have been identified, which directly or indirectly lead to poverty. These issues have been noted to affect certain groups in the population more than others, making them more vulnerable to deprivation and poverty than others.

The *issues* identified that were common to all six countries reviewed include the following:

- Unemployment and seasonal unemployment and under-employment
- Education and skill inadequacies vis à vis productive employment needs in the countries
- Poor articulation between tourism and other sectors which limits the employment potential in agriculture and other tourism service sectors
- The presence of migrant labour and the pressure it puts on social services, including housing, health and education.
- Inadequate housing and the incidence of squatting in areas close to town.
- Inadequate and ineffective 'safety-nets'
- Problems of access to social services by some sectors of the poor, especially in poorer communities
- The economic and social cost of natural disasters such as hurricanes and storms.
- Low wages
- Returns in the agricultural sector too low to support families due to small size of holdings, problems of land tenure and poor farming systems
- Poor provision for entrepreneurship and inadequate access to credit for small businesses and self employment ventures
- Lack of support services for small enterprise development
- Crime, violence and other deviant behaviour associated with poverty
- Spiritual poverty

The socio-economic forces beyond the control of some marginal population sectors drive these people to social deprivation and vulnerability which they can often not even comprehend. This is for example the case of destitute elderly and disabled people.

Aging (see table 7 ) while not a problem in itself, presents problems in all the countries as a result of accompanying social issues and economical changes.

The inaccessibility of credit for small businesses was seen as a constraint on the creation of new or alternative livelihoods for several groups in the population, exposed to social deprivation due to deteriorated circumstances of the times. Despite the efforts to foster small businesses it was felt that the economically marginal, including those whose existing livelihoods are vulnerable, often lack the social and commercial skills to benefit from available credit.

Granted that unemployment is a problem and many demand creation of employment by their respective governments, too little thought is given by those in need of incomes to the fact that governments cannot just "open factories for people to get work", as is sometimes expressed, but that economies have changed and that the key to the World of Work now is educational reform at all levels, including adult literacy and the skilling and reskilling of the labour force.

An overall deterioration in service provision as identified, seems to emanate from a decline in the availability of resources as a result of structural adjustment measures and the containment of public expenditure. The number of persons in need of welfare services has increased. The group that increasingly joins these ranks are the elderly and young mothers heading households. Social 'safety-nets' seem to be inadequate.

The lack of employment opportunities for young people, especially those who have not proceeded to secondary school, or who have been poorly served by the primary system, was identified in several countries, as a critical issue and a major contributing factor to the disenchantment of youth. This it was felt was manifested in increased rates of drug use and trafficking, petty crime and violence.

Whilst basic education and health services are being sustained, scope for capital investment is restricted and the availability of supplies and equipment limited. Some important sectors of education, such as early childhood learning, have suffered disproportionately. Though some of these gaps were being addressed by NGOs, they too are under severe economic constraints as donor funding on which they have come to depend has become attenuated, and is not being replaced by local resources.

There is much complaint about the poor articulation of the education system with the changing needs of the economic system. It is felt that the majority of young people are not endowed with knowledge germane to participation in the economic system. For the lives of young people, this translates into a gap between expectations and aspirations; a dissonance seen to be underlying the growth of crime, drug dealing and drug abuse, and other forms of anti-social behaviour currently exhibited by a significant proportion of the youth population. The need to prepare young people for labour force participation was seen as urgent in most countries.

Table 5

**Education Imbalances In  
Six Selected CDCC Countries, 1992**

COUNTRY	HDI rank	Pupil-Teacher ratio		Tertiary Students Abroad	Public Expenditure on Education	
		Primary	Secondary	(as % of those at home)	(as % of GNP)	(as % of total government expenditure)
Antigua and Barbuda	HHD	...	15	...	...	...
Bahamas	HHD	21	16	41.1	3.6	...
British Virgin Islands						
Dominica	MHD	29	...	...	5.8	10.6
Grenada	MHD	23	27	...	...	...
Saint Kitts and Nevis	HHD	...	...	...	3.3	...

SOURCE: Human Development Report

NOTE: EDUCATION EXPENDITURES - Expenditures on the provision, management, inspection and support of pre-primary, primary and secondary schools; universities and colleges; vocational, technical and other training institutions; and general administration and subsidiary services.

