

**ST. LUCIA COUNTRY POVERTY ASESMENT
2005/06
VOLUME I: MAIN REPORT**

**Submitted to:
THE CARIBBEAN DEVELOPMENT BANK**

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Thecla Augustin,
Permanent Secretary

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LIST OF ABBREVIATIONS

| | | |
|---------|---|---|
| ACP | - | Africa, Caribbean and Pacific |
| BNTF | - | Basic Needs Trust Fund |
| CARE | - | Centre for Adolescent Rehabilitation and Education |
| CARICOM | - | Caribbean Community |
| CBI | - | Caribbean Basin Initiative |
| CBO(s) | - | Community Based Organisation(s) |
| CDB | - | Caribbean Development Bank |
| CET | - | Common External Tariff |
| CFCs | - | Chlorofluorocarbons |
| CFNI | - | Caribbean Food and Nutrition Institute |
| CIDA | - | Canadian International Development Agency |
| COICOP | - | Classification of Individual Consumption according to Purpose |
| CPA | - | Country Poverty Assessment |
| CPI | - | Consumer Price Index |
| CRED | - | Center for Research on the Epidemiology of Disasters |
| CSME | - | Caribbean Single Market and Economy |
| CWIQ | - | Core Welfare Indicators Questionnaire |
| CXC | - | Caribbean Examinations Council |
| DFID | - | UK Department of International Development |
| DOTS | - | Directly Observed Treatment Short-course |
| EC | - | Eastern Caribbean |
| EC | - | European Commission |
| ECCB | - | Eastern Caribbean Central Bank |
| ECTEL | - | Eastern Caribbean Telecommunications Authority |
| ED | - | Enumeration District |
| EDF | - | European Development Fund |
| EIB | - | European Investment Bank |
| EM-DAT | - | Emergency Disasters Data Base |
| EU | - | European Union |
| FAO | - | Food and Agriculture Organisation |

| | | |
|----------|---|--|
| FGT | - | Foster-Greer-Thorbecke |
| GDP | - | Gross Domestic Product |
| GOSL | - | Government of St Lucia |
| HIV/AIDS | - | Human Immunodeficiency Virus/ Acquired Immunodeficiency Syndrome |
| HDI | - | Human Development Index |
| HBS | - | Household Budgetary Survey |
| HDR | - | Human Development Report |
| IBRD | - | International Bank for Reconstruction and Development |
| ICC | - | International Cricket Council |
| IDB | - | Inter-American Development Bank |
| ILO | - | International Labour Organisation |
| LDF | - | Laborie Development Foundation |
| LPG | - | Liquefied Petroleum Gas |
| LUCELEC | - | St. Lucia Electricity Services Ltd |
| M | - | Million |
| MDGs | - | Millennium Development Goals |
| MoSSaiC | - | Management of Slope Stability in Communities |
| NAFTA | - | North American Free Trade Area |
| NAT | - | National Assessment Team |
| NELP | - | National Learning and Enrichment Programme |
| NGO(s) | - | Non-Government Organisation(s) |
| NIC | - | National Insurance Corporation |
| NRDF | - | National Research and Development Foundation |
| NSDC | - | National Skills Development Centre |
| OECD | - | Organization for Economic Cooperation and Development |
| OECS | - | Organisation of Eastern Caribbean States |
| OFDA | - | USAID's Office of Foreign Disaster Assistance |
| OPSR | - | Office of Private Sector Relations |
| PPA | - | Participatory Poverty Assessment |
| PRF | - | Poverty Reduction Fund |
| PROUD | - | Programme for the Rationalisation of Unplanned Developments |
| PSIP | - | Public Sector Investment Programme |
| PSU | - | Primary Sampling Unit |
| PWDs | - | Persons with Disabilities |

| | | |
|---------|---|---|
| RC | - | Roman Catholic |
| REDIP | - | Rural Economic Diversification Incentives Project |
| SEDU | - | Small Enterprise Development Unit |
| SFA | - | Special Framework of Assistance |
| SIDS | - | Small Island Developing State(s) |
| SLBC | - | St Lucia Banana Corporation |
| SLBGA | - | St Lucia Banana Growers Association |
| SLC | - | Survey of Living Conditions |
| SLADA | - | St. Lucia Agricultural Diversification Agency Ltd |
| SLBGA | - | St. Lucia Banana Growers Association |
| SMEs | - | Small and Medium Sized Enterprises |
| STABEX | - | Stabilisation of Export Earnings for Agricultural Commodities |
| STEP | - | Short-term Employment Programme |
| STI | - | Sexually Transmitted Infection |
| SRDF | - | Soufriere Regional Development Foundation |
| TFRs | - | Total Fertility Rates |
| TRP | - | Textbook Rental Programme |
| UN | - | United Nations |
| UNDP | - | United Nations Development Programme |
| UNECLAC | - | United Nations Economic Commission in Latin America and the Caribbean |
| UNESCO | - | United Nations' Educational, Scientific and Cultural Organization |
| UNIFEM | - | United Nations' Development Fund for Women |
| UNODC | - | United Nations Office on Drugs and Crime |
| VAT | - | Value Added Tax |
| WASCO | - | Water and Sewerage Company |
| WB | - | World Bank |
| WIAP | - | Windward Islands Action Plan |
| WIBDECO | - | Windward Islands Banana Development and Exporting Company |
| WINBAN | - | Windward Islands Banana Grower's Association |
| WTO | - | World Trade Organisation |

EXECUTIVE SUMMARY

This study on living conditions in St. Lucia was conducted in the latter half of 2005 and first quarter of 2006 by Kairi Consultants Limited (Kairi) in collaboration with the National Assessment Team of St. Lucia. The study was commissioned by the Caribbean Development Bank (CDB) with the support of other development partners – the United Kingdom Department for International Development (DFID), the United Nations Development Programme (UNDP) and the Canadian International Development Agency (CIDA).

The current study has to be contextualised against the backdrop of the Country Poverty Assessment (CPA) of 1995, which found that 25.1 percent of the population was poor and 7.1 percent was indigent. The present study assesses the extent and degree of change since the last CPA, against the backdrop of the measures mounted by the Government of St. Lucia (GOSL) and the pro-poor approaches that it adopted as a result of that study.

The four main objectives of the study were:

- to assess the current living conditions affecting the welfare of people of St. Lucia and to analyse the poverty situation, the processes that generate and maintain conditions conducive to poverty, existing responses to the poverty situation and the means

available for effective actions to reduce poverty;

- to identify the policies, strategies and action programmes that would reduce the extent and severity of poverty in St. Lucia, enhance social development and improve the overall quality of life in the country;
- to develop recommendations and a programme of action which sets out strategic options for addressing critical issues emerging from the study, including recommendations to improve existing social development interventions, and the institutional and legal framework; and
- to train members of a National Assessment Team (NAT) in the conduct of Poverty Assessments.

The study consisted of a Macro-Economic and Social Analysis; a composite survey comprised of a Survey of Living Conditions (SLC) and a Household Budgetary Survey (HBS); a Participatory Poverty Assessment (PPA); and an Institutional Analysis (IA). These four components of the study combined quantitative and qualitative research methods, in ways that complemented each other to provide a comprehensive picture of poverty in St Lucia.

The Macro-economic Assessment was based on information collected mainly from published sources, and from interviews with key officials in Government. The SLC/HBS comprised two main components. The SLC was a rich source of socio-economic information on the household population and was regarded as an essential source of data for the determination of social needs and establishment of targets for development planning. The HBS, was designed to collect information from the country's households and families on their buying habits (expenditures), income and other characteristics. The combined survey therefore allowed data users to relate the expenditures and income of consumers to the characteristics of those same consumers. The sample for the SLC/HBS 2005/2006 in St. Lucia was selected from a sample frame derived from the 2001 census of population with a sample size of 2.78 percent of the population.

The PPA was conducted in 17 of the poorest communities and generated qualitative data through focus group discussions, community workshops, transect walks, participant observation, and from open-ended interviews with heads of households and selected individuals. The IA was conducted mainly through interviews with key personnel in a wide variety of institutions, but secondary data were also reviewed and community residents also provided information on organisations working in their communities.

Also key to the exercise, was the training of nationals in the conduct of poverty assessments, in order to ensure that on completion of the 2005/06 study, there would be a group of individuals in the country with the level of skill and preparation required to replicate and to conduct similar or related studies in the future. A National Assessment Team (NAT) was appointed for the purpose. The NAT worked closely with the Consultants throughout the conduct of the poverty assessment, but there were several other individuals who also participated in the various training workshops conducted by the Team of Consultants (TOC) or who collaborated in the exercise.

In general, each component of the study was initiated with a training session and at various stages of the exercise, other specific training sessions were conducted as necessary. In some cases, participants or groups additional to the members of the NAT were beneficiaries of the training.

For the purpose of this study, poverty is defined in terms of its chief characteristic - deprivation. Poverty refers to any situation in which an individual, or group possesses less than some standard of living that has generally been defined as acceptable. This standard may be determined either on the basis of the material condition of other persons or groups in the society, or on the basis of a measure of the gap between what is possessed and some objective indicator of

elementary human need. Poverty is thus a complex of multiple deprivations¹.

The poor are those in society who suffer disadvantage with regard to the possession of goods, or facilities deemed to be necessary according to some generally accepted social standard, or some fundamental physical need. There are two facets to this definition, one relative the other absolute. Both definitions are utilized in the CPA: the first is used in the quantitative study, where persons are deemed poor if their average consumption expenditure falls below some dollar value, which is referred to as the 'poverty line'; the second which is more socio-cultural in its orientation, comes into play in the PPA.

KEY FINDINGS

1. Poverty and Indigence Estimates

The results of this study show that the poverty, as measured by the headcount, increased from 25.1 percent in 1995 to 28.8 percent in 2005, but indigence fell substantially from 7.1 percent to 1.6 percent over the same period. The indigent are persons whose daily average consumption is too low to guarantee adequate nutrition to maintain good bodily health. The Gini coefficient of inequality also fell over the period; in other words, while measured poverty increased, overall inequality in the society fell.

¹ Brown, Dennis (2002). Sociodemographic Vulnerability in the Caribbean: An Examination of the Social and Demographic Impediments to Equitable Development through Participatory Citizenship in the Caribbean at the Dawn of the 21st Century: CELADE, UNECLAC, Santiago, Chile, 2002.

Indigence, Poverty and Inequality in 1995 and 2005/06 are compared in Table 1. It should be noted that the finding of increased poverty in 2005/06 does not mean that the poor were necessarily worse off in terms of material conditions: indeed, comparisons of indigence are 'purer', in so far as they ignore relative factors that intervene in poverty comparisons.

The estimate for the indigence line, which represents the minimum consumption, in monetary terms, that would be required for an adult to maintain good bodily health, was EC\$ 3.40 (US\$ 1.27) daily or EC\$131 (US\$ 46.06) per month or EC\$ 1,570 (US\$ 588.02) annually.

TABLE 1: INDIGENCE, POVERTY AND INEQUALITY 1995 AND 2005/06

| INDICATOR (%) | 1995 | 2005/06 |
|--|------|---------|
| Poor Households | 18.7 | 21.4 |
| Poor Population | 25.1 | 28.8 |
| Indigent Households | 5.3 | 1.2 |
| Indigent Population | 7.1 | 1.6 |
| Gini Coefficient: inequality measure | | |
| * At value 0 all individuals have equal wealth | 1995 | 2005/06 |
| | 0.5 | 0.42 |

The poverty line, which is a measure of the minimum spent per adult in order to meet basic food and non-food needs, was estimated at EC\$ 13.93 (US\$ 5.22) daily or EC\$ 423.83 (US\$ 158.74) monthly or EC\$ 5,086 (US\$ 1,904.87) per annum. While these estimates are not based on purchasing power parities, they do give some sense of proportion, having regard to the fact that St. Lucia is a highly open economy with relatively free movement of goods, and

with a relatively high import content in domestic demand.

2. Vulnerability

Vulnerability measures the proportion of the population that would be susceptible to falling into poverty as a result of an unanticipated event such a natural disaster or adverse economic shock. Using an estimate of 25 percent above the poverty line (EC\$ 6,357.50 per annum) as the

TABLE 2: SUMMARY VULNERABILITY INDICATORS FOR ST LUCIA 2005/06

| INDICATOR OF VULNERABILITY | | |
|--|------|--------|
| Poverty Line (Annual in local currency) | EC\$ | 5086.0 |
| Vulnerability Line (Annual in local currency) | EC\$ | 6357.5 |
| Poverty Headcount Index (Adult Equivalent) | | 28.8 |
| Low per capita household consumption (below 125% of poverty line) | 46.2 | 57.7 |
| Low adult equivalent household consumption (below 125% of poverty line) | 31.5 | 40.3 |
| Low educational attainment (defined as not having passed any school examination) | n.a | 53.5 |
| No schooling (school age children not attending school during last week for at least one day) | n.a | 7.0 |
| No employment (no adult employed in the household) | 23.6 | 14.8 |
| Insufficient employment (less than one in two adults employed in the household) | 35.8 | 35.0 |
| High dependency ratio (less than one person of working age for every two persons not of working age) | 11.1 | 12.3 |
| Poor access to safe water (if no piped water) | 4.4 | 3.3 |
| Poor quality of housing | 33.3 | 35.0 |

criterion of vulnerability, 40.3 percent of the population was deemed to be vulnerable. That is, in addition to the poor, an additional 11.5 percent of the population would be vulnerable to shocks that could place them below the poverty line, were these to eventuate. Table 2, provides a summary of vulnerability indicators for St Lucia, which are discussed in the report.

| | | |
|--|----------------------------------|---|
| (toilet is a pit latrine or worse) | | |
| Low asset base (whether household has 3 or less out of 9 possible common durables) | 15.7 | 13.2 |
| <i>n.a. is not available</i> | | |
| Vulnerability among population subgroups (Expressed as a % of the population) | Per capita household expenditure | Adult Equivalent per capita household expenditure |
| Age: | | |
| 0 to 4 years of age | 68.4 | 43.8 |
| 5 to 15 years of age | 70.3 | 51.8 |
| 16 to 60 years of age | 53.6 | 37.3 |
| 61 and over years of age | 44.0 | 28.6 |
| Sex: | | |
| Males | 57.7 | 42.5 |
| Females | 57.7 | 38.4 |
| Both Sexes | 57.7 | 40.3 |

3. Geographic Distribution

Generally, the data reveal that poverty in St. Lucia has been primarily a rural phenomenon as predominantly rural districts such as Anse-la-Raye (44.9%), Soufriere (42.4%), Choiseul (38.4%), Laborie (42.1%) and Micoud (43.6%) have exhibited prevalence rates for poverty in excess of 35 percent. Moreover, Anse-la-Raye and Micoud recorded the highest rates of indigence, 5.3 percent and 4.1 percent,

respectively. If measures are not put in place to encourage people to stay, further flight can be anticipated from these poor rural communities. Depopulation of the rural communities and the rural-urban drift will not only change the geography of

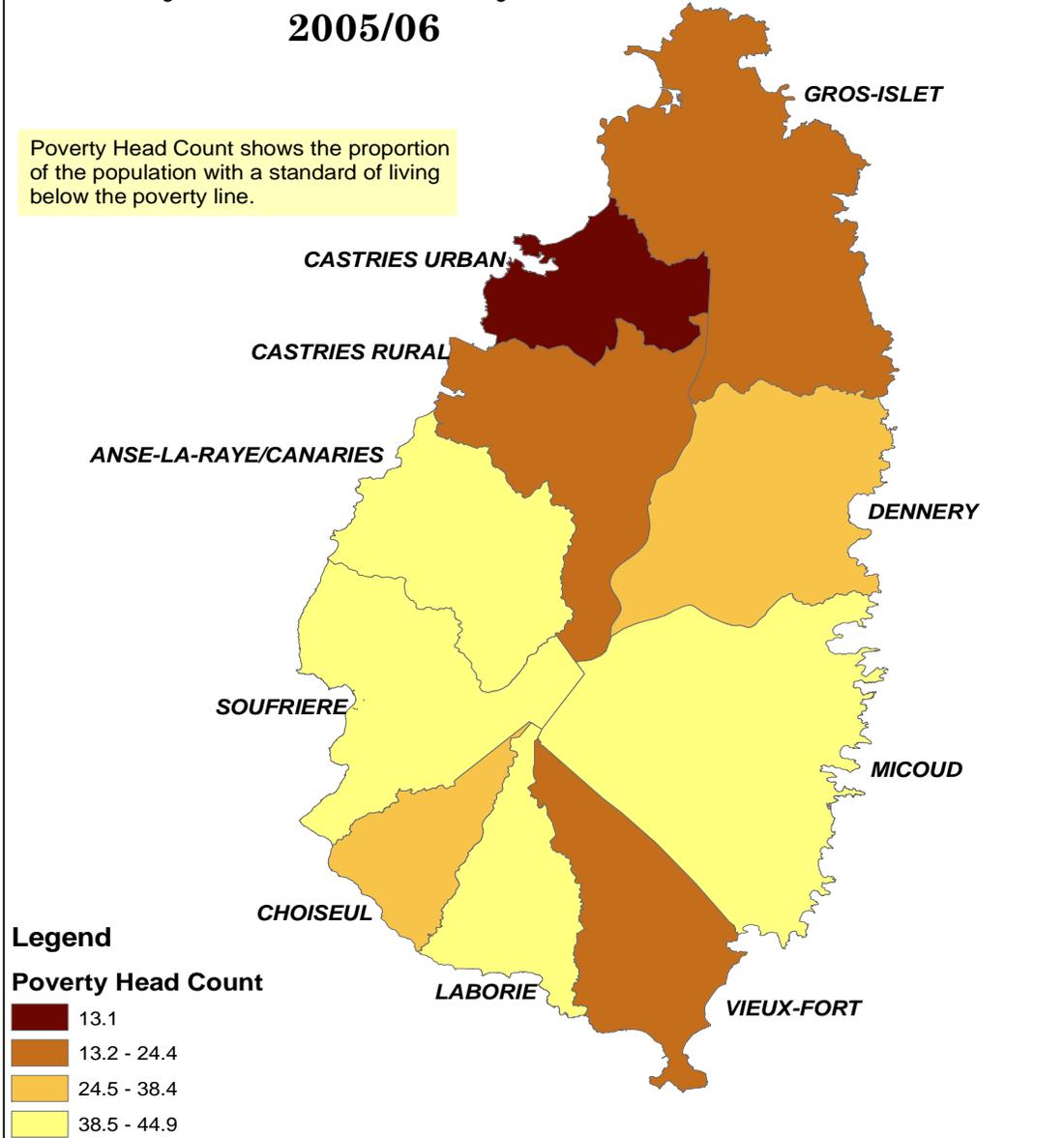
poverty but will have serious consequences and implications for tackling and reducing poverty. The data are summarized in Table 3 - *Head Count, Poverty Gap, Poverty Severity by District*. Map 1 shows the geographic distribution of poverty in St. Lucia.