Table 6

Dependency Ratio in  
Six Selected CDCC Countries, 1960-1990/1991

COUNTRY/AGE	DEPENDENCY RATIOS (PER 100)			
	1960	1970	1980/81	1990/91
<b>ANTIGUA AND BARBUDA</b>				
total	...	...	...	93
age 0-14	...	...	...	...
65+	...	...	...	...
<b>BAHAMAS</b>				
total	92.3	88.7	72.4	47.1
age 0-14	84.6	83.0	65.5	39.7
65+	7.7	5.7	6.9	7.4
<b>BRITISH VIRGIN ISLANDS</b>				
total	117.3	78.5	66.7	49.3
age 0-14	104.3	69.6	56.7	40.3
65+	13.0	8.9	10.0	9.0
<b>DOMINICA</b>				
total	100.0	127.2	88.6	75.2
age 0-14	90.0	113.6	73.6	59.6
65+	10.0	13.6	15.0	15.8
<b>GRENADA</b>				
total	112.7	112.8	81.8	85.2
age 0-14	102.1	100.0	69.1	70.4
65+	10.6	12.8	12.7	14.8
<b>ST. KITTS AND NEVIS</b>				
total	104.1	127.3	88.7	78.5
age 0-14	93.9	111.4	69.8	60.7
65+	10.2	15.9	18.9	17.8

SOURCE: Digest of Selected Demographic and Social Indicators 1960-1994 for CDCC Member Countries; World Bank, Poverty Reduction and Human Resource Development in the Caribbean, May 1996.

Table 7

Index of Aging\* and Median Age  
for Census Years 1960-1990/91  
in Six Selected CDCC Countries

COUNTRY	CENSUS YEARS							
	1960		1970		1980/81		1990/91	
	Index of Aging	Median Age						
Antigua and Barbuda	...	...	...	...	...	...	...	...
Bahamas	11.0	17.6	14.7	17.7	9.5	18.7	5.4	22.7
British Virgin Islands	8.0	15.1	7.8	24.1	5.7	22.6	4.5	26.5
Dominica	9.0	17.0	8.3	14.5	4.9	18.0	3.8	22.2
Grenada	9.6	15.3	7.8	15.3	5.4	18.3	4.8	20.1
Saint Kitts and Nevis	9.2	16.4	7.0	14.6	3.7	18.9	3.4	22.6

SOURCE: Digest of Selected Demographic and Social Indicators 1960-1994 for CDCC Member Countries

\* Ratio of 0-14 population to the 65 plus population

Table 8

Family Type by Sex of Head of Household  
in the British Virgin Islands, 1996

FAMILY TYPE	SEX				TOTAL	
	Male		Female			
Single Households	944	69.3	418	30.7	1362	100.0
Nuclear (spouses)	632	92.1	54	7.9	686	100.0
Nuclear (+child)	374	92.8	29	7.2	403	100.0
Nuclear (+children)	778	95.0	41	5.0	819	100.0
SingleHead (+child)	45	16.8	223	83.21	268	100.0
SingleHead(+children)	24	8.8	248	91.2	272	100.0
Extended (Nuclear)	422	91.9	37	8.1	459	100.0
Extended(Non-Nuclear)	178	34.2	342	65.8	520	100.0
Compounded	404	74.4	139	25.6	543	100.0
TOTAL	3801	71.3	1531	28.7	5332	100.0

## Tourism-based economies

Notwithstanding the evidence of growing affluence, a range of factors seem to contribute to impoverishment and maintain situations of poverty in the countries. These include demographic, economic and social variables to which some countries are beginning to respond with a range of programmes to mitigate the impact of deprivation. For example, in the case of *Antigua and Barbuda*, the country is now experiencing increasing problems with the care of the elderly, many of whom, as a result of low-lifetime earnings and poor access to social security are impoverished. These problems result from the natural aging of the population, as life expectancy has increased due to improvements in health care and social development, and as a consequence of migration which has impaired traditional family structures in which informal patterns of care of the elderly were rooted. Consequently, what was formally seen as a 'private matter' is increasingly becoming a 'public issue'.

In tourist countries like the *Bahamas* and the *British Virgin Islands*, the impact of the rapidity and direction of social change translates itself in specific social problems. It was evident, particularly in the *Bahamas* that there is increased social inequality and relative deprivation of those who do not participate productively in the rapid process of economic change. The population in the family islands suffer proportionately more from unemployment and underemployment. This is the case especially in communities which are remote from mainstream economic activity. Special problems are also experienced there in terms of access to services. This is mainly due to high cost of servicing the islands from Nassau.

The issue of employment arises in special ways in relation to migrants. Qualified jobs in the tourist industry seem to be taken mainly by expatriates, while menial labour becomes the domain of migrants as well where unskilled or unqualified Bahamians refuse to take these jobs.

The *BVI* and the *Bahamas* have, over the past two decades attained high levels of economic development based on the maximization of the tourism market potential, and the promotion of a dynamic financial services sector. In the *Bahamas*, these sectors now employ 25 per cent of the labour force and indirectly affect levels of activity in other sectors of the economy. Currently per capita GDP stands at US\$11,500, which together with high life expectancy (72.9 years for men and 74.9 for women) a moderate, though in regional terms, not low rate of infant mortality (22/1000), and low rates of illiteracy (2 per cent) indicates an overall level of well-being among the highest in the Caribbean.

Economic policy is conservative, based on robust economic growth and steady employment creation through liberalization and the promotion of private sector initiatives, as the main bulwark against poverty. Additionally government expends about one-third of its revenue on social and human resource development which it considers necessary for economic advancement and the involvement of Bahamians in the fruits of economic growth. Expenditure on health and education programmes is high with per capita spending rates of US\$294 and US\$414 respectively. The costs of infrastructure and the administration of services in archipelagic conditions are, however, extremely high which offsets the value of some of this expenditure. Basic education up to age 16

is free. Basic health services (which are seen as a fundamental right) are also free and widely accessible, though it is conceded that there are disparities in access and quality between urban areas and the 'family islands'.

Tourism and the financial sector development have completely transformed the social structure of the *Bahamas* over the past three decades. Demographic change has been dramatic with the population now being 67 per cent urban, a total reversal of the distribution at the end of World War II. Whilst internal migration has been dramatic, the expansion of the economy has created increased needs for labour which has led to immigration from the rest of the region, with significant influxes of people from Haiti, the Dominican Republic and Jamaica where there has been economic instability and increased poverty in the corresponding period. There has also been an increase in expatriates related to the tourism and financial industries, mostly in management and administrative posts. Immigration has increased the heterogeneity of Bahamian society and introduced social tensions, as well as placing pressure on resources and social services such as health, education and housing. Migration is also seen as a factor in the increased incidence of crime.

### **Agri-based economies**

The potential decline of livelihoods in the agricultural sector emanating from the restructuring of the banana industry. Anyone earning his/her livelihood from agriculture is at risk. The search for alternative livelihoods for small farmers again hits on the inaccessibility of credit for which some solution should be found.

The impending restructuring of the banana industry is the major threat to socio-economic well being in *Dominica*. Indeed the recent poverty profile of the British Development Division has indicated that over the past three years, as a result of a combination of restructuring and natural disasters, earnings from bananas have declined by about 40 per cent. Significant numbers of small farmers have ceased cultivation, but have few alternative sources of income. The deflationary effects of this decline are widespread and living standards have noticeably declined, especially in rural areas. Apparent and potential unemployment and under-employment resulting from the contraction of the banana industry were identified as crucial factors contributing to the downturn in living standards being experienced in *Dominica*.

Key issues in *Dominica* are employment and livelihoods. These included weaknesses in social services and safety nets at a time of growing social problems. The needy in the population include an increased number of old and disabled people. Social Problems in *Dominica* include the fragility of health and education services; the decline of livelihoods, especially in the agricultural sector and the unsuitability of the workforce for existing and alternative employment opportunities. There are constraints on diversifying the economy to decrease its dependence on a narrow productive base. At the same time there is a call for training of the workforce in relation to a changing job market.

Generally, the poverty-related issues are mainly concerned with economic development, employment and income, social services delivery, education and human resource development.

Work in both tourism and the sugar industry in *Saint Kitts and Nevis* tends to be seasonal and the workforce, many of whom are women, are subject to intermittent economic hardship as a result.

The provision of 'venture capital' for small enterprises and the revival of community initiatives and development are envisaged in *Saint Kitts and Nevis* as what is termed as 'an all sector strategy' for a more equitable distribution of resources leading to the reduction of poverty.

Small-farmers, many of whom are marginal banana growers, in effect form a core of the 'working poor' and their families in *Dominica*. Whilst 'diversification' into more productive and less economically volatile activities is seen as the ideal solution, the history of attempting to do so is not encouraging and the obstacles to change, such as scale of production, marketing constraints, high labour costs and limited alternative products are well recognized.

Employment generation in micro-economies is also seen as being circumscribed by particular constraints such as again the small size of domestic markets which limit innovation and the creation of employment. Whilst self-employment and recourse to the 'informal economy' provide some alternative avenues towards livelihood, they tend to be coping strategies for the working poor rather than dynamic forms of permanent and secure income generation. Lack of productive resources, experience and again credit facilities seem to be major constraints to the development of self-employment for the poor. In the wake of banana restructuring, the situation may exacerbate if the economy contracts markedly. This may bring more families and individuals to the threshold of poverty.