TABLE 3: HEAD COUNT, POVERTY GAP, POVERTY SEVERITY BY DISTRICT

| District | Population | Percent Indigent | Percent Poor | Poverty Gap | Poverty Severity |
|--------------------------------|------------|------------------|--------------|-------------|------------------|
| St Lucia 2005/06 | 164,842 | 1.6 | 28.8 | 9.0 | 4.1 |
| St Lucia 1995 | 144,000 | 7.1 | 25.1 | 8.6 | 4.4 |
| Castries City 2005/06 | 16,594 | 1.7 | 13.1 | 3.4 | 1.8 |
| Castries City 1995 | --- | --- | 15.2 | 4.4 | 1.7 |
| Castries Sub-Urban 2005//06 | 51,100 | 0.6 | 22.2 | 6.7 | 2.9 |
| Castries Sub-Urban 1995 | --- | --- | 22.6 | 8.2 | 3.8 |
| OTHER DISTRICTS 2005/06 | | | | | |
| Anse-la-Raye / Canaries | 10,287 | 5.3 | 44.9 | 17.7 | 9.6 |
| Soufriere | 9,329 | 0.4 | 42.5 | 12.4 | 4.8 |
| Choiseul | 5,401 | | 38.4 | 9.7 | 3.8 |
| Laborie | 7,190 | | 42.1 | 10.6 | 3.5 |
| Vieux-Fort | 14,096 | 4.8 | 23.1 | 10.2 | 5.9 |
| Micoud | 18,071 | 4.0 | 43.6 | 14.1 | 6.8 |
| Dennerly | 11,986 | | 34.2 | 11.4 | 5.2 |
| Gros-Islet | 20,787 | 0.4 | 24.4 | 5.8 | 2.2 |

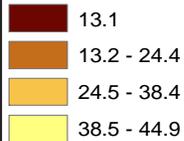
Poverty Head Count by District 2005/06

Poverty Head Count shows the proportion of the population with a standard of living below the poverty line.



Legend

Poverty Head Count



0 2 4 8 Kilometers

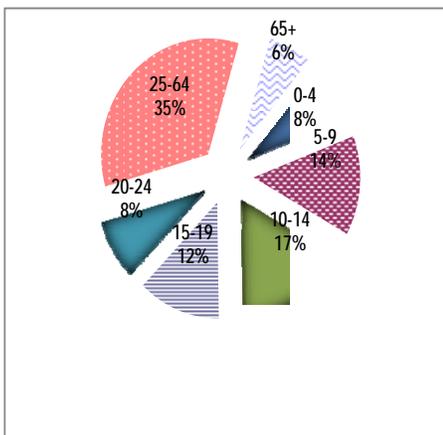
Source: Central Statistical Office
Household Budget Survey 2005/2006
Cartographer: Sherma Lawrence
Date of Publication: July 2006

Map 1: Poverty Map (Poverty Head Count by District)

4. Age Distribution

The data reveal, as has been found in most Caribbean countries, that those persons living below the poverty line are disproportionately young. Children aged 0-14 represented 39 percent of all poor persons, while the elderly aged 65 years and above, represented 7 percent of the poor population. Participants in the PPA in many of the communities expressed concern about the plight of the elderly. Moreover, those who were totally reliant on public assistance would have been among the poorest having regard to the fact that public assistance payments were lower than the indigence line. Figure 1, *Distribution of the Poor by Age Groups*, shows the presence of the various cohorts among the poor.

Figure 1: Distribution of Poor Population by Age Groups



With reference to poor children aged 0-14 years, relatively large numbers were observed to have been living in Anse-la-Raye (26.8%) and Vieux Fort (19.5%). Data from the household interviews conducted in the PPA show that about 50 percent of households had children under five years of age.

During the interviews women who were single parents expressed particular concern about their inability to meet the basic needs of food and shelter for their children, and while they recognized the importance of education and were making attempts to send their children to school everyday, this was not always possible. The long term consequences for indigent children in Anse-la-Raye, Vieux Fort and Micoud and for poor children in other communities include negative impacts on their self esteem, their physical and intellectual development and their ability to access and benefit from educational and other opportunities, and ultimately their life chances.

A small number of elderly persons were interviewed. Several admitted to being poor and provided reasons for their condition. Among the reasons cited were age and their inability to work, ill health or sickness, responsibility for supporting children, including children with disabilities, or grandchildren, lack of support by adult children and lack of access to resources. This did not prevent many from still being responsible for the welfare of children and grandchildren. Many depended on pensions and assistance from the

government, and from neighbours, and friends for their survival.

*"I have asked to be placed on the paupers list."
 "Pension is from hand to mouth since it so small and not increasing."
 "The amount I receive from the government is not enough."
 "The public assistance small but without it I would be worse off."*

Other concerns identified by the elderly and by persons with disabilities include the absence of legislation to protect their rights, lack of education and training opportunities, of recreational and economic activities and of markets for things that they might make, and absence of facilities to provide care. They were of the view that if these issues were addressed, they would be better able to cope with the challenges that they face.

5. Household Characteristics

While the pattern of larger household sizes with a larger number of children in lower quintiles than in higher quintiles was maintained, the average number of children fell between the two years. This is consistent with the decline in the rate of growth of the population: thus, even though the poor tend to have more children than the better off, the poor are having fewer children than they did in 1995. The average number of earners per household in the poorest quintile increased in 2005, thus demonstrating an increase in labour

commitment, and the need for participation in the formal labour market.

Summary information by quintile distribution is provided in Table 4 with comparisons between the two years.

6. Family Dynamics

Households with single parents and with three generations are particularly at risk of being poor. One causal factor that seems to be at work in this instance is the family dynamics associated with being chronically poor from one generation to the next. This manifests itself in part in the high rates of fertility of poorer women.

Notwithstanding the overall decline in fertility rates, there are pockets of poor women in the population that still evince high levels of fertility. These women are often the victims of chronic or intergenerational poverty. They are usually educated to Primary school level only, lack employable skills and face bleak economic prospects. Their high fertility, it might be argued, is as much a product as it is a cause of their poverty. Poverty impels the poor woman into casual relationships in an attempt to acquire material gain and sustenance. However, this same poverty constrains the poor man from meeting his family obligations and undermines the stability of the relationships into which he may enter.

TABLE 4: COMPARATIVE QUINTILE ESTIMATES 1995/2005

| | Per Capita Consumption Quintiles | | | | | All St Lucia |
|--------------------------|----------------------------------|-------|-------|-------|-------|--------------|
| | Poorest | II | III | IV | V | |
| 2005 | | | | | | |
| Sex of Head of Household | % | | | | | |
| Male | 57.5 | 56.6 | 50.3 | 53.3 | 62.0 | 56.4 |
| Female | 42.5 | 43.4 | 49.7 | 46.7 | 38.0 | 43.6 |
| Both Sexes | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | <i>Mean</i> | | | | | |
| Age of Head | 49 | 50 | 49 | 50 | 53 | 51 |
| Household Size | 4.7 | 4.3 | 3.9 | 3.3 | 2.6 | 3.6 |
| Children Per Household | 1.9 | 1.5 | 1.2 | 0.9 | 0.5 | 1.1 |
| Earners Per Household | 1.6 | 1.5 | 1.3 | 1.1 | 0.7 | 1.2 |
| 1995 | | | | | | |
| Sex of Head of Household | % | | | | | |
| Male | 51.7 | 49.0 | 49.1 | 58.3 | 67.0 | 56.7 |
| Female | 48.3 | 51.0 | 50.9 | 41.7 | 33.0 | 43.3 |
| Both Sexes | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | <i>Mean</i> | | | | | |
| Age of Head | 49.2 | 48.7 | 46.5 | 44.5 | 45.7 | 46.6 |
| Household Size | 5.3 | 4.6 | 4.2 | 3.7 | 2.6 | 3.8 |
| Children Per Household | 2.7 | 2.0 | 1.7 | 1.4 | 0.7 | 1.5 |
| Earners Per Household | 1.1 | 1.2 | 1.4 | 1.5 | 1.4 | 1.3 |

Both the quantitative and qualitative studies establish that poor women tend to have their first child much earlier - during their teen years - than their non-poor counterparts, that many chronically poor women have large families, and that the children of a significant number have different fathers.

Several participants in the PPA were of the view that poverty affected child rearing practices and relationships between family members in several ways. Break up of families, domestic violence and abuse of women and children were identified as common problems in many of the poorer households.

"When the man can't provide, the women leave him and go to another man."

"Frustration and anger leads to fights and abuse of women and children"

"You can lose your woman because of poverty you know."

Another feature of family dynamics is the impact of emigration. Internal and external migration has led to the decline of the extended family and to the denudation even of its nucleus. There are cases of parentless families, with children left by themselves, or under the presumed watch of neighbours, while parents go to look for work in the urban areas or abroad.

A few young girls were concerned about becoming pregnant or being victims of sexual abuse and incest and they were aware that adults who should be protecting them can abuse them. They pointed out that,

"if you (are) left home with a stepfather who is abusive it is a problem" and "...your mother may not believe you."

7. Gender Dynamics

With regard to adult females (15 years and over), the data revealed that Micoud (27.5%), Vieux Fort (21.8%) and Sub-Urban Castries (15.3%) have the largest proportions of females who were classified as indigent in St. Lucia. Another significant finding is the high level of indigence among men in Vieux Fort. This may be explained by the fact that although there has been a decline in manufacturing in this town, the residual employment is still oriented to the employment of women. In the remaining districts, the concentrations of indigence did not appear to be as profound.

There is a link between poverty and the inability of males and females to perform adequately their gender roles assigned them by their society. Data from this study show that many poor men who are unemployed and unable to discharge their role as bread winner and provider for their families and that many poor women, especially those who are single parents, are unable to provide a caring and nurturing environment or to meet the basic needs of the family. Poverty also undermines and erodes men's sense of masculinity and

manhood, and causes some women to engage in, and use transactional sex as a survival mechanism.

The large number of female heads found during the PPA is an indication that many poor women in the communities studied have the major responsibility for the welfare of families and for meeting their own economic and other needs, as well as those of family members.

Some poor men felt at a disadvantage because of their inability to accept and perform the role of head of household. The greatest need expressed by most of the poor men was the need for a job that paid enough money to maintain themselves and their families. Their limited skills and education made employment and income precarious, and this contributed to a poor self-concept and to their inability to provide for their children.

"I cannot get a job and I have five children, I feeling really depressed"

"When I work STEP I can't maintain my family"

"My pay too small I can't take care of my three children on that."

"As a man, no work, no money, it makes you mad."

8. Other Special Groups at Risk

Persons with disabilities are another group at risk in the society, and are likely to be poorer in an environment that fails to recognize their capabilities, and to provide them with the opportunity to achieve their potential. In more recent times, with international assistance, and in the face of spirited advocacy from one of the representative organization, the

Government has started to put measures in place. There is a lot that needs to be done, however there remains a lack of awareness, that in any population, there is likely to exist some ten percent who would be differently-abled.

9. Labour Market Participation and Employment

The data from the survey as well as from the PPA suggest that there are a number of structural and cultural factors that preclude greater participation in the labour force among poor female heads of households. The findings attest generally to substantial segmentation of the labour market.

Lack of qualifications and age were identified as key factors determining employment access. Many of the unemployed were young people between the ages of 19 and 35 and the majority had only a primary school education and few marketable skills. The majority of people who participated in the PPA saw unemployment, their inability to get a job and to earn income, as the main reasons why they were poor.

Unemployment is high among the youth and several complain of not being able to get jobs and even if they do manage to get a job, the pay is so low that it is insufficient. Several young people were of the view that the education system and the irrelevance of the curriculum, and its inability to prepare them for the job market have contributed to their inability to get a job, to move out of poverty and to function effectively in community life.

"The school curriculum leads to poverty."

"I train but the training did not help me to get a job"

The rural economy offers little prospects and has generated even fewer jobs. While prospects may have been better in the urban communities, possibly because of a buyers market, wages were sometimes so low that it was not worthwhile to work. At the same time, the stigma attached to particular urban communities like Faux a Chaux, Wiltons Yard and the Mangue also limit employment opportunities for their residents. There was general precariousness of employment, at best. The STEP programme was identified as a potential source of income for a few. Employment in the tourism and construction sectors is seasonal.

Discrimination and exploitation by potential employers was also mentioned as obstacles to sustained employment and several participants shared experiences of being abused and exploited. Women were exposed to special risks:

"For you to get a job you have to sleep with the boss."

"It is a job we want that's why we have sex."

Occupational Distribution: The relationship between occupation, socio-economic status and sex of household heads was also addressed. It was found that poor male heads were primarily engaged in skilled agricultural work, elementary occupations and craft-related work. In contrast, female heads were primarily engaged in work akin to sales and services, craft-related work and skilled agricultural

activities. The PPA identified the tendency for employment to be in such areas as the cleaning of Government offices and facilities, public toilets and baths, and work in the STEP programme for women, and laboring work in construction, for men.

Informal Sector and Underground Economy:

During the PPA, participants revealed that high levels of unemployment and underemployment have led to the growth of the informal sector and to a reliance on seasonal and low level work. Young men alluded to having to “hustle” and do odd jobs, including car washing and running errands and some young women alluded to participating in the sex trade.

The drug culture seems to have become fully institutionalised and is seen as important source for common economic activities. The majority of the communities reported an increase in underground or illegal activities including crime, gambling and drug trafficking and saw these as a way to generate income.

“Some people make a living by selling weed.”
“The drug helping the community, it help pay the bills, feed families.”

The drug culture also appears to have become a “normal” activity and large numbers of young people, both male and female, but larger numbers of the former are involved in trafficking and use of illegal drugs. Not only has there been an increase in the use of illegal drugs, including cocaine, in all of the communities, but smoking of marijuana in particular is now done in the open.

“People no longer hide to take drugs”
“Marijuana, cocaine, hash, it is a competition, I have the ting so I have to sell it to him before someone else.”

10. Education

The SLC/HBS survey data reveal a predominance of primary education as the highest education level attained by household heads irrespective of their socio-economic status. Table 5 illustrates that 53.7 percent of the labour force attained no certification, while for another 18.9 percent school leaving was the highest level of examination passed. When the gender of household heads is taken into account, this pattern persists and is worse among male heads for whom it was much more pronounced. Among the male population, 56.7 percent of the labour force had attained no certification as opposed to a smaller proportion (51.0%) among the female population.