In *Dominica* the fact that social services are under stress is mentioned as a serious concern. Like in other parts of the Caribbean, old people, once considered a family responsibility have, because of increased life-expectancy, migration and changes in family structure become a major challenge for public policy as they are increasingly represented among the poor. Similarly, female headed households (often as a result of teenage pregnancy but also because of other gender-related factors) are more likely to be poor and form a significant proportion of families in *Dominica*. Current 'safety-nets' were designed only to provide short-term supplementary assistance and are subject to stringent means tests. The 'nets' were not designed for the sustenance of longer-term dependents. Consequently some of the groups noted above subsist on minimal income levels. The fact that acceptance to public assistance tends to take a long time creates added social stress on families.

Community development initiatives play a major role in drawing marginal populations closer to the mainstream of development and decision-making. These programmes are implemented by both public sector and NGO agencies and cover a wide range of activities,

including job creation and income generation; the development of social and economic infrastructure; pre-school education; environmental and health programmes.

Targetted education and health programmes are generally recognized as major contributors to improving the life-chances and living standards of the poor, but this will not happen by osmosis and will require careful identification of vulnerability, and probably some advocacy to achieve substantive improvements in access and the delivery of services. Targetting will, however, prove difficult until improvements are made in the availability of social data, about which most of the agencies present complained.

### III The Face of Poverty

No official poverty line has been defined for the six countries. In the case of *Antigua and Barbuda* with a high-cost tourism economy, it has been unofficially suggested that a family of four or five (two adults and two or three children) existing on EC\$300/week or less would experience considerable hardship. Because of the absence of a poverty line there are no accurate estimates of the proportion of the population experiencing poverty. The recent World Bank document on poverty in the Caribbean suggests that in *Antigua and Barbuda* 12 per cent of the population can be said to be poor, 5 per cent in the Bahamas and 15 per cent of people in *Saint Kitts and Nevis* experience poverty. At the same time 20 per cent of the Grenada population is poor and 33 per cent in Dominica.

*BVI* has made tentative attempts to estimate levels of poverty. Using a mixture of census and median income data the Statistics Department defined the poverty threshold as US\$320/month (50 per cent of mean household earnings). Based on this figure, 17.7 per cent of household were said to be below the threshold. The highest incidence of poverty was found among the single headed households with children, where the rate was 33 per cent; though this household configuration comprises only 10 per cent of the total households, a relatively low proportion in Caribbean terms. In *BVI* the minimum wage was stated to be US\$520/month. The Statistics Department stress that these findings are, because of data limitations, tentative. Nevertheless, they give an indication of the coexistence of poverty alongside considerable levels of affluence. Growing inequality was considered to be the source changing social behaviour, including crime, drug abuse and trafficking and violence. More *BVI* slanders were found to be below the poverty threshold than non-nationals. Poverty was found to be more concentrated in the outer family Islands than in Tortola.

There is no officially established poverty threshold in the *Bahamas* and while poverty in its basic meaning is not considered to be a major social problem, the concept of poverty in relative terms is very much on people's mind. The World Bank in its recent analysis of poverty in the Caribbean indicated that indigence was minimal and only 5 per cent of the Bahamian population were found to be in poverty. The same report, however, indicated that the unemployment rate in the *Bahamas* was 15 per cent. Depending on how unemployment is defined, and the degree to which standards of living depend on livelihood, this is, perhaps, misleading. The view was

expressed that some of this unemployment is 'voluntary' resulting from the resistance of Bahamians to work in lower-grade occupations. Poverty in the *Bahamas* tends to be viewed as 'residual', as a condition of life, mainly affecting those such as the elderly, the disabled, female-headed households and communities in the 'family islands' who are marginal to, or remote from, the productive sectors of the economy. When poverty is linked to unemployment however, the data indicate that poverty is experienced in urban areas where development is centered.

**Table 9**  
**Percentage of Poor in the Caribbean**

COUNTRY	Percentage of Poor (Head Count Index*)
Antigua and Barbuda	12
Bahamas	5
Dominica	33
Grenada	20
Saint Kitts and Nevis	15

SOURCE: Poverty Reduction and Human Resource Development in the Caribbean, World Bank, May 1996

- Not available

\* Only those estimates with an asterisk were calculated using a similar methodology, and thus caution should be used in making cross-country comparisons.

The following vulnerable groups, especially at risk for socio-economic deprivation have been identified:

- The unemployed
- The working poor
- The seasonally under-employed or unemployed
- Migrant workers and their families
- Small farmers, especially those in small scale banana production
- Female-headed households
- Youth, especially school drop-outs who lack education and/or employment skills

- Pregnant teenagers and teenage mothers
- The elderly, especially those who are alone
- The mentally and physically disabled
- Disintegrated families

Table 10

Total Fertility Rate and  
Average Size of Household In  
Six Selected CDCC Countries  
for 1980/81 - 1990/91

COUNTRY	YEAR	Average Household Size	YEAR	Total Fertility Rates
Antigua and Barbuda	1980	...	1980	...
	1991	3.2	1990	3.0
British Virgin Islands	1980	3.3	1980	3.2
	1991	3.0	1990	2.5
Bahamas	1980	4.3	1980	2.8
	1991	3.8	1991	2.0
Dominica	1980	4.2	1981	4.2
	1991	3.6	1991	3.1
Grenada	1980	4.2	1980	3.4
	1991	3.9	1991	3.4
Saint Kitts and Nevis	1980	3.7	1980	3.4
	1991	2.2	1991	2.7

SOURCE: Digest of Selected Demographic and Social Indicators 1960-1994 for CDCC Member Countries

NOTE: TOTAL FERTILITY RATE (TFR)- The number of children a woman would have during her lifetime if she were to experience the fertility rates of the period at each age

Table 11

**Age-Specific Fertility Rates  
in Six Selected CDCC Countries  
for 1970, 1980, 1990/1991**

COUNTRY	YEAR	15-19 yrs	20-24 yrs	25-29 yrs	30-34 yrs	35-39 yrs	40-44 yrs	45-49 yrs	Total Fertility Rate
Antigua and Barbuda	1970								
	1980								
	1990								
Bahamas	1970	93.9	234.9	210.8	145.2	99.4	37.9	...	4.1
	1980	102.8	179.2	174.9	111.8	56.5	19.8	2.8	3.2
	1990	69.4	133.6	134.2	106.6	50.7	12.3	1.2	2.5
British Virgin Islands	1970	110.9	215.5	182.6	102.9	96.0	5.4	-	713.3
	1980	65.6	124.5	192.9	81.8	56.7	13.5	-	485.0
	1990	31.1	108.8	98.3	79.1	41.7	8.0	-	367.0
Dominica	1970								
	1980								
	1990								
Grenada	1970	141.5	262.2	227.3	138.4	61.8	20.0	1.6	4.3
	1980	115.8	177.4	165.8	118.1	70.2	21.6	1.7	3.4
	1990	107.2	187.8	165.8	129.0	71.5	26.8	1.3	3.4
Saint Kitts and Nevis	1970	...	...	...	...	...	...	...	...
	1980	130.0	176.3	157.6	103.1	76.7	27.1	-	3.4
	1990	82.6	141.6	142.5	92.7	69.6	13.7	1.7	2.7

SOURCE: Digest of Selected Demographic and Social Indicators 1960-1994 for CDCC Member Countries; Statistical Department, Development Planning Unit, Chief Minister's Office, British Virgin Islands

NOTE: AGE-SPECIFIC FERTILITY RATE (ASFR) - The number of live births in a given year to women of a given age group per 1,000 women in that age group

Table 12

The Youth In Six Selected CDCC Countries  
1960-1990/1991

COUNTRY	TEENAGE POPULATION 15-19							
	1980/1981		1990/1991		% enroled in schools		Unemployment rate	
	No	% of total population	No	% of total population	1980/81	1990/91	1980/81	1990/91
Antigua and Barbuda								
Bahamas	26075	12.4	24733	9.7	...	...	35.8	...
British Virgin Islands	1006	9.2	1219	7.5	45.3	59.6	16.8	11.2
Dominica								
Grenada	11710	13.1	9449	9.9	44.0	46.8	55.8	42.9
Saint Kitts and Nevis	5624	13.0	3946	9.7	40.8	...	36.9	12.2

COUNTRY	TEENAGE POPULATION 20-24							
	1980/1981		1990/1991		% enroled in schools		Unemployment rate	
	No	% of total population	No	% of total population	1980/81	1990/91	1980/81	1990/91
Antigua and Barbuda								
Bahamas	20839	9.9	25507	10.0	...	...	20.0	...
British Virgin Islands	1055	9.6	1509	9.4	2.4	17.5 <sup>†</sup>	7.7	4.4
Dominica								
Grenada	9316	10.4	7613	8.0	3.0	3.9	26.4	24.5
Saint Kitts and Nevis	4655	10.7	3503	8.6	0.8	...	14.8	5.6

SOURCE: Digest of Selected Demographic and Social Indicators 1960-1994 for CDCC Member Countries

<sup>†</sup> Numerator refers to 20 and over; while denominator refers to 20-24

Although all six countries mentioned the question of teenage pregnancy as a poverty issue, it was not pursued as a basic item of discussion in the course of consultations.