TABLE 5: DISTRIBUTION OF BOTH SEXES OF LABOUR FORCE PARTICIPANTS BY HIGHEST EXAMINATION PASSED BY QUINTILES

| Highest Examination Passed | Per Capita Consumption Quintiles | | | | | All St Lucia |
|----------------------------|----------------------------------|-------|-------|-------|---------|--------------|
| | Poorest | II | III | IV | Richest | |
| | % | | | | | |
| None | 75.3 | 59.3 | 55.8 | 52.1 | 37.7 | 53.7 |
| School Leaving | 12.3 | 23.3 | 18.9 | 22.3 | 17.0 | 18.9 |
| CXC Basic | - | 2.1 | 2.5 | 3.2 | 2.3 | 2.1 |
| CXC 1-4 Passes | 3.6 | 6.3 | 6.9 | 6.4 | 4.7 | 5.6 |
| CXC 5 and More Passes | 3.5 | 3.5 | 5.7 | 7.6 | 11.7 | 7.0 |
| A Level | .9 | - | - | 1.3 | 1.4 | .8 |
| Diploma | - | 2.8 | 2.7 | 4.6 | 7.0 | 3.8 |
| Associate Degree | - | .7 | - | .7 | 1.9 | .8 |
| Undergraduate Degree | - | - | - | - | 3.8 | 1.0 |
| Post Graduate Degree | - | .7 | - | .6 | 6.1 | 1.9 |
| Professional Qualification | - | - | 1.2 | .7 | 4.2 | 1.5 |
| Other | - | .7 | 3.1 | .6 | .5 | 1.0 |
| Not Stated | 4.4 | .7 | 3.1 | - | 1.8 | 1.9 |
| All St Lucia | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

11. Health and Poverty

Survey data establish high prevalence rates in respect of lifestyle diseases namely - diabetes, high blood pressure, heart disease and cancer. Unfortunately data on HIV/AIDS could not be gleaned from the survey. Irrespective of per capita consumption quintile, high blood pressure is the most prevalent lifestyle disease affecting residents and diabetes ranks second. Table 6 attests to the fact that socio-

economic status has no impact on the pattern of lifestyle diseases affecting the population. Not unexpectedly, the poor were more likely to use the public health system than the better-off. Persons belonging to the poorest quintile were the least likely to have had insurance coverage: only 5.7 percent of the poorest compared with 40.9 percent of the wealthiest had medical insurance coverage.

TABLE 6: DISTRIBUTION OF BOTH SEXES WITH SELECTED LIFESTYLE DISEASES BY QUINTILES

| Disease | Per Capita Consumption Quintiles | | | | | Total |
|---------------------|----------------------------------|-------|-------|-------|---------|-------|
| | Poorest | II | III | IV | Richest | |
| | % with Disease | | | | | |
| Diabetes | 28.7 | 30.3 | 36.5 | 35.2 | 37.4 | 34.6 |
| High Blood Pressure | 63.7 | 70.9 | 63.4 | 68.1 | 67.0 | 66.7 |
| Heart Condition | 7.2 | 11.5 | 8.7 | 10.6 | 16.8 | 12.0 |
| Cancer | 1.5 | 1.3 | 2.0 | 1.7 | 2.8 | 2.0 |
| HIV/AIDS | - | - | - | - | - | - |
| Other | 13.0 | 13.9 | 12.5 | 7.7 | 10.6 | 11.1 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

12. Housing Conditions

The majority (78.5%) of all households lived in dwelling units that were owner-occupied with or without mortgage. However, while the pattern of accommodation in the form of owner-occupied dwelling units does not vary much across household quintile groups, the quality of housing and of the amenities available to household members does vary. Occupancy of undivided private houses is commonplace in St. Lucia irrespective of socio-economic status. However, it is the wealthiest quintile that would select alternative arrangements to single family units.

It is in the nature of outer walls that status differentials surface between poor and non-poor. While the largest single group of households (43.4%) occupied dwelling units with outer walls of concrete, 20.2 percent occupied dwelling units with wooden outer walls while a slightly lower proportion amounting to 18.3 percent occupied dwelling units with outer walls of wood and concrete, and plywood was used by 15.5 percent of all households. Cooking gas was the principal cooking fuel of choice in St. Lucia, being used by 91.1 percent of all households.

The majority (66.6%) of households had toilet facilities with water closets that are either linked to sewer systems or septic tanks. Another 28.7 percent of households relied upon pit latrines while 2.5 percent had no facilities whatsoever. The majority of households claimed that they relied mainly upon water being piped into

dwelling from a public source (68.6%), piped into yard from public source (19.9%) or obtained from a public standpipe (5.3%). However, while 90.1 percent of all households in the wealthiest quintile obtained pipe borne water from public sources, the corresponding proportion for the poorest quintile was 40.1 percent.

Amenities like good quality running water, electricity, telephone land lines and cell phones, and household appliances were not any longer regarded by interviewees as luxuries, but as essentials for enjoying a good standard of living and quality of life. Their presence in households therefore cannot by themselves be used as one of the indicators of the absence of poverty, and although some or all of these were absent in many of the households, they were present in a significant number. Although land line telephones were not as common, several of the interviewees did have cell phones, and some of those who did not, expressed a wish for them.

The evidence from the PPA attests to poor housing conditions for a significant number of persons in the poorer communities. In many of the households interviewed, families were living in small wooden houses with limited room, some of which were literally falling apart and lacked basic amenities like indoor pipes, kitchens, toilets and bathrooms. Although a significant number of the poorest did have pit latrines, several of the households disposed of human excreta in the surrounding environment.

13. The Environment

The urban communities reported lack of physical space leading to overcrowding, poor drainage and flooding, poor sanitation and inadequate storage of food, littering and improper garbage disposal, absence and poor condition of toilet facilities, sewage problems and disposal of feces in the sea and surrounding areas. Rats and mosquitoes were also prevalent. In the rural communities, the use of natural resources while providing income for some, depletes these resources and limits the ability of others to benefit from them. Deforestation and removal of top soil have resulted in landslides and soil erosion. Residents reported on the incidence of over-fishing, poisoning of rivers and sea to increase the fish catch size, and prevalence of sand mining.

14. Access to Social Services

Poor communities often lack public goods that are important to welfare, and this absence contributes to poverty. However some of the communities are well served with services and facilities to which residents have easy access. Residents in several communities also agreed that there has been an improvement in sanitation service because garbage is now being collected on a regular basis, (e.g. in Belle Vue and also in the urban communities because of their proximity to Castries and Vieux Fort.)

However, in several of the rural communities, including Morne Jacques, Balca, Migny, and Park Estate, there are

few, if any facilities and/or services in the community.

*"Belmont is not yet a place, government refuse' to build roads because this area is not in the project."
"We do not have roads in Desrameaux, access to water is poor and the water quality is poor."*

Residents in these and in some other communities were also concerned about poor roads, absence of electricity and telephone lines, and inadequate water supply and absence of recreational facilities, preschools and day care centres. In several of the communities residents were particularly concerned about the unavailability of health services.

15. People's Perspectives on Poverty

Data from the PPA also provides perspectives of some of the people in St Lucia who are living in and experiencing poverty. On the one hand some believe that poverty is different from what exists elsewhere.

"We are affected by a different category of poverty. We cannot be compared with people in Africa: poverty here has to do with unemployment."

And while many agreed that factors like access to public utilities contributed to poverty, residents in all of the communities agreed that lack of jobs and of opportunities to earn an income was one of the main causes of the private poverty being experienced by individuals and in households.

"Ten years ago banana had money, put money in people's pocket"

"There are no jobs in Belmont now."

Residents also believed that unemployment had contributed to several social problems, including the increase in the involvement of young unemployed men in the use and trafficking in illegal drugs

They also identified other causes including lack of and low levels of education, few skills, and lack of self esteem, and residents

in the rural areas, were unanimous about the negative impact of the decline in competitiveness of the banana industry and its contribution to the existence of poverty in these communities. A sense of stasis seems to have fallen over most of the rural communities, and this has led to an increase in rural-urban migration.

As can be seen in Table 7, the residents of the seventeen communities have very clear views about what is needed in their communities.

TABLE 7: SUMMARY OF COMMUNITIES' NEEDS

| Community | Employment | Education & Training | Health and Nutrition | Care of the Elderly | Facilities and Services | Physical Infrastructure | Access/ Title to Land | Governance |
|---------------|------------|----------------------|----------------------|---------------------|-------------------------|-------------------------|-----------------------|------------|
| Anse-la-Raye | X | | x | x | x | | | |
| Anse-le-Verde | X | X | | x | x | x | | |
| Baron's Drive | X | X | | | x | x | | x |
| Bouton | X | | | | | x | x | |
| Belle Vue | X | X | | | x | | | x |
| Belmont | X | | | | x | x | x | |
| Des Barras | | | x | | | x | x | |
| Desrameaux | X | X | | x | x | x | x | |
| Faux au Chaux | X | X | | | x | x | | |
| The Mangue | X | X | | | x | | | x |
| Migny | X | X | | x | x | x | | |
| Mon Jacques | | X | | x | x | x | | x |
| Praslin | X | X | | | X | | x | x |
| Park Estate | X | X | | | x | x | x | |
| Rosseau | X | X | | | x | x | | |
| Wilton's Yard | X | X | x | | x | x | | |

16. Coping Mechanisms and Survival Strategies

In the PPA, respondents intimated a number of mechanisms that they use to survive, including careful budgeting, making do and doing without, dependency on others, begging, crime and drug trafficking, odd jobs, and prostitution. Some face their plight with a certain resignation and put their faith in God, but a significant number of households rely on remittances and gifts of various kinds to survive and to sustain their livelihoods.

Data from the survey show that the level of employment among women is higher and data from the PPA suggest that they women face graver hardships in coping with poverty than men do. The burden of single handedly having to feed and care for children and other family members makes women vulnerable and causes some women to engage in activities that put them at risk. Some women saw prostitution as an economic activity and admitted that they would do anything, including prostitute themselves, to feed their children. In other cases, they would give in to sexual advances to get money, but could not always afford the protection of contraception.

"Women cannot afford contraceptives so they cannot space their children, then the baby comes and the cycle of poverty continues."

"I prefer doing prostitution than stealing."

"The child father only feed him if he get sex."

"Men take advantage, they want you to have sex with them before they give you anything."

"Without money, you keep passing from man to man, child after child... you can get AIDS so."

On the other hand, men use different strategies to cope with poverty. While many will do odd jobs, which is easier and more acceptable for them than for women, some turn to alcohol and some to crime. While the latter puts them at risk, many are prepared to take the risk in order to gain some kind of income.

In twelve of the communities, separate discussions were held with children under 14 years and with young people 15 to 25 years of age: five hundred children and youth participated. While some poor children do receive help from neighbours, friends and family, some admitted that in order to survive they or other family members may beg or may earn money by doing odd jobs. Some also said that children may also become involved in illegal activities including stealing, crime, and drug trafficking.

The children generally valued education and saw it as a way for moving out of poverty. However, there was a notable absence of day nurseries and preschool in some communities. Parents' inability to pay for these services even when they are available means that many young children are not adequately prepared for entry into primary school.

Some young people who still live with their parents are in a better position than their peers who, in order to survive and to buy the things that they want become involved in illegal and criminal activities. Several admitted to using and selling drugs, and to being involved in gangs and crime and saw

these activities as providing them with the money they needed to get the things they wanted.

"Poverty affects most teenagers here they end up doing prostitution or drugs."

"When I can't take it no more I get high like a kite to touch the sky."

17. The Causes of Poverty

The SLC/HBS has established the level of poverty in St. Lucia and identified some of the dominant characteristics, including lack of education, unemployment, and labour market segmentation. Together with the PPA, it has been possible to identify situations of chronic poverty, transitory poverty and structural poverty. The precipitous decline of the banana industry, and the shrinking of the export-oriented light manufacturing and assembly sector created severe unemployment. The fall-out in bananas, dictated by external factors, also precipitated a massive rural urban drift, leading to the depopulation of the countryside.

The surviving foreign exchange earning sector did not achieve rates of growth enough to absorb labour being shed in manufacturing and in banana production. Moreover, the lack of skills in the labour force does not make it attractive enough to encourage investment in other competitive industries. The labour force is not yet well equipped for competitive participation in the knowledge-driven economy of the early 21st century. The country lacks the institutional structures to cope with the impact of trade adjustment and the support provided from the international community

to the Government has been inadequate to the requirements. The internal financial and other resources are equally deficient.

A number of social problems have followed in the wake of this structural difficulty in the national economy. In addition to rapid growth of slums in the urban areas, there is a developing informal sector, and underground economy, integrating St. Lucia into the international narco-trafficking industry as a transshipment point for drugs coming from South America and as a market in itself. There is evidence of conditions of anomie in some of the marginalized urban communities. All of this has exacerbated other socio-cultural problems: there is segmentation of labour markets that exclude women, including single mothers as heads of households, and the decline of the extended family has left many of the elderly living alone.

18. Institutional Structure

St. Lucia has a range of institutions that are interstitial in the process of social and economic change and that modulate the impact of the structural and other problems that exist in households, communities, and that individuals face. Most of these are state organizations. There is a relative dearth of NGOs and CBOs, but among these few there are some very effective organizations that are worthy of emulation.

Having regard to the structural adjustment imposed on the country by the decline in two of its key foreign exchange earning sectors, the country would have been well served if there was capacity for trade

adjustment built into its formal structures. Unfortunately, this has been lacking, especially in relation to the needs of the banana industry, agricultural diversification and the management of the decline in the light manufacturing sector.

St. Lucia, like the rest of the Commonwealth Caribbean, is only slowly adjusting to the reality of radical changes in external conditions, which make it imperative to organize its work-force for as orderly a withdrawal as possible from declining sectors and for a shift to new activities. The PRF was established to support the adjustment process by way of capacity building in a general sense and its role was to assist with funding mainly of other organizations and institutions.

There are a host of other institutions and organizations, which generally have provided services to their client groups and while most of them perform developmental, supportive, remedial and preventive functions, their reach is not universal and the at-risk groups in the society do not have access to the full range of services needed. While some communities have benefited from the services of a range of these institutions, some others have had few interventions from any. Absence of interventions has contributed to the persistence of poverty in rural communities like Park Estate. At the same time, there are urban communities that need dedicated community development services that take account of the breakdown in values and potential anomie, and the potential for social dysfunctionality.

While public assistance and old age pensions are the primary mechanisms used to transfer resources to the poor, the sums provided fall far short of the indigence line or food poverty line. In other words, the transfer payments from the state may help the poor but they are inadequate to meet their minimum dietary requirement to maintain good bodily health.

There are organizations and institutions engaged in some path-breaking initiatives that may, if properly resourced, contribute to the transformation of St. Lucia and assist in the necessary transition that it has to undertake to face the reality of a competitive international order, driven by the swift application of new knowledge in the production of goods and services. While St. Lucia has performed well on the MDGs, there is need to revisit its institutional structures to secure a shift to a higher productive platform that is the only real safe-guard against poverty of the type that it has experienced.

POLICY IMPLICATIONS

There are a number of implications that arise from this study:

- There is need for improvement in the management of the macro-economics of structural adjustment: reliance on slow-to-respond international partners might have frustrated some of the domestic initiatives;

- The social fall-out of adjustment requires coordinated approaches in community interventions: the depopulation of Micoud and the concentration of people in Faux a Chaux presents problems for community development, the one being the complement of the other;
- The ‘new’ attractive rewards system in the underground economy while being highly attractive will be corrosive to the development of human capital;
- The development of the safety net has to be addressed positively with a view to protect the groups at risk;
- The upgrading of the work-force must be at the centre stage of the investment strategy and industrial policy of the country;
- There is need for behaviour change in attitudes to education and training and to health. This can be achieved through social marketing to induce *a yearning for learning*, and to enlist public commitment to wellness: this is an imperative;
- Local government reform is necessary to encourage fuller participation and involvement of people in their communities;
- There is need to reform the tax system and to provide more levers at the disposal of the government to deal with transformation objectives which, if left to the dictates of international donors, is likely to result in mismatch between measures and the needs of domestic clients;
- Security of the individual has declined several notches with the increase and spread in the use of illegal weapons: timely investment in security to arrest the entrée of more weapons is likely to cost less than the social and economic consequences of increases in crime and its likely impact on the vital tourism industry.

A five point minimum platform for poverty reduction has been derived from the analysis. This is presented in Table 8, along with specific measures required.