In some countries the main bulwark against social deprivation is Social Security. In Grenada, the Social Security Scheme covers the contributors in working population for pensions, sickness, disability, maternity, death and in some cases survivors benefits. It does not cover unemployment. While the scheme needs review it offers a basic 'safety-net' to a significant proportion of the population, thereby ensuring a basic measure of security and well-being. In *Dominica*, for example, the scheme is not, however, universal. It covers only people who are employed, excluding the self-employed, significant numbers of small farmers and those engaged in informal sector activities. Its contribution to poverty reduction is preventive rather than 'curative'. Groups in, or vulnerable to poverty are unlikely to be protected by this scheme.

The main response to the relief of dire poverty in *Dominica*, for example, is Public Assistance. This scheme offers limited aid to the elderly, disabled, children and unsupported families. The scheme is rigorously means tested, levels of assistance are low and only the truly deprived benefit. The Poverty Profile argued that the scheme was unduly restrictive and excluded many genuine cases of hardship. The scheme, however, was originally designed for short-term supplementation of income during periods of economic hardship or family crisis. Public Assistance in the form it is delivered in many Caribbean nations, is clearly obsolescent but financial austerity limits the options available for reform, and enhancement of the lives of the most destitute people. It is, however, a public policy issue needing urgent attention, especially as the problems it was designed to address have surpassed both its intentions and capacity.

Community development programmes have an established and important place in social policy in several countries. They are seen as an instrument for local participation in initiatives to improve social well-being at community level, and have been involved over a twenty-year period in a wide range of socio-economic programmes such as school and clinic building and maintenance, water projects, feeder roads and other schemes to reduce deprivation in economically marginal and/or geographically isolated settlements. Allied to the local government structure, community development has proved a potent mechanism for the involvement of people in decisions affecting their standards of living, and has served as a focal point for a wide range of inter-agency poverty mitigation initiatives, by both funding programmes for other public sector and NGO agencies, and coordinating effort in the social sector. Community development, however, is highly dependent on external funding in many countries.

NGOs play an important though limited role in both the social services and development fields in *Dominica*. Organizations such as the Social Centre, a Catholic welfare organization, and Domsave offer a wide range of services to children, families and the elderly. These two organizations play a major role in the provision of pre-school education benefitting poorer communities, for which they receive subventions from government to supplement other sources of funding. Credit was identified as a major constraint on the generation of self-employment, especially for the poor. A number of NGOs such as the Hucksters Associations and Credit

Unions offer small-loan schemes to their members for commercial purposes. The National Development Foundation (NDF) is a major source of finance for small-business and backs it loans with technical assistance in management, which is frequently the key to success in the promotion of new enterprises. Commercial banks and AID Bank also provide credit but are less accessible to the small scale business. These efforts clearly fill a number of gaps in service provision, but they are essentially piecemeal, and NGOs, as a result of the attenuation of external funding, are undergoing their own austerity programmes and are finding it increasingly difficult to maintain their services. A more formally articulated partnership between the public and NGO sector may be necessary if present levels of service are to be maintained and new problems addressed. This may require a new framework for cooperation if NGOs are to retain relevance and consistency.

There is a keen sense of relative deprivation in *BVI* with many people concerned over perceptions of inequality, both within *BVI* society and between *BVI* Islanders and expatriates, especially those in the financial sector. Power and wealth was felt to be concentrated in too few hands, with the view being expressed that race was a factor in this. This was vividly expressed in comments such as people being 'one pay check away from the poverty line' or *BVI* Islanders not being 'have-nots' but rather 'have too little'. Affluence is felt to have profoundly transformed *BVI* society by increasing social differentiation, and is seen as having potential for disenchantment, especially among the young who may be more inclined to seek material success by alternative means. Much of the increase in anti-social behaviour is attributed to this cause, though it is difficult to pin-point evidence.

The Minister of Health, the Honourable Alfred Frett, in his address observed that 60 per cent of the workforce is expatriate and *BVI* Islanders hold only 10 per cent of the higher salaried jobs in the economy. Overall, about one-half of the population are nationals. *BVI*s successful development besides attracting expatriates to the financial sector has acted as a magnet for labour throughout the Caribbean. The Minister observed that *BVI*s prosperity may be alleviating poverty in other countries in the region. Whilst unemployment was not considered to be a specific problem causing poverty in *BV*, low wages in relation to a high cost of living were identified as a source relative deprivation. Because of the perceived levels of economic prosperity in *BVI* the maintenance and expansion of social well-being, services and infrastructure falls almost entirely on local sources of funding or on borrowing from financial institutions.