TABLE 8: PLATFORM FOR POVERTY REDUCTION: SPECIFIC MEASURES

| PLATFORM | MEASURES |
|---|---|
| Development of the population to be effective participants in the knowledge economy of the 21 st century: benefits to be derived through human assets | <p>Upgrading the workforce through education and training and utilization of user-friendly approaches and programmes designed to encourage participation and a yearning for learning among those who have already left school</p> <p>Social marketing</p> <p>Special provision to support education and training of mothers, especially single mothers, so as to improve their participation in the labour market. Such provisions to include day and evening care services</p> <p>Social marketing of wellness to encourage behaviour change to health management, control of chronic diseases and the spread of HIV/AIDS</p> |
| Mobilization of financial resources from abroad and through the tax system so as to allow the country greater leverage in pursuing strategies that are geared to greater participation of nationals and regional entrepreneurs in the pursuit of development of the country | <p>Macro economic adjustment supported by an industrial policy, private sector cooperation and tax reform</p> <p>CDB coordination of major donor support to ensure timelines in disbursements, especially in relation to trade adjustment initiatives.</p> <p>Mobilize resources from St Lucians abroad through 'inshoring' their savings to domestic institutions that are geared to expanding the productive base of the country. That is 'inshoring off-shore funds' from St Lucians abroad.</p> |
| Coherent and systematic physical planning for management of land assets and resources; through state involvement in real estate investment trusts, and consistent with the needs of agriculture; industry and tourism, including eco, sustainable tourism; and housing. | <p>Renewed efforts at agricultural diversification paying special attention to the support systems, access to credit, marketing and the needs of farmers, including ex-banana farmers.</p> <p>Take into account the scarcity of land and the need for coherent arrangements for the promotion of agriculture and tourism: Improve services for land titling and tenure</p> <p>Development of new nodes of growth through comprehensive physical planning with a view to reduce the rate of population concentration in the north west of the island.</p> <p>In the light of greater frequency of hurricanes and storms in the Caribbean, upgrading building codes, including those related to home construction.</p> <p>Redouble efforts to regularize squatting and slum clearance</p> |
| Where necessary develop a safety net to provide social protection, but with clear mechanisms to graduate those whose condition no longer justify protection | <p>Encourage entrepreneurial development especially geared to promoting the involvement of St Lucians in the expansion of hotels and guest houses, and through locally owned exquisite niche and boutique establishments.</p> <p>Upgrade public assistance so that it is in keeping with the costs of living a healthy and decent life.</p> <p>Empowerment of people through local government reform.</p> |
| In the light of challenges of rapid urbanization and rural depopulation, reorganize the Community Development Department and increase its capacity to assist in social integration. | <p>The Ministry of Social Transformation to coordinate the interventions of other Ministries, and encourage collaboration of state and civil society organisations at the community level, so as to avoid overlap and wastage of resources.</p> |

CONCLUSION

St. Lucia has experienced the travails of adjustment of two of its export sectors. This has created hardship for a population and for a country that has had limited experience in trade adjustment. Given the scale of the changes that have been necessary in the banana industry, elimination of marginal producers has created major social dislocation, initially in rural communities, and with the flight to Castries and environs, and eventually excessive concentration and overcrowding, crime, and other forms of social decay.

The interplay of economic and social factors has impacted on the individual, the family, and the community, and the observed poverty is one dimension of the economic and social crisis that the country has faced. The statistics generated by the SLC/HBS provide measurable indicators of the problems. Through the PPA, the people have voiced their distress, and the institutional analysis has exposed the weakness of the existing structures in managing major economic and social transformation.

The experience that St. Lucia has built up over the last ten years in running pro-poor programmes equips it for a renewed thrust at poverty reduction in the emerging dispensation. There is need for coordination of the machinery of the state with the other interested actors. On the previous occasion, the NAT that was formed to provide for constant monitoring got disbanded with the

reorganization of Ministries and Departments.

It behooves the authorities on this occasion to institutionalize the NAT as part of the required machinery of coordination, evaluation, monitoring and of mobilizing action in the face of the dynamic changes in poverty that would engulf one group in one time period and a different group in another. There is also a rich trove of information being generated by the Department of Statistics that would allow the NAT to continue to monitor and conduct research and provide evidence-based analyses on the dynamics of poverty and social conditions among the population.

In the short term, the country would have little recourse but to depend on the international community for assistance, while it reorganizes its internal structures to generate income and foreign exchange earnings from which it can exact some of the resources needed for its own continued development as well as for administering to the poor. Poverty reduction depends ultimately on industrial policy and strategy.

Also needed is the assistance of international partners that are sensitive to the fact that poor banana farmers cannot wait for fifteen months to be supplied with new seed or research results to embark on diversification. In the absence of support, some farmers have succumbed to their own perspectives of crop substitution with marijuana production. Others faced with the fall-out of trade adjustment have had

similar recourse to the underground economy. The impact of such choices will ultimately lead to problems in St. Lucia itself, but increasingly, these overflow beyond the boundary into the wider regional and international community.

STRUCTURE OF THE REPORT

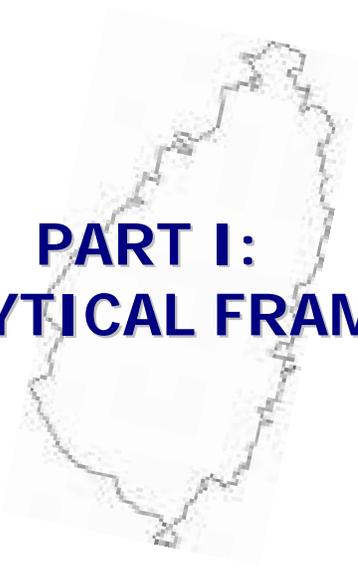
The report consists of four volumes:

Volume 1 The Main Report

Volume 2 The Macro-economic and Social Situational Analysis

Volume 3 The report of the combined Survey of Living Conditions/Household Budgetary Survey (SLC/HBS)

Volume 4 The Participatory Poverty Assessment (PPA) and Institutional Analysis.



**PART I:
THE ANALYTICAL FRAMEWORK**

CHAPTER ONE: INTRODUCTION

The Caribbean Development Bank (CDB) contracted Kairi Consultants Limited (Kairi) to undertake an assessment of poverty in St. Lucia in 2005/2006. This poverty assessment study has two overall objectives. The first is to assess the current living conditions affecting the welfare of people of St. Lucia and analyse the poverty situation, the processes that generate and maintain conditions conducive to poverty, existing responses to the poverty situation and the means available for effective actions to reduce poverty. The second is to identify the policies, strategies and action programmes that would reduce the extent and severity of poverty in St. Lucia, enhance social development and improve the overall quality of life in the country.

This Report, the main output of this study, provides the findings of the Poverty Assessment, and more specifically examines the:

- (a) Characteristics, extent, geographic concentration, severity and causes of poverty;
- (b) Dynamic links between:
 - Employment, unemployment, and conditions in the formal and informal sectors and poverty;
 - Poverty and issues affecting development of the natural resources sector in St Lucia;
 - Poverty and social development issues affecting the country;

- Structural changes in the society (economic and social) and the generation, maintenance or reduction of poverty;
 - Governance and poverty.
- (c) Impact of the social and economic policies and institutional and legal environment on poverty, the regulatory social and legal framework, the institutional arrangements and socio-cultural systems of the country;
 - (d) Constitutional, legal and policy framework for meeting the United Nations Convention on Human Rights; and
 - (e) Effectiveness of existing responses by government institutions, non-governmental organisations, (NGOs) and community-based organizations (CBOs), to the poverty situation.

In addition, the Report offers recommendations and a programme of action which sets out strategic options for addressing critical issues emerging from the study, including recommendations to improve existing social development interventions, and the institutional and legal framework. Kairi also trained the National Assessment Team (NAT), which was appointed to work with the Consultants in every component of the Study.

1.1 ANALYTICAL FRAMEWORK AND APPROACH

One of the most important observations that can be made about poverty is that it is a multi-dimensional phenomenon and therefore there is need for a broad definition. Sen (1987)² in his work on famine, proffered the concepts of entitlements and capabilities that call attention not only to food requirements, and the importance of freedom from hunger, but proclaim the desire of most persons for self-actualization.

In today's world, this means access to basic education, to primary health care, to personal safety, to the supply of information necessary to make informed choices, and to participation in the running of the society. It also means being a part of a cohesive self-affirming social network. Latterly, Sen (2000) has defined development as freedom, that is to say the freedom of the individual to live the life that he or she desires³. Such conceptualizations broaden our understanding of poverty along two lines. In the first place, they alert us to the fact that in our understanding of poverty there are goods and services that are essential to the well being of the individual that are outside of the individual's control. These have to do with the existence of social

infrastructure and the provision of social services by the State.

Secondly, we are alerted to a conceptualization of poverty that entails the non-possession of tangible as well as intangible things. According to this conceptualization, poor people are now deemed to be, not only those that suffer from lack of food, clothes and shelter, but also those whose personal and social circumstances limit the range of choices that they are free to make in the process of attaining self actualization.

Perhaps the most well known practical expression of this conceptual development is the UNDPs, Human Development Report (HDR) and its Human Development Index (HDI). The HDR defines development as the process of enlarging people's choices, and is based on a poverty index that includes life expectancy and literacy. This kind of conceptualization has also influenced the World Bank. In 1999, the World Bank described poverty as "multi-dimensional, extending from low levels of health and lack of education, to other non-material dimensions of well-being, including gender gaps, insecurity, powerlessness and social exclusion."

A corollary of this second dimension of poverty and one that is important in strategizing for its eradication is that the poor possess intangibles in the form of social capital that constitute an important part of their survival strategy. Social capital speaks to the trust that exists between citizens in a nation, or members of a community. It determines the quality of

²Sen, Amartya. (1987). *The Standard of Living*, Cambridge: Cambridge University Press.

³Sen, Amartya. (2000). *Development as Freedom*, New York, USA: First Anchor Books (a division of Random House Inc.).

social relations as measured by their cohesiveness and the extent to which they are informed by goodwill. Social capital affects economic activities and relationships in any society since they are embedded in social networks.

Intrinsically related to this concept of social capital, are the coping strategies used by the poor to deal with and to survive in their social conditions. Coping strategies can take a variety of forms, some of which are detrimental to overall socioeconomic well-being, while others may be positive and can inform social policy for the eradication of poverty.

This assessment of poverty and living conditions in St Lucia embraced a multi-dimensional view of poverty. For present purposes, poverty is defined in terms of deprivation, as any situation in which an individual, or group possess less than some standard of living that has generally been defined as acceptable. The poor are those in society who suffer disadvantage in regard to the possession of goods, or facilities deemed to be necessary according to some generally accepted social standard, or some fundamental physical need.⁴ There are two facets to this definition, one relative the other absolute. Both definitions are utilized in the Country Poverty Assessment (CPA): the first is used in the quantitative study, where persons are deemed poor if their average consumption expenditure falls below some dollar value, which is referred

to as the ‘poverty line’; while the second which is more socio-cultural in its orientation, comes into play in the Participatory Poverty Assessment (PPA).

The Study combined both quantitative and qualitative research methods, each with its own merit, to provide a comprehensive picture and a multi-dimensional view of poverty in St Lucia. The study consisted of four main components: a macro economic and social situational analysis, a combined survey of living conditions and Household Budgetary Survey (SLC/HBS), a participatory poverty assessment (PPA); and an Institutional Analysis. In the implementation of Study, specific training was provided at every stage, always with a training session mounted prior to the start of the respective component. This has ensured that there are members of the NAT with skills in the respective areas.

1.2 THE 1995 ASSESSMENT VERSUS THE 2005/2006 ASSESSMENT

The Government of St. Lucia (GOSL) initiated the assessment of poverty in 1995, with a study financed by the CDB. That study provided the basis for many of the interventions that have been undertaken over the years and was responsible for some of the institutional structures established to combat poverty in its various dimensions. Box 1 summarizes the key findings of the 1995 Study.

⁴ Dennis A. V. Brown, ‘Surveys of Living Conditions, Reported Health and Poverty in the Caribbean,’ *Social and Economic Studies*, UWI, Mona, 2007 Forthcoming.

| BOX 1: POVERTY ESTIMATES FOR ST. LUCIA FOR 1995 | |
|---|------------|
| INDICATOR | PERCENTAGE |
| • Poor Households | 18.7 |
| • Poor Population | 25.1 |
| • Indigent Households | 5.3 |
| • Indigent Population | 7.1 |
| • Youth Population | 23.8 |
| • Elderly Population | 19.5 |
| • Female Population | 24.7 |
| • Male Population | 25.5 |
| • Male Heads of Households | 17.4 |
| • Female Heads of Households | 20.4 |
| • Urban Households | 11.7 |
| • Rural Households | 22.5 |
| • Urban Population | 16.3 |
| • Rural Population | 29.6 |

This current Assessment represented an opportunity for comparative examination of the results of the previous study with the current findings and for evaluating the progress the country has made, since then, in meeting the needs of the poor.

However, it must be emphasized that whereas the SLC of 1995 was based on the recall of expenditures of representatives of 600 households or 2,200 persons, the SLC/HBS of 2005/06 was based on data collected from 1,222 households, or 4,319 persons representing 2.78 percent of the population, and the data collected on expenditures came from diaries completed by individual spenders in the households.

The use of diaries for the household budget component of the survey accords an advantage to the 2005 survey since the expenditure data on the individual spenders were likely to be far more robust than data based on the recall of one respondent, representing the household, as was the case in the survey of 1995. The most recent survey was suspended over the Christmas period of 2005, to avoid its being unduly impacted by festivity related expenses. In that regard, the surveys were equally free of influences.

The comparison may suggest longitudinal analysis. However, each of the surveys is specific in time and is cross-sectional. Like other living conditions surveys of Caribbean society, they combined three fundamentally different categories of persons living below the poverty line. The first of these groupings is the *chronic poor*, or those individuals and households that have been poor for more than one generation. The second are the victims of *structural poverty*, or those individuals or households living below the poverty line, who have fallen into impoverishment as a result of recent structural changes in the economy. The third are the victims of *transitory poverty*, in which individuals or households move into and out of poverty on a seasonal basis, or with the periodic rise and fall of economic activity to which some sectors may be prone.⁵

⁵ See Thomas, C.Y. (1997). "The Interrelationship between Economic and Social Development," in Norman Girvan (ed.) *Poverty, Empowerment and Social Development in the Caribbean*. Kingston, Jamaica: Canoe Press, University of the West Indies.

1.3 STRUCTURE OF REPORT

The Report is organized into four Volumes. This Volume, the main report, draws on the results of all the components of the study in providing an overview and analysis of the poverty that the country has experienced in recent times. The findings are the basis for a range of recommendations for poverty

reduction in St. Lucia. Volume II provides an in-depth analysis of the macro-economic and social conditions in St. Lucia over the previous ten years. Volume III provides a more extensive discussion of the compilation of quantitative estimates of poverty on a host of dimensions. Volume IV provides a full elaboration of the qualitative component of the study.

CHAPTER TWO: METHODOLOGY

The methodologies applied to the various components are detailed below. Deeper discussion of the issues presented are available in the respective volumes of the report which deal with the particular area, or in technical appendices where referenced.

2.1 THE MACROECONOMIC AND SOCIAL SITUATIONAL ANALYSIS

The macro-economic and social situational analysis relied on secondary information collected mainly from governmental institutions and from research exercises that have been conducted in recent years. The macro-economic data were sourced from reports of the Government and of the Eastern Caribbean Central Bank (ECCB), in respect of such items as public expenditure and revenue, Gross Domestic Product (GDP), exports and imports, savings, investment, and employment. There were reports that have addressed social conditions in the society, including the impact of pro-poor interventions.

2.2 THE SLC/HBS

This component of the study collected the quantitative data on living conditions in St. Lucia. This was the source for the calculation of the indigence line, and the poverty line and for deriving estimates of vulnerability. The SLC/HBS 2005 was a comprehensive survey which combined a survey of living conditions with a survey of

household income and expenditure, and collected information from a sample of 2.78 percent of households, across the country, during the last quarter of 2005 and in the first quarter of 2006.

The HBS component of the survey was also important in revising the list of goods and services in the consumer “basket” and consequently the weighting patterns of the Consumer Price Index (CPI). A change in the CPI is sometimes referred to as “the inflation rate” and is a key economic indicator which measures the changes in the purchasing power of money.

The sample for the SLC/HBS 2005/2006 was selected from a sample frame derived from the 2001 population census. For convenience, both in selecting the sample, and for field enumeration, a two stage stratified systematic random sample selection process was used. At the first stage, Enumeration Districts (EDs) were selected based on a sampling frame constructed from Census Enumeration Districts (EDs): the size of each ED included in the frame was measured in units of clusters of households, of approximately ten households per cluster. The EDs are described as Primary Sampling Units (PSUs). In the second stage, one cluster of households is randomly selected from the selected PSU or ED with probability proportional to size. The number of assigned clusters (or sample interval) in a particular ED is proportional to the size of

the ED. The cluster selected is non-compact in the sense that its members are chosen by systematic random sampling throughout the chosen ED. Stratification of the frame ensures that the EDs selected truly represents the characteristics of the domain of study thus improving the precision of sample estimates.

The questionnaires were almost entirely pre-coded to eliminate errors in the coding process, often a source of various types of errors. Since this survey was a combined Survey of Living Conditions and of Household Budgets, it was administratively particularly difficult to implement. The survey covered the period August 2005 to February 2006. The use of this time period ensured that the low season of economic activity (usually taken to be June to October) was reflected in the period August to October and the high season was reflected in the period November to February. The last two weeks of December 2005 and the first two weeks of January 2006 were excluded due to the anomalies in expenditure presented by this period of time.

All questions in this survey which requested information on household expenditure had to be coded using an adapted version of the UN's COICOP (Classification of Individual Consumption according to Purpose). This meant that aggregates such as food had to be built by adding detailed components of that group in the classification system. This presented computer programming and other related challenges.

More detailed information on the sample design and methodology of the SLC/HBS can be obtained in Volume Three. A Sample questionnaire is also attached as an Appendix to Volume Three.

2.3 PARTICIPATORY POVERTY ASSESSMENT

The Participatory Research Approach and Methodology was used to engage people in seventeen selected communities. Teams of local Field Research Facilitators and some members of the NAT were trained in the use of the participatory research methods and techniques that were used to collect and generate large amounts of mostly qualitative data.

Using a participatory, experiential learning model, a number of training workshops were conducted to engage some members of the NAT and the Field Research Facilitators in a process of reflection and analysis of their perceptions and experience of poverty and deprivation, to expose them to the theory and practice of participatory research, and to involve them in practical exercises through which they obtained and sharpened their skills in using a variety of data collecting instruments.

The Participatory Poverty Assessment (PPA) generated a variety of qualitative data at the micro level on the type, nature and distribution of poverty and deprivation in 17 selected poorer communities in St Lucia. This assessment gave deeper meaning to the quantitative data generated by the SLC/HBS and to the data collected in the Institutional Assessment. The emphasis

in the PPA was on listening to the voices of and obtaining the views and perspectives of people living in poorer communities. During the PPA personnel in the certain state agencies and Non Governmental Organisations (NGOs), as well as community residents were exposed to a significant amount of training.

Additional information on the methodological approach of the PPA can be obtained in Volume Four.

2.4 INSTITUTIONAL ANALYSIS

The Institutional Assessment (IA) was conducted on selective institutions and organisations operating in the country and whose interventions and programmes are of relevance for improving the living conditions of poorer people. The

The Institutional Assessment involved the collation of data through interviews with personnel responsible for key governmental agencies and civil society organisations, and from secondary information available on their operations. This was supplemented by data obtained during the PPA from community residents, on institutions and organizations working in their communities, including comments on the effectiveness of their interventions.

The use of a variety of data sources and collection methods in the various components of the study allowed for the triangulation of primary quantitative and qualitative data from the survey and the PPA, of information collected on the economy and society, and of the data obtained from interviews with representatives of key organisations.

CHAPTER THREE: SOCIO-ECONOMIC CONTEXT

The poverty witnessed in St. Lucia at the time of the survey, and currently derives from a variety of sources, including economic, political, social and psycho-social and cultural factors, all interacting with, and impacting on one another, and contributing to the reality faced by households and communities, in this island state.

3.1 INTERNATIONAL AND MACRO-ECONOMIC CONTEXT

The economic and social reality of St. Lucia has been shaped in large measure by its relationship with the rest of the world. In the colonial period, it was a tropical appendage of Britain, whose entire *raison d'être* was its capacity to supply primary raw materials. St. Lucia continues to be linked to the international economy by its exports of primary products. Since political independence in 1979, there have been attempts to diversify by developing alternative sources of foreign exchange earnings: by the late 1980s, light manufacturing and tourism had emerged as viable activities outside of export agriculture, with bananas continuing to contribute to the GDP with good prices and rising output.

3.1.1 BANANA ADJUSTMENT

The major changes in the rules under which it could market its bananas led to the near

collapse of this major sector in the economy of the island. During the period of decolonization, as the Caribbean moved to self-government and eventually to political independence, the Region was able to negotiate terms and conditions that ensured continued market access for their agricultural primaries. Commonwealth Caribbean countries had successfully marshalled arguments for their being accorded what has come to be called *special and differential* status by way of:

- Preferential access for their exports
- The maintenance of non-reciprocal protection
- Longer adjustment periods within which to implement liberalisation

Along with ex-colonies in Africa and the Pacific, Caribbean countries negotiated the Lome Accord which was an attempt to bring a coherent structure to a range of trading arrangements between the European Countries and their ex-colonies. This was subsequently updated by the ACP (African, Caribbean and Pacific Countries) Accord as the European countries moved to deepen their economic relations.

The formation of European Single Market brought a major negative impact on Caribbean bananas. There was need to rationalize arrangements such that there would be one regime for the import of bananas into member countries of Europe.

The special regime that the Windward Islands enjoyed with Britain had to be modified to accommodate to the arrangements that were in place in other parts of Europe in respect of banana imports from Central and South America. Windward Island producers had hardly adjusted to this new requirement when, with the formation of WTO, there started the thrust to expedite liberalization by removing all trade barriers among countries. The continuing special arrangements between the European Union and Caribbean producers of bananas came under attack from Latin producers and the United States, and WTO eventually ruled in

favour of the countries challenging the EU import regime.

There were attempts on the part of the European Union and development partners to assist St. Lucia to make a transition to the new dispensation of more open markets for bananas. Box 2 chronicles some of the more important efforts. This assistance, however, did not seem to prevent the precipitous decline in the banana economy, and with that, the collapse into poverty for a large section of the farming community of St. Lucia, thus betraying the weakness of the economy and its vulnerability to external forces.

BOX 2: ADJUSTMENT AND BANANAS

Attempts were made by Regional and International donors to manage the transition of the banana industries in the Windward Islands. Baseline studies funded by the Caribbean Development Bank, EC, DFID and UNDP (and later France), were expected to lead to the restructuring, modernization and commercialisation of the Windward Islands banana industry. The resulting Windward Islands Action Plan (WIAP) of 1999, developed *inter alia*, a Divestment Plan for government and other shareholdings in the Windward Islands Banana Development and Exporting Company (WIBDECO) to individual farmers, the design of social recovery programmes developed for displaced banana growers, and an Industry Strategy to achieve a competitive, sustainable and efficient marketing structure. WIBDECO later elaborated a document entitled *Proposals for the Development of a Modern Sustainable Windward Islands Banana Industry* in 2001.

Article 186 of the Lomé IV Convention provided compensation for loss of export earnings on certain agricultural products on which countries' economies are dependent and which are affected by fluctuations in price or quantity or both. The Windward Islands, including Dominica, Grenada, St. Lucia and St. Vincent and the Grenadines all qualified for assistance under the STABEX mechanism, which was part of the European Development Fund (EDF). Since 1995, a significant portion of the STABEX allocations for each of the Windward Islands has been operated by direct transfer to the budgets of the Government, with the intention that funds be used to target capital investments within the overall national Public Sector Investment Programme (PSIP) of each country.

In an effort to streamline and simplify instruments of cooperation, horizontal instruments have been developed within the EDF as part of *Economic Partnership Agreements*. In 1999, another instrument was created to provide assistance to ACP Banana producers in the transitory period - the Special Framework of Assistance (SFA). Using funds from the EC budget (as opposed to the European Development Fund): the SFA offers further assistance to ACP banana producing countries, in their efforts to enhance competitiveness, diversify the agricultural sector, upgrade human resources; and to create safety nets for former producers.

3.2 VULNERABILITY

St. Lucia has an acute case of vulnerability. Like most Small Island Developing States (SIDS), its vulnerability stems from economic exposure, insularity and susceptibility to environmental events and hazards. According to Briguglio (1995), the defining characteristic of SIDS is their inability to shelter themselves from forces outside of their control⁶.

The country's economic survival depends on its exports which have consisted of banana exports, light manufactures and tourism. Two of the legs of this 'tripod' have weakened in recent years – bananas, and light manufactures – with the result that, in spite of the attempts at diversification, it has become even more dependent on one sector – tourism – which is now the main stay of its foreign exchange earnings. Its vulnerability has been heightened by the exposure to hurricanes of higher intensity: Hurricanes Ivan in 2004 and Katrina and Emily in 2005 have brought home forcibly the reality of climate change and its impact on small island economies in the Caribbean.

While it has sought and won assistance on the basis of its status as a SIDS, and thus in need of *special and differential treatment*, its

export capability has been weakened by events of recent years. Change in trade access has had devastating 'Ivan-esque' effects on the economy of St. Lucia. By the middle of the decade of the nineties the formation of the North American Free Trade Area (NAFTA), and the push on the part of a number of Central American countries and the Dominican Republic to take advantage of the Caribbean Basin Initiative (CBI) made its labour intensive manufacturing uncompetitive. At the same time, following the unification of Europe and the creation of the World Trade Organisation (WTO), there were also major reverses in the banana industry. The dramatic impact on the Windward Islands and on St. Lucia is seen in Figure 3.1. This has meant that revenue from bananas fell from US \$72.2 M to US \$16.6 M: earnings in 2003 were just 23 percent of what they were in 1992: in real terms the decline was even more devastating.

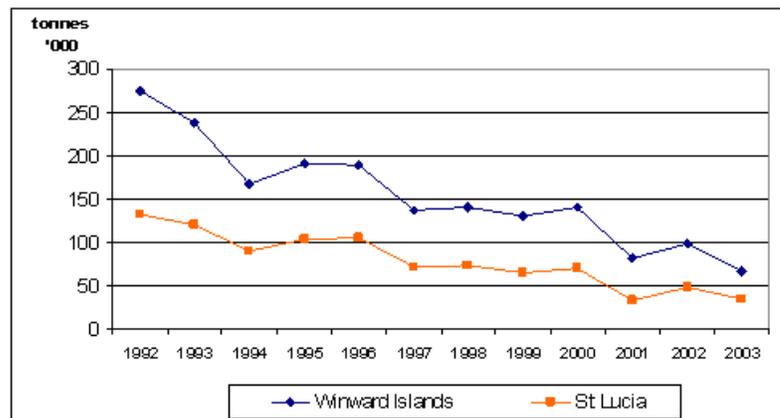


Figure 3.1: Banana Exports (1992-2003), Windward Islands and St Lucia

⁶ Briguglio, L. 'Small Island Developing States and their Economic Vulnerabilities,' *World Development*, Vol. 23, No. 9, 1995.

3.3 RECENT ECONOMIC PERFORMANCE

Since the middle of the last decade the issue of gravest significance has been the decline in the Agricultural Sector and of the Banana Industry in particular, and while attempts have been made to diversify the agricultural sector, when compared to exports of bananas, the size of exports of non-banana agriculture and the level of growth were miniscule. Consequently exports and production of non-banana agriculture were unable to replace bananas either in terms of employment or production. The effect has been the spreading of a pall of doom and gloom across the agricultural communities of St. Lucia.

In addition attempts at creating a financial services sector were being made at the same time that these became subject to the hostile gaze of the Organization for Economic Development (OECD) countries as part of their alleged concern over money laundering, but which was really about off-shore financial centres creating an opportunity for tax avoidance among large corporate entities.

The country's most recent economic performance has been modest. GDP in constant prices fell in 2000 and 2001. In real terms, there was a 13 percent increase in output between 1998 and 2003. Manufacturing fluctuated and grew by less than the average – 10 percent over the period. To the extent that there was any increase in manufacturing, this would have been due to an expansion in production to

serve the domestic market, primarily with food and drink, but expansion on the basis of domestic demand must be severely limited, in the circumstances of St. Lucia, because of the miniscule population, relative to most production plant.

Tourism, the lead export-oriented sector, grew by 25 percent during 2005/06. There has been a rebound in the industry following the impact of September 11, 2001, but the country has to contend with increasing competition within the Caribbean region and the increased reliance on tourism due to the decline of the banana industry exacerbates volatility in economic activity.

In the first half of 2006, there was evidence that the economy has been growing, with Tourism and Construction in the lead. The stimulus to the Construction Sector came in 2005 with a number of developments related to the ICC Cricket World Cup tournament planned for 2007. This, along with road and other infrastructure development, has created a boom in Construction.

3.4 FISCAL CHALLENGES

The role of Government takes on a special significance. In the absence of strong private sector growth, the Government has to stimulate economic activity, but the resources for so doing tend to be limited. A notable feature of the fiscal operations of the country has been the heavy reliance on indirect taxes. For 2005/06, taxes on goods and services and on international trade

transactions accounted for 68 percent of current revenue. There is need for downward adjustment in tariffs and duties, as a requirement for the Caribbean Community (CARICOM) and for compliance with international practice and commitment to reduce barriers to the freer movement of goods and services.

The Government has had to face the challenge of raising revenue to assist in the transformation of the economy, and at the same time, manage the fall-out from an adjustment which has wrought havoc on the lives of large sections of the society. There has been an inexorable rise in recurrent expenditure, pushed in large measure by the need for the Government to expand services in such areas as education, health, and the social services. Recurrent expenditure in 2005/06 was 22 percent of GDP; this underlines the fact that Government is a large player in the domestic economy.

In the financing of capital expenditure the Government has had to rely heavily on loans and grants. While St. Lucia is not the most indebted among the Commonwealth Caribbean countries, it does face some major financing gaps. According to the CDB, between 2004 and 2005 the public debt increased by 6.3 percent and the external debt grew by 8.4 percent. Central Government Debt Service increased from 24.8 percent of Current Revenue to 34.7 percent.

These fiscal challenges have forced the country to rely heavily on creditors and

donors, with the result that the Government is heavily dependent on sources of funds from outside the tax system to undertake much of the existing capital investment in the economic and social infrastructure of the country. This also means that St. Lucia is at the mercy of these external agencies and of their rules and procedures on disbursement: these may not always be sensitive to the needs of its people, and more so to a farming community that once derived a weekly income from exporting bananas.

The close of the decade of the 1990s and the beginning of the 21st century found St. Lucia in a period of acute adjustment. Consequently, although the country could be described as middle income on the basis of the accepted indicators, its limited economic base displays all the features of vulnerability that are characteristic of SIDS in the face of the forces of globalisation.

3.5 GOVERNANCE

Representative government is well institutionalised in St. Lucia. The House of Assembly and the Senate constitute the legislature of the country. There is a multi-party democracy, with two main parties in place. There is the occasional rise to prominence of independent candidates or smaller groupings that eventually become absorbed in one or the other main parties. The legislature is male dominated: in the first elections of the present decade, two women were elected and both were given Cabinet positions. The Governor General,

who is female, is the representative of the Queen of England who is the Head of State. The ruling party at the time of the survey, the St. Lucia Labour Party, was re-elected to a second term in office in 2002. It had won by a landslide in 1997, defeating the United Workers Party that had been in power for a number of terms. There are no major ideological differences separating the two main parties, and political contests tend to be dominated at times, by personality issues. In spite of its title, the St. Lucia Labour Party is not an arm of any formal labour organization. At the most recent polls, United Workers Party dislodged the St. Lucia Labour Party, and now forms the Government of the country.

Although the GOSL remains an important actor in the economic life of the country, there is a vibrant private sector comprised of domestic and foreign interests and a wide range of small and medium sized enterprises. The Government is committed to free operation of market forces: the outgoing administration had set in place an Office of Private Sector Relations (OPSR), which provided assistance to the private sector, and was the mechanism through which it maintained close relations with it.

In spite of the announced intention to develop local governance structures and to endow them with certain powers, there had been little real movement on the decentralization of the political administration. With support from CDB, this issue has been the subject of formal study, and recommendations have been made on the modalities of implementing

local government reform. Local Councils do exist, but these are appointed by the Government. However, this has not prevented the growth of independent Community Based Organizations (CBOs) with executives elected by their members, and which exercise considerable influence in the geographic areas in which they operate. The Laborie Development Foundation (LDF) and the Soufriere Regional Development Foundation (SRDF) are two such examples.

One major recent issue in the politics of St. Lucia was the matter of abortion and pro-choice. One member of the previous administration withdrew from the party over the matter and resigned her seat to force a by-election. She subsequently lost at the polls in seeking a new mandate from constituents. This suggests that the electorate has concerned itself with issues facing the population, rather than with personality issues.

Meanwhile, the strong Catholic lobby took issuance with the perceived legalization of abortion provided for in Clause 166 of the revised Criminal Code in 2004. The Clause provides for abortion on the grounds of rape, incest or in the interest of protecting the mother's health or life. While St. Lucians may be divided on the issue, it did not appear to have been a factor in the last elections, according to some observers.

There are no daily newspapers, but there are a couple of weekly and thrice weekly publications, which air the views of a wide cross-section of the population. There are

also a number of privately run radio stations, catering to a wide range of audiences. A number of programmes in Creole enjoy a listener-ship among those sections of the society that feel greater comfort in speaking Creole.