As a result of emergent prosperity in the *British Virgin Islands*, the nature and extent of poverty appears to differ markedly from its more southerly neighbours. Unemployment is not considered a major cause of poverty as it is in, say, *Dominica* or even *Saint Kitts and Nevis*. Nevertheless, there appears to be a strata of working poor people. While workers' may be relatively high, the purchasing power is low in an economy which is highly dependent on Imports and caters to the tastes of tourists. There are also, according to the available data, indications of quite intense poverty in remote communities, which for a variety of reasons, are residual to the productive sectors and in the country at large among groups such as the elderly and single headed households.

Among the major concerns in *Saint Kitts and Nevis* is that there is a core of working people who are chronically poor, many of whom are seasonally employed women, in the sugar industry and the domestic functions of the hotel sector. Additionally, there are a growing number of elderly people, the disabled and disenchanting youth who are marginal to the labour market. The latter group because of the attractions of extra-legal sources of earnings are felt to present possible threats to social stability. These feelings are evidently reinforced by the history of recent events in *Saint Kitts and Nevis*.

At the National Consultation in the Bahamas, the contributions by both governmental and non-governmental agencies as well as a joint government/NGO coordinating body, the *Bahamas Council for Social Development* set the scene for an analysis of problems. In particular, as in *Antigua and Barbuda* and in the *British Virgin Islands*, the notion of relative poverty emerged with many references to the working poor, declines in real wages and the perceived increase of social and economic inequality, both among Bahamians, and between them and other expatriate groups.

Whilst these groups are considered to be affected by poverty in direct ways there was, as in *BVI*, a sense that many people experience forms of relative deprivation based on perceptions of growing inequality and declines in real standards of living. The essence of this mood was captured by the Director of the Department of Social Services in her presentation to the Consultation when she observed that:

“..... The *Bahamas* has made impressive strides in the last three decades or so. It boasts a vibrant tourism industry; an expanding financial services sector; and an increasingly sophisticated and diverse public sector. But conversely, the *Bahamas* faces a variety of challenges among which are found unacceptable high levels of unemployment and underemployment; entrenched pockets of poverty; and emergent indicators of social disintegration; particularly among our youth.”

#### IV Social Policy and Planning

A major task for social policy may well be ensuring that the seeds of disenchantment are not widely sown.

Some countries, such as for example the *Bahamas*, assign large proportions of resources to social development. The official view is that with full employment and the maintenance of high standards of health care and education, poverty will be kept at tolerable levels. There is a recognition, however that employment is not the panacea and that economic growth alone is insufficient to address poverty and/or remove the threat of poverty as it faces many in Caribbean societies. There is often a view that as long as there are welfare and employment programmes in place, people are guarded from poverty. However, the need may be rather to think about advancing the well-being of people through programmes which are focussed in specific ways. They range from fundamental ‘safety-nets’ such as Social Security which aim at wide (though not

universal) coverage to ensure families and individuals against adverse events, to more specific programmes directed at particular conditions such as disability or old age. Additionally, there are incentive programmes such as small enterprise development assistance which aims to enable economic advancement, through credit access and business training, with emphasis on the socially disadvantaged. Some countries, for example, the *Bahamas* have a well developed administrative framework for the delivery of its social sector services.

The central element of the social development system, is the Social Security Scheme. It covers pensions, disability, sickness, maternity and survivors benefits. The common weakness is that it does not cover unemployment or those outside the formal employment sector. Thus whilst the scheme protects some people from economic adversity as a result of age or infirmity, other vulnerable population sectors are not likely to benefit. The Scheme is usually administered by statutory board.

Economic and social hardships are generally addressed by a range of schemes administered by the Ministry in which social development matters are concentrated and the implementation usually takes place through its Departments of Social Services. The forms of assistance include programmes for the indigent, unemployed, the disabled, the elderly (non-contributory pensions), mainly in the form of cash transfers; together with a range of programmes aimed at supplementing the resources of disadvantaged families. These are mainly targetted at disadvantaged families and include, early childhood education, school welfare (counselling, teenage pregnancy, drug abuse, book and uniform grants etc.) school feeding programmes, health assistance programmes and work training schemes for the disabled and the unemployed. There is a focus on women, and especially teenage pregnancy (PACE, Teen Moms) in many of these programmes. Government social work and welfare programmes are supplemented by NGO initiatives and in some countries especially by the churches which are very active in the social services sphere.