There are also talk-shows which have considerable audience, and which provide avenues for critique and outright criticism of the Government. The Government introduced legislation in 2003 which was deemed to be draconian in some quarters in that it provided for the incarceration of anyone who knowingly publishes false news with the intention of creating harm to the society. Whatever the legislation in place, St. Lucians seem not to have any fear of censorship and there is open discussion on most matters that excite public interest.

Roman Catholicism remains the dominant religion of St. Lucia, but has to contend with the rise of evangelical and other Christian denominations that have come in mainly from the United States. Tele-evangelical programmes attract a substantial audience as well. While still influential, especially in the area of education, the Roman Catholic Church is no longer the dominant force that it was in the 20th century.

There are at least a couple of areas in which there is considerable divergence between the formal observance of international conventions and the actual provisions within the country for the implementation of these conventions. One relates to the provisions in place to give effect to the rights of persons with disabilities. The country is still at some considerable

distance from the implementation of the United Nations Standard Rules on the Equalization of Opportunities for Person with Disabilities (PWDs).

Another area is the observance of the conventions of the International Labour Organisation (ILO). The country has ratified some 28 conventions of the ILO, but there is debate among the social partners as to the degree to which the country is abiding by these conventions. The legislative agenda tends to lag behind the formal acceptance of conventions, and this may have a negative effect on those in the lowest socio-economic categories.

There has been some advance in social legislation in recent times and some updating of legislation relating to adoption. Issues relating to gender are handled by a Department of Gender Affairs in the Ministry of Health, Human Services, Family Affairs and Gender, but there are still elements of the law that do not accord equal rights in respect of property to married women vis-à-vis their husbands.

Generally, the country has performed well on the basis of governance indicators developed by the World Bank (Table 3.1). However, its relatively low ranking (62) for government effectiveness, is a reflection of the difficulties the Government has experienced in managing the process of structural adjustment of the economy and because of the inadequate provision of public facilities and services to the communities as demonstrated in the PPA and identified by community residents.

Table 3.1: Governance Indicators by Country (Percentile Ranks, 2004)

| Countries | Governance Indicators | | | | | |
|------------------------------|-----------------------|----|-----|----|----|-----|
| | VA | PS | GE | RQ | RL | CC |
| Antigua And Barbuda | 62 | 92 | 64 | 73 | 82 | 82 |
| Bahamas | 87 | 81 | 88 | 75 | 88 | 88 |
| Barbados | 88 | 98 | 86 | 78 | 87 | 80 |
| Belize | 74 | 66 | 61 | 62 | 58 | 55 |
| Bermuda | 79 | 84 | 89 | 83 | 85 | 82 |
| Brazil | 56 | 44 | 59 | 59 | 47 | 54 |
| Canada | 95 | 87 | 96 | 93 | 94 | 94 |
| Cayman Islands | 71 | 99 | 89 | 81 | 86 | 86 |
| Costa Rica | 84 | 83 | 68 | 71 | 66 | 77 |
| Cuba | 2 | 53 | 36 | 4 | 12 | 33 |
| Dominica | 86 | 89 | 64 | 67 | 68 | 64 |
| Dominican Republic | 54 | 48 | 38 | 42 | 39 | 41 |
| Germany | 95 | 80 | 88 | 89 | 93 | 93 |
| Grenada | 72 | 82 | 60 | 63 | 62 | 72 |
| Guyana | 66 | 33 | 50 | 47 | 40 | 46 |
| Haiti | 9 | 4 | 0 | 14 | 2 | 1 |
| Jamaica | 64 | 37 | 61 | 57 | 43 | 39 |
| Puerto Rico | 81 | 86 | 85 | 74 | 71 | 83 |
| Singapore | 44 | 97 | 100 | 99 | 96 | 100 |
| St. Kitts & Nevis | 70 | 95 | 52 | 65 | 70 | 68 |
| St. Lucia | 78 | 95 | 62 | 67 | 72 | 66 |
| St. Vincent & the Grenadines | 76 | 92 | 63 | 67 | 74 | 68 |
| Suriname | 66 | 58 | 46 | 30 | 46 | 69 |
| Sweden | 99 | 93 | 95 | 92 | 97 | 98 |
| Switzerland | 98 | 95 | 100 | 93 | 99 | 97 |
| Trinidad & Tobago | 62 | 49 | 67 | 70 | 56 | 59 |
| United Kingdom | 94 | 72 | 94 | 95 | 94 | 95 |
| United States | 90 | 61 | 94 | 87 | 92 | 93 |

- VA Voice and Accountability refers to the extent to which citizens of a country are able to participate in the selection of governments, as well as freedom of expression, association and in the media.
- PS The Political Stability index combines perceptions of the quality of public service provision, the quality of the bureaucracy, the competence of civil servants, the independence of the civil service from political pressures, and the credibility of the government's commitment to policies into a single grouping. The main focus of this index is on "inputs" required for the government to be able to produce and implement good policies and deliver public goods.
- GE Government Effectiveness
- RQ Regulatory Quality refers to the ability of the government to formulate and implement sound policies and regulations enabling private sector development.
- RL Rule of Law
- CC Control of Corruption

Source for data and detailed country ratings: 'Governance Matters IV: Governance Indicators for 1996-2004b, by D. Kaufmann, A. Kraay and M. Mastruzzi, www.worldbank.org/wbi/governance.



PART II: THE MAGNITUDE, CAUSES AND CHALLENGES OF POVERTY IN ST. LUCIA

CHAPTER FOUR: THE FACE OF POVERTY

This section discusses the key indicators of poverty and vulnerability and examines the social characteristics of the poor on the basis of quantitative data that have been collected from the combined SLC/HBS and qualitative data and information collected in the PPA. Technical terms and concepts discussed here are defined in the Technical Appendix to this chapter.

4.1 POVERTY AND INDIGENCE

The poverty line is a monetary measure of the minimum consumption, in dollar terms, of goods and services that would allow a household to meet its basic needs. The poverty line, therefore, represents a minimum budget that a household could be expected to spend, over a defined period, if it is to meet its basic food and non-food requirements.

The most commonly quoted statistic in reference to the status of poverty in a country is the headcount index. This is the percentage of the total population that belongs to households whose adult per capita consumption falls below the poverty line. The methodology involved in the construction of the poverty line is detailed in the Technical Appendix to this chapter.

The estimate of the indigence line for St. Lucia in 2005 was EC\$3.40 (US\$ 1.27) per day or EC\$131 (US\$46.06) per month or EC\$ 1,570 (US\$ 588.02) annually. The data reveal that 1.2 percent of households (or 1.6

percent of individuals) consumed at levels below the indigence line.

The poverty line was estimated to be EC\$13.93 (US\$5.22) per day (EC\$423.83/US\$158.74 per month) or EC\$ 5,086 (US\$ 1,904.87) per annum. The data reveal that 21.4 percent of households fell below poverty line. This corresponds to a headcount of 28.8 percent⁷.

Another important indicator of poverty is the Poverty Gap Index, which gives an indication of the depth of poverty since it is a function of the distances of the poor below the poverty line. The poverty gap represents the theoretical minimum cost of eliminating poverty using precise direct targeting of transfers. The Foster-Greer-Thorbecke P2 Index (commonly referred to as the poverty severity index) provides a weighting of the poverty gaps. It gives an indication of inequalities among the poor, by weighting more heavily those that are farthest below it. Table 4.1 presents a summary of these poverty indicators for St. Lucia for 2005/2006.

⁷ Unlike per capita consumption which is measured at the household level as total household expenditure divided by the number of household members, the concept of adult equivalence assigns weights to persons in the household based on their age and sex, using a prescribed scale. Further details on the use of adult equivalence in the construction of the poverty line are provided in Volume III - Quantitative Assessment of Poverty in St. Lucia.

TABLE 4.1: SUMMARY OF POVERTY INDICATORS ST. LUCIA 2005/06

| Population | Percent Indigent | Percent Poor | Poverty Gap | Poverty Severity |
|------------|------------------|--------------|-------------|------------------|
| 164,842 | 1.6 | 28.8 | 9.0 | 4.1 |

4.2 THE CHRONIC POOR

When poverty becomes long term, it translates into *chronic poverty* in a vicious cycle of entrapment. The chronic or long term poor evince certain features that appear integral to their condition. First, they are usually poorly endowed in terms of capabilities that allow them to function adequately in the labour, credit and financial markets. In practical terms, this means that they lack educational and skill certification, have no access to land or other forms of physical capital, beyond miniscule parcels, and tend not to be richly endowed in terms of social capital. They also lack social networks that extend outside of their immediate communities which would allow them to access these markets. Finally, because of their educational and financial capital deficiencies, the chronic poor tend to be socially marginalized and disempowered.

Data from the PPA revealed the existence of chronic poverty in several multi-generational households. Moreover many of these households tended to be headed by grandmothers and comprised large numbers of children, the result of high fertility rates among their female members.

4.3 VULNERABILITY

The vulnerability line is estimated at 125 percent of the poverty line (i.e. 25% above it). It estimates, those in the population who, given their current consumption patterns, are at risk of falling into poverty should any adverse natural disaster or economic shock eventuate. **The vulnerability line was estimated at EC\$6,357.50 per annum; 40.3 percent of the population were estimated to be consuming at levels below this line.**

Table 4.2 provides a summary of vulnerability indicators for St Lucia in 2005/06, which includes such considerations as low educational attainment, high dependency ratio and poor quality of housing. Table 4.3 shows a breakdown of the vulnerable population by age group and sex. These measures relate to the overall estimates presented in the Table 4.2 at rows 2 and 3 respectively. The technical terms are defined in the Technical Appendix to this chapter.

When account is taken of the fact of weak social capital in some communities, female headedness in the context of segmented labour markets, the prevalence of sub-standard housing, and the presence of homes in disaster prone areas, there are households that may not be poor, but are exposed to serious social vulnerability, and in the event of an economic shock or of natural disaster or both would be instantly poor.⁸

⁸ The concept of social vulnerability has been contributed by UNECLAC, and focuses attention on susceptibility of households in the face of weak social capital, sub-standard housing, and residence in disaster prone areas. See http://mdg-guide.undp.org/files/A%20Framework%20for%20Monitoring%20the%20MDGs%20and%20Sustainable%20Human%20Development%20in%20the%20Caricom%20Region_UNDP_2005.pdf.

TABLE 4.2: SUMMARY OF VULNERABILITY INDICATORS FOR ST LUCIA 2005/06

| Indicator of Vulnerability | St. Lucia 2005/2006 | |
|--|------------------------|------------------|
| | % households | % individuals |
| Poverty Headcount Index (Adult Equivalent) | n/a | 28.8 |
| Low per capita household consumption (below 125% of poverty line) | 46.2 | 57.7 |
| Low adult equivalent household consumption (below 125% of poverty line) | 31.5 | 40.3 |
| Low educational attainment (defined as not having passed any school examination) | n.a | 53.5 |
| No schooling (school age children not attending school last week for at least one day) | n.a | 7.0 |
| No employment (no adult employed in the household) | 23.6 | 14.8 |
| Insufficient employment (less than one in two adults employed in the household) | 35.8 | 35.0 |
| High dependency ratio (less than one person of working age for every two persons not of working age) | 11.1 | 12.3 |
| Poor access to safe water (if no piped water) | 4.4 | 3.3 |
| Poor quality of housing (toilet is a pit latrine or worse) | 33.3 | 35.0 |
| Low asset base (whether household has 3 or less out of 9 possible common durables) | 15.7 | 13.2 |

n/a = not available

TABLE 4.3 SELECTED INDICATORS OF VULNERABILITY BY AGE AND SEX

| Percentage of the population | Low Per capita household expenditure | Low Adult Equivalent per capita household expenditure |
|------------------------------|--------------------------------------|---|
| Age: | | |
| 0 to 4 years of age | 68.4 | 43.8 |
| 5 to 15 years of age | 70.3 | 51.8 |
| 16 to 60 years of age | 53.6 | 37.3 |
| 61 and over years of age | 44.0 | 28.6 |
| Sex: | | |
| Males | 57.7 | 42.5 |
| Females | 57.7 | 38.4 |
| All | 57.7 | 40.3 |

4.4 COMPARISON OF POVERTY INDICATORS - 1995 AND 2005/06

The data suggest that the poverty headcount has increased from 25.1 percent to 28.8 percent: however there has been a substantial drop in indigence from 7.1 percent to 1.6 percent. In interpreting these figures it is important to note that while more persons are identified as poor, the severity of poverty has clearly improved as evidenced by the fall in indigence. In other words, activities undertaken by GOSL, the Poverty Reduction Fund (PRF) and other agencies to reduce poverty, may well have impacted the poorest: thus, while poverty might have increased, the percentage of the population living in extreme poverty dropped significantly. The material conditions of the poor in 2005/06 need not

have been worse than in 1995/96. Figure 4.1 presents a comparison between the findings of the SLC of 1995 and the SLC/HBS of 2005/06.

When compared to the 2005/2006 Assessment, the indigence component, or food, represented a much larger percentage of the poverty line in the 1995 Assessment, than it did in the present one (47.5 percent vis-à-vis 30.1 percent).

Another interesting result is the level of inequality in the society. The Gini coefficient of inequality was estimated to be 0.42; an improved result compared to the

result (0.5) for 1995, but nonetheless high. The poorest 20 percent enjoyed just 5.7 percent of the expenditures compared to almost 50 percent enjoyed by the richest 20 percent. It must be noted as well, that the Gini presents distribution of private expenditure or income, and may not reflect the entire picture on distribution since there are ‘public goods’, the distribution of which could have been even more pro-poor thus improving the quality of life of poorer citizens. The differences between poor and non-poor need not be as wide as reflected in the Gini. Figure 4.2 provides a scatter plot of the per capita expenditures for 2005/2006.

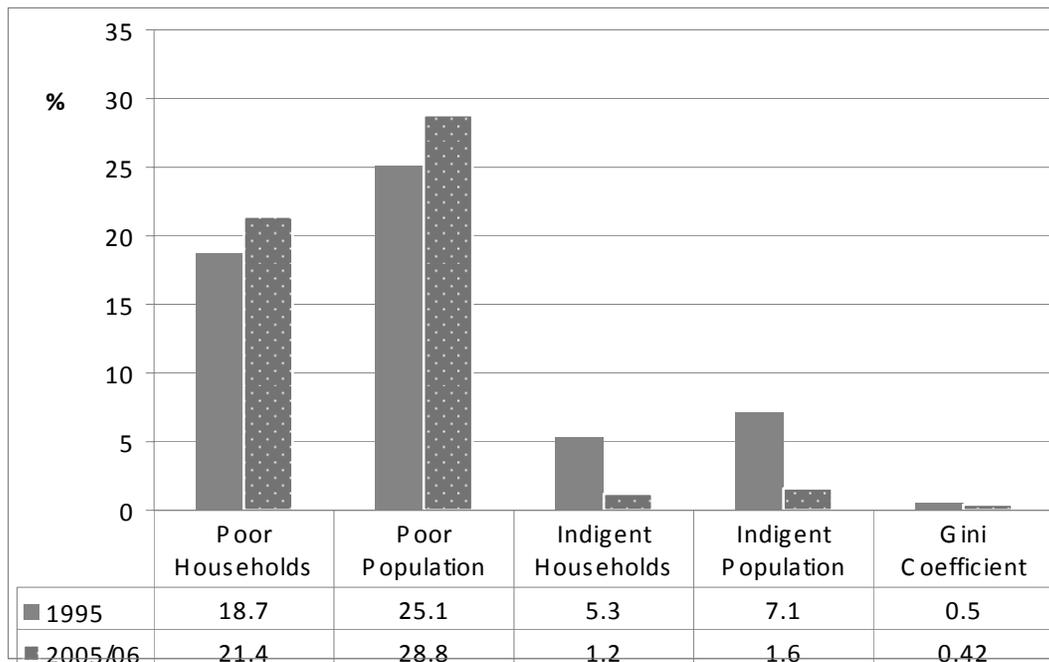


Figure 4.1: Indicators of Poverty, 1995 and 2005/06 compared

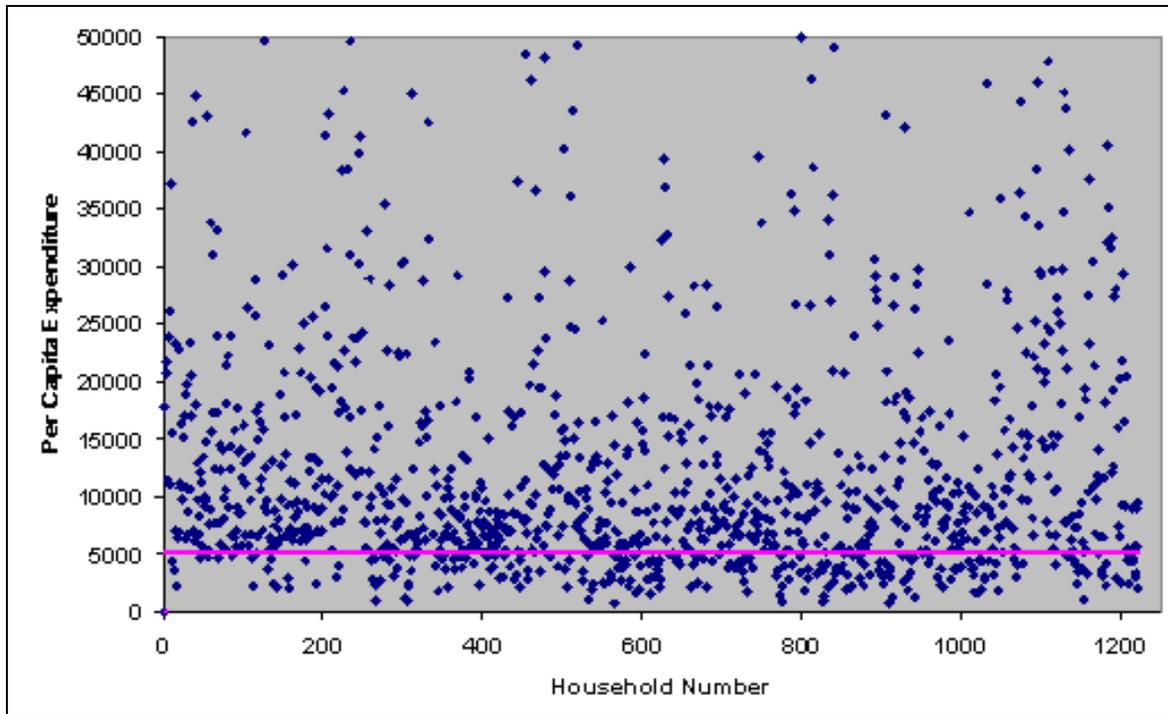


Figure 4.2: Scatter Diagram of Per Capita Expenditures

While the Gini coefficient highlights the inequalities in income distribution at the national level, data from the PPA suggest that other inequalities exist and are important considerations. These include inequality of access to publicly provided services as well as gender inequalities.