Ministries and statutory agencies promoting programmes for social and economic development include: the Ministries of Agriculture, Youth and Culture, Community Development, Women's Affairs, Humanitarian Affairs and in the *Bahamas*, the Agricultural and Industrial Corporation. In the *Bahamas*, the Ministry of Agriculture concentrates much of its efforts on marketing for small farmers (many of whom are women), through strengthening linkages with the tourism sector, and encouraging exports where appropriate. The Ministry of Youth and Culture offers a range of programmes in response to youth problems. These range from job training and small enterprise development to delinquency prevention. The Youth Enterprise Programme for example aims to involve young people in the development of businesses through training and credit access. It is similar to programmes elsewhere in the region which were conceived by IDB but seem to have faltered because countries could not meet IDB conditions for private sector matching funds. Both Large and Small enterprise and programmes aimed at smaller producers in 'cottage' industries are promoted. Particular attention is given to the encouragement of women in small businesses. In many countries access to credit for small-businesses is reported to be a problem. In all countries, the issue of the poor lacking marketable skills is a concern. Most poor people do not seem to have the skills which would allow them to become independent producers.

The NGO sector seems less attractive in the economic development field than in the provision of social services, though some church organizations are involved in community development projects in poorer locations in New Providence. Apart from sponsorship of sporting events the private sector does not appear to be involved in social and community service provision. This has a role to play in youth development. Perhaps more efforts need to be applied to developing NGO/private and public/private sector partnerships for specific projects. This approach seems to work successfully in both Bermuda and the Cayman Islands which have similarly structured economies.

The plethora of socio-economic development programmes, aimed directly or indirectly at poverty mitigation, available in the six countries is evident. By and large public sector programmes appear to be responsive to needs, reasonably well resourced and professionally managed. NGOs, however, complained of lack of resources and a diminishing ability to respond to social deprivation.

Most of the countries is synonymous with economic planning which is a key function of the Planning Unit often located in the Ministry of Finance. Economic policy is essentially aimed at maintaining growth and equilibrium in order to maintain the confidence of investors, exchange rates and levels of employment. The Ministry of Finance is well staffed professionally, and is aided by a Council of Economic Advisers, drawn largely from the private sector. Besides advising government in economic policy, the Council produces research papers on a variety of topics germane to development. A recent paper covered the promotion of entrepreneurial talent.

Social planning has barely entered the lexicon of the Ministry of Finance, which sees its responsibility for social development largely in terms of the allocation of resources for health, education and social services. The notion of social development and poverty reduction tends to be greeted with considerable suspicion in the realm of Ministries of Finance and Planning as likely to place additional burdens on already scarce resources. However, serious thought should be given to the issue. There is a case to have, within the Ministries of Finance/Economic Development, a social planner focussing on the coordination of planning in social sector ministries to research and monitor overall social development issues. Some countries, for example, *Antigua and Barbuda* and *Dominica* have already drawn up proposals to enhance their social planning capacity.

For drop-outs from small banana production there is a need for human resource development programmes based on tangible needs in the labour market, both for new entrants to the workforce and for the reskilling of those rendered obsolete by economic transformation. Such a social transformation proceeds may need careful preparation and guidance.

Some countries may begin the process of moving social policy toward more indigenous, self-sustaining, less donor driven, project based approaches than in the past, and may lead to more coherent programmes to substantively address social deprivation.

There is a need to broaden the institutional structure for social development and poverty reduction. This could take place through specific projects which address social deprivation. There will, however, be an over-riding need to articulate such initiatives with existing programmes and to eliminate duplication and the dissipation of resources.

In terms of current initiatives in most countries there is a pervading sense that though they respond relatively well to a broad spectrum of social needs and discontents, programmes are not necessarily well coordinated or articulated with national development. Fragmentation is apparent among a plethora of small initiatives in both the public and NGO sectors. To address this situation the Ministry of Social Development and the NGO sector, but especially the churches in the *Bahamas* have collaborated in the formation of the Bahamas National Council for Social Development, an autonomous body to give focus to social policy and development. The main purposes of the Council, established in 1994 is to proffer advice on social development to the Minister, coordinate efforts between public and NGO sectors and to promote action to address social deprivation. The Council, which is chaired by the Right Reverend Drexel Gomez, Bishop of the *Bahamas*, has a broad membership embracing the public and private sectors, labour unions, NGOs, churches and academic institutions.

Some countries have established entities with advisory roles in regard to social development. For example in *Saint Lucia* there is a joint council, which does not have an activist role but rather functions in an advisory capacity. Established in 1994, the *Bahamas* National Council for Social Development in the *Bahamas*. In fact, it could function along the lines of the Council of Economic Advisers though it is a much larger body. It has yet to clearly define its functions, the kinds of services it should provide to the membership, and the resources it needs to carry out its mandate. If this is not addressed the issue of the Council's credibility may arise. What is potentially an appropriate mechanism for social policy research and planning may perish in its infancy.