Table 4.4 compares the results on other household characteristics over the two surveys. The average size of households and the average number of children per household appear to have fallen, from 3.8 to 3.6 and from 1.5 to 1.1 respectively. Data from the studies show an inverse relationship between the numbers of

children and income. Importantly, the proportion of children in the poorest quintile was much lower in 2005/06 (1.9%) compared to 1995 (2.7%).

There was a slightly larger number of earners per household in 2005 than in 1995. In 2005, a smaller percentage of household heads in the poorest quintile were female than in 1995. Interestingly, even though over the period, the percentage of the households that were male and female headed, for the entire population was remarkably similar, in 2005 a larger percentage of households were female-headed in the two highest quintiles.

TABLE 4.4: COMPARATIVE QUINTILE ESTIMATES
1995/2005

| | Per Capita Consumption Quintiles | | | | | All St Lucia |
|--------------------------|----------------------------------|-------|-------|-------|---------|-----------------|
| | Poorest | II | III | IV | Richest | |
| 2005 | | | | | | |
| Sex of Head of Household | % | | | | | |
| Male | 57.5 | 56.6 | 50.3 | 53.3 | 62.0 | 56.4 |
| Female | 42.5 | 43.4 | 49.7 | 46.7 | 38.0 | 43.6 |
| Both Sexes | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | <i>Mean</i> | | | | | |
| Age of Head | 49 | 50 | 49 | 50 | 53 | 51 |
| Household Size | 4.7 | 4.3 | 3.9 | 3.3 | 2.6 | 3.6 |
| Children Per Household | 1.9 | 1.5 | 1.2 | 0.9 | 0.5 | 1.1 |
| Earners Per Household | 1.6 | 1.5 | 1.3 | 1.1 | 0.7 | 1.2 |
| 1995 | | | | | | |
| Sex of Head of Household | % | | | | | |
| Male | 51.7 | 49.0 | 49.1 | 58.3 | 67.0 | 56.7 |
| Female | 48.3 | 51.0 | 50.9 | 41.7 | 33.0 | 43.3 |
| Both Sexes | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | <i>Mean</i> | | | | | |
| Age of Head | 49.2 | 48.7 | 46.5 | 44.5 | 45.7 | 46.6 |
| Household Size | 5.3 | 4.6 | 4.2 | 3.7 | 2.6 | 3.8 |
| Children Per Household | 2.7 | 2.0 | 1.7 | 1.4 | 0.7 | 1.5 |
| Earners Per Household | 1.1 | 1.2 | 1.4 | 1.5 | 1.4 | 1.3 |

4.5 THE GEOGRAPHIC DISTRIBUTION OF POVERTY

Table 4.5 provides information on the geographic distribution of poverty, indigence, the poverty gap and poverty severity. While at the national level, indigence fell, there were some districts in the country where indigence was much above the national average. For example, in Anse-la-Raye and Canaries, 5.3 percent of the population was indigent, and these two areas of the country seemed to have

suffered a stasis in their development for more than one generation. Two factors that may have contributed to this are the physical conditions and the weather which did not permit for competitive banana production in those areas. They therefore could not participate actively in the banana industry when bananas were 'green gold'.

TABLE 4.5: HEAD COUNT, POVERTY GAP, POVERTY SEVERITY BY DISTRICT

| District | Population | Percent Indigent | Percent Poor | Poverty Gap | Poverty Severity |
|-------------------------|------------|------------------|--------------|-------------|------------------|
| St Lucia 2005/06 | 164,842 | 1.6 | 28.8 | 9.0 | 4.1 |
| St Lucia 1995 | 144,000 | 7.1 | 25.1 | 8.6 | 4.4 |
| Castries City 2005/06 | 16,594 | 1.7 | 13.1 | 3.4 | 1.8 |
| Castries City 1995 | | --- | 15.2 | 4.4 | 1.7 |
| Castries Sub-Urban | 51,100 | 0.6 | 22.2 | 6.7 | 2.9 |
| Castries Sub-Urban 1995 | | --- | 22.6 | 8.2 | 3.8 |
| 2005/06 | | | | | |
| Anse-la-Raye /Canaries | 10,287 | 5.3 | 44.9 | 17.7 | 9.6 |
| Soufriere | 9,329 | 0.4 | 42.5 | 12.4 | 4.8 |
| Choiseul | 5,401 | - | 38.4 | 9.7 | 3.8 |
| Laborie | 7,190 | - | 42.1 | 10.6 | 3.5 |
| Vieux-Fort | 14,096 | 4.8 | 23.1 | 10.2 | 5.9 |
| Micoud | 18,071 | 4.0 | 43.6 | 14.1 | 6.8 |
| Dennery | 11,986 | - | 34.2 | 11.4 | 5.2 |
| Gros-Islet | 20,787 | 0.4 | 24.4 | 5.8 | 2.2 |

Among the indigent poor nationwide, the largest concentration is found in Micoud (27.4%). Slightly smaller concentrations are found in Vieux Fort (25.6%) and Anse-la-Rayé (20.4%) but these are considerably higher than those observed for northern districts, such as the City of Castries, Sub-Urban Castries and Gros Islet. Despite their relatively smaller population sizes when compared to these northern districts, the high concentrations of poverty in Micoud, Vieux Fort and Anse-la-Rayé are worthy of note. Micoud succumbed to a precipitous decline in the competitiveness of its banana industry, while Vieux-Fort witnessed the collapse of much of its manufacturing sector.

With respect to the non-indigent poor resident in St. Lucia, the highest concentration, 24.3 percent, live in Sub-Urban Castries (24.3%), a result that is consistent with the fact that Sub-Urban Castries has the largest share of St. Lucia's population (Table 4.6). The next largest concentration of non-indigent poor persons was found to be resident in Micoud (15.9%) while levels observed in Anse-la-Rayé, Dennery and Soufriere were similar, despite being lower than in Micoud.

For the country as a whole, while the poverty gap in 2005 was nine percent, and the FGT 4.1, in 1995, they were 8.6 and 4.4, respectively and transfers equivalent to nine percent of the GDP would have been required to bring the poor up to the poverty line in 2005/06.

Differential poverty and indigence can lead to geographic mobility over time and in the last few years this can be seen in the rapid shift in population to the north-west of the island. In the absence of investments and

economic activity to arrest this trend, only the negative outcomes of congestion would discourage such flows. Further flight from the rural communities can be anticipated in the absence of measures to encourage people to stay.

The concern about managing the challenges of economic volatility has led, in recent years, to the estimation of the percentage of the population that is so close to the poverty line, that any decline in economic conditions would push them into poverty – the vulnerable.

While the number of vulnerable persons was more equitably distributed across the major districts, the number appeared to be substantially higher in Sub-Urban Castries. However, the relative sizes of the population in the different districts is likely to influence the observed spatial concentrations of poor persons, so that when comparing the country as a whole, one should not only examine variations in the prevalence of poverty, but must specifically look at the variable living conditions within the different districts.

Table 4.7 and Figure 4.3 show the socio-economic composition of each district. If one considers the prevalence rates (the proportion of residents falling below the poverty line as a percentage of the population of the district), rural districts such as Anse-la-Rayé (44.9%), Soufriere (42.4%), Choiseul (38.4%), Laborie (42.1%) and Micoud (43.6%) are found to exhibit rates in excess of 35 percent. Anse-la-Rayé and Micoud were also observed to have had highest rates of indigence, 5.3 percent and 4.1 percent, respectively. These data are key elements in informing social policy targeted at poverty reduction.

TABLE 4.6: DISTRIBUTION OF POPULATION BY DISTRICT ACCORDING TO SOCIO ECONOMIC STATUS

| District | Socio-Economic Status | | | | % of population/ sample |
|--------------------|-----------------------|--------------------------|------------|----------|----------------------------|
| | Indigent | Poor But Not Indigent | Vulnerable | Non Poor | |
| | % | % | % | % | |
| Castries City | 10.9 | 4.2 | 13.1 | 12.1 | 10.1 |
| Castries Sub-Urban | 11.3 | 24.7 | 32.1 | 34.4 | 31.0 |
| Anse-la-Raye | 20.4 | 9.1 | 10.1 | 3.3 | 6.2 |
| Soufriere | 1.5 | 8.7 | 4.0 | 4.7 | 5.7 |
| Choiseul | - | 4.6 | 2.0 | 3.1 | 3.3 |
| Laborie | - | 6.7 | 3.0 | 3.7 | 4.4 |
| Vieux-Fort | 25.6 | 5.7 | 8.1 | 9.6 | 8.6 |
| Micoud | 27.4 | 15.9 | 8.8 | 8.6 | 11.0 |
| Dennerly | - | 9.1 | 7.6 | 6.5 | 7.3 |
| Gros-Islet | 2.9 | 11.1 | 11.2 | 14.1 | 12.6 |
| Total % | (100.0) | (100.0) | (100.0) | (100.0) | (100.0) |
| Count | 2,670 | 44,845 | 26,680 | 90,646 | 164,842 |

TABLE 4.7: DISTRIBUTION OF POPULATION BY SOCIO ECONOMIC STATUS ACCORDING TO DISTRICT

| District | Socio-Economic Status | | | | Total % | Total N |
|--------------------|-----------------------|--------------------------|------------|----------|------------|------------|
| | Indigent | Poor But Not Indigent | Vulnerable | Non Poor | | |
| | % | % | % | % | | |
| Castries City | 1.7 | 11.4 | 21.0 | 65.9 | 100.0 | 16594 |
| Castries Sub-Urban | 0.6 | 21.6 | 16.8 | 61.0 | 100.0 | 51100 |
| Anse-la-Raye | 5.3 | 39.6 | 26.1 | 29.0 | 100.0 | 10287 |
| Soufriere | 0.4 | 42.0 | 11.5 | 46.0 | 100.0 | 9329 |
| Choiseul | - | 38.4 | 9.9 | 51.7 | 100.0 | 5401 |
| Laborie | - | 42.1 | 11.1 | 46.8 | 100.0 | 7190 |
| Vieux-Fort | 4.8 | 18.2 | 15.4 | 61.5 | 100.0 | 14096 |
| Micoud | 4.1 | 39.5 | 13.0 | 43.4 | 100.0 | 18071 |
| Dennerly | - | 34.2 | 16.9 | 48.9 | 100.0 | 11986 |
| Gros-Islet | 0.4 | 24.0 | 14.3 | 61.3 | 100.0 | 20787 |
| Total | 1.6 | 27.2 | 16.2 | 55.0 | 100.0 | 164842 |

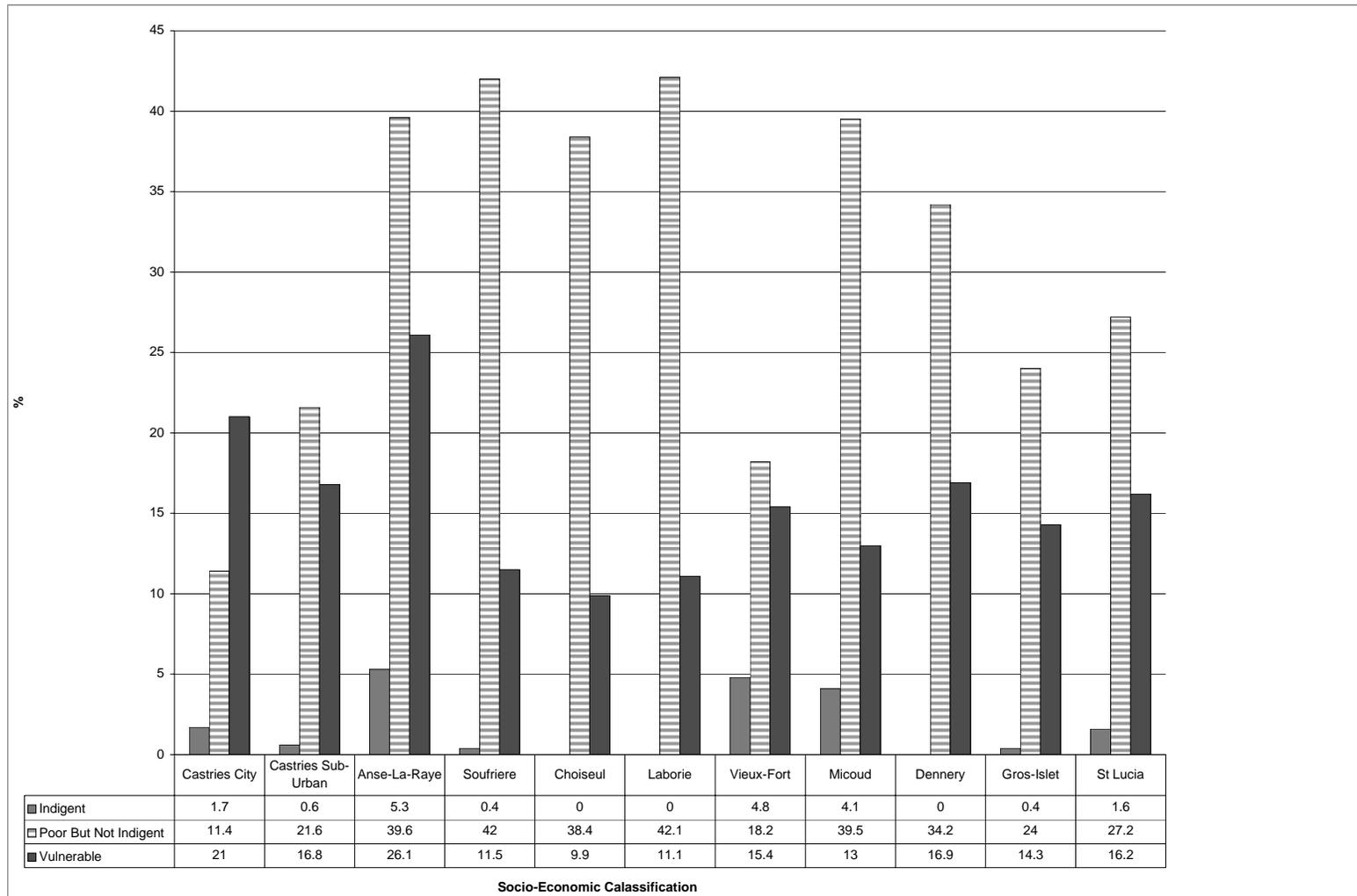
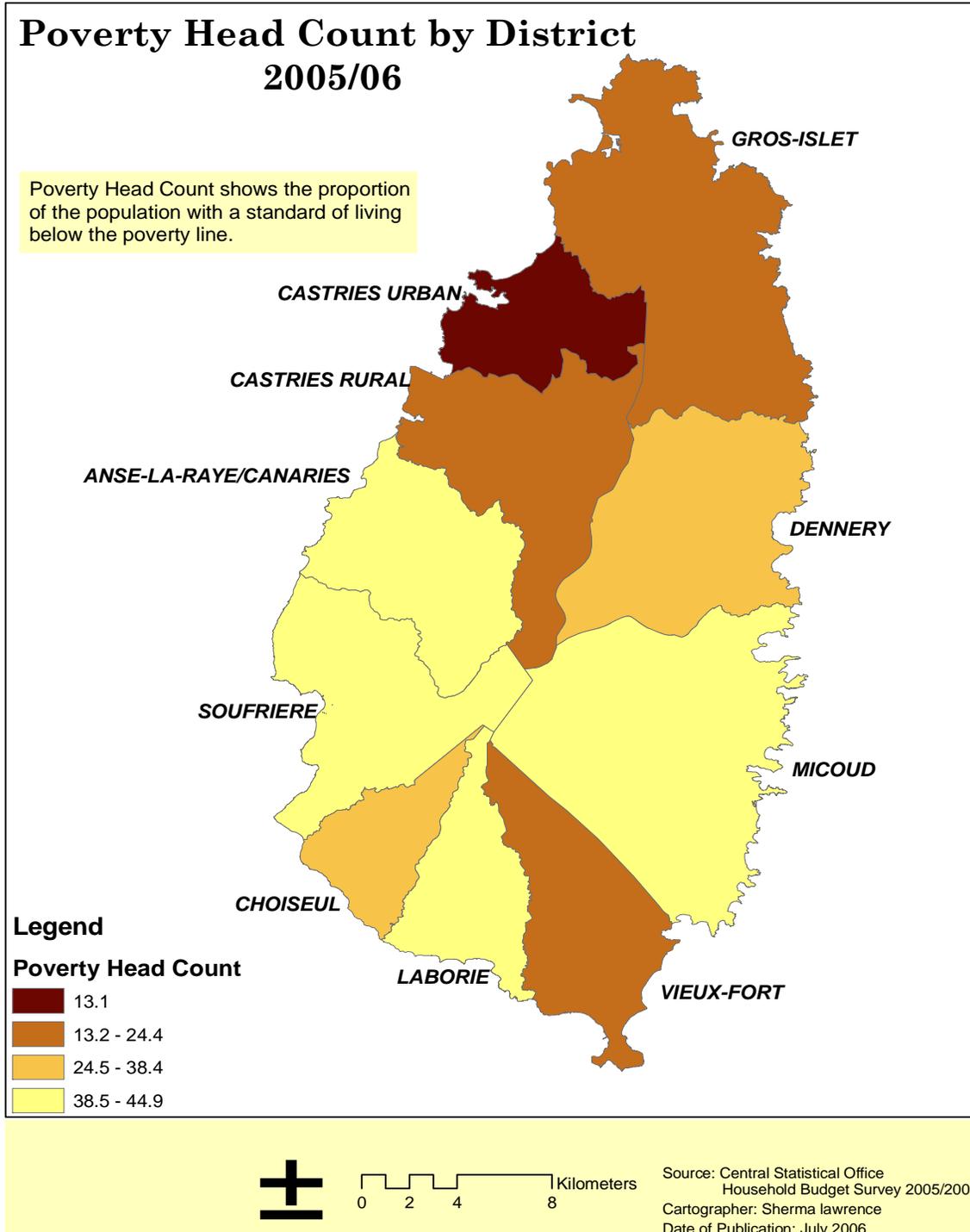


Figure 4.3: Distribution of Population by Socio Economic Status and District

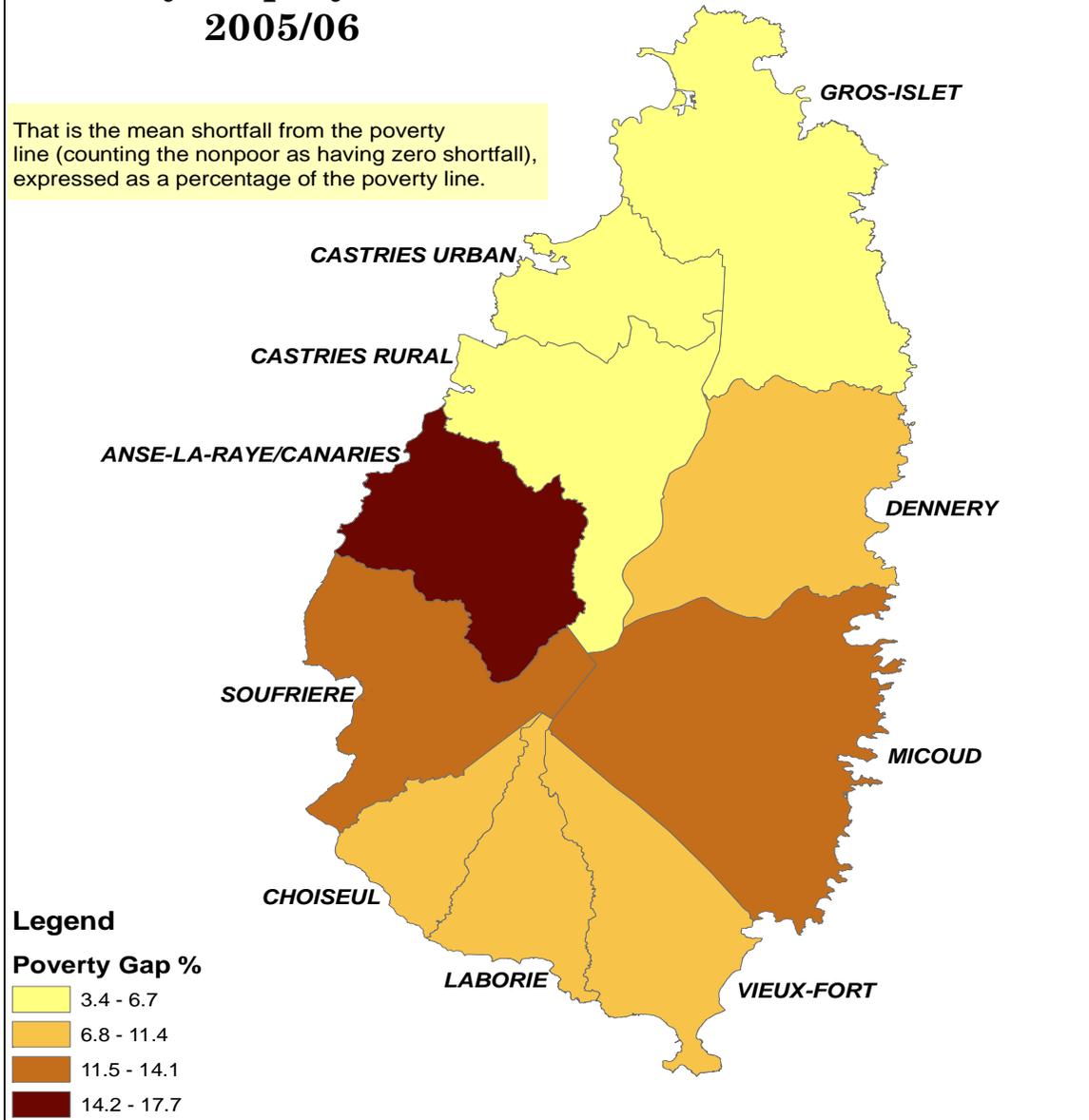
Map 4.1: Percentage Distribution of the Population by Socio-economic Status according to District



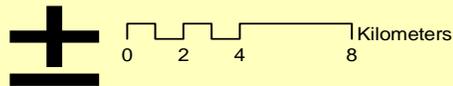
Map 4.1 A

Poverty Gap by District 2005/06

That is the mean shortfall from the poverty line (counting the nonpoor as having zero shortfall), expressed as a percentage of the poverty line.



Legend
Poverty Gap %
 3.4 - 6.7
 6.8 - 11.4
 11.5 - 14.1
 14.2 - 17.7

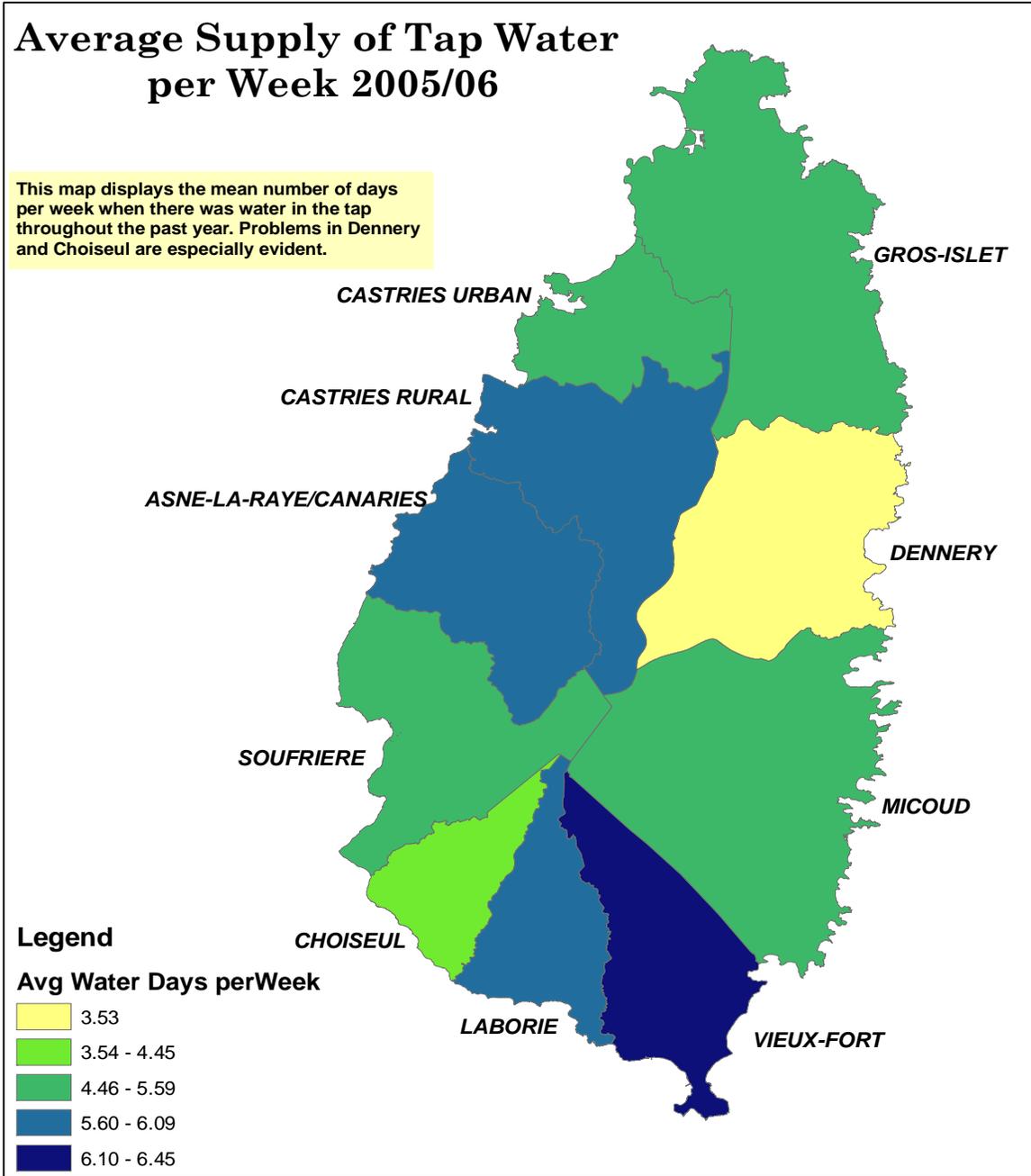


Source: Central Statistical Office
 Household Budget Survey 2005/2006
 Cartographer: Sherma Lawrence
 Date of Publication: July 2006

Map 4.1B

Average Supply of Tap Water per Week 2005/06

This map displays the mean number of days per week when there was water in the tap throughout the past year. Problems in Dennery and Choiseul are especially evident.



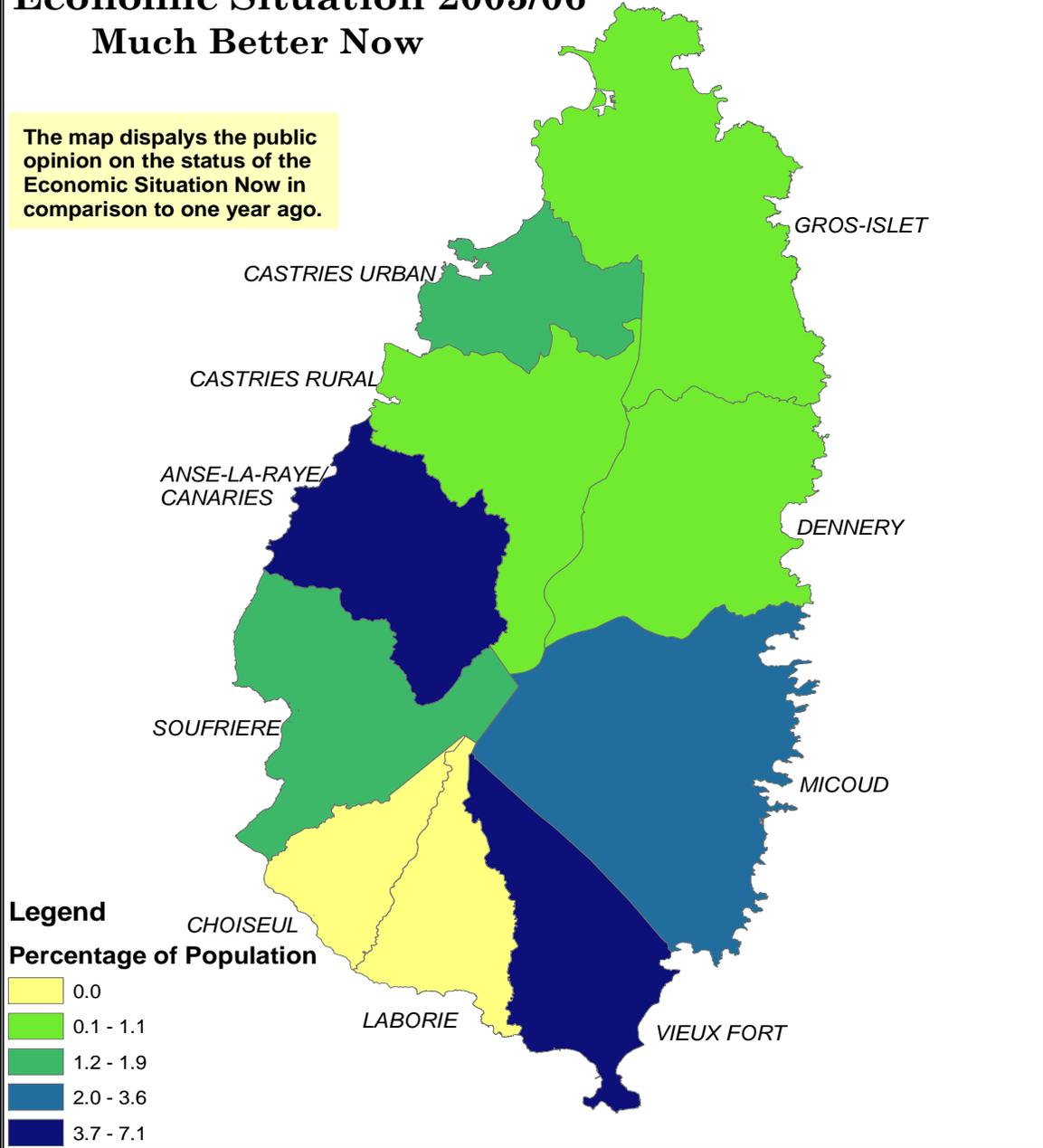
0 2.5 5 10 Kilometers

Source: Central Statistical Office
Household Budget Survey 2005/2006
Cartographer: Sherma Lawrence
Date of Publication: July 2006

Map 4.1 C

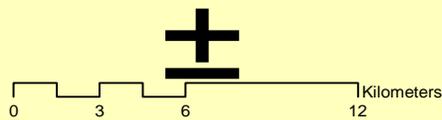
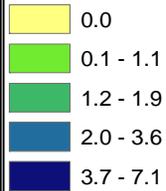
Economic Situation 2005/06 Much Better Now

The map dispalys the public opinion on the status of the Economic Situation Now in comparison to one year ago.



Legend

Percentage of Population

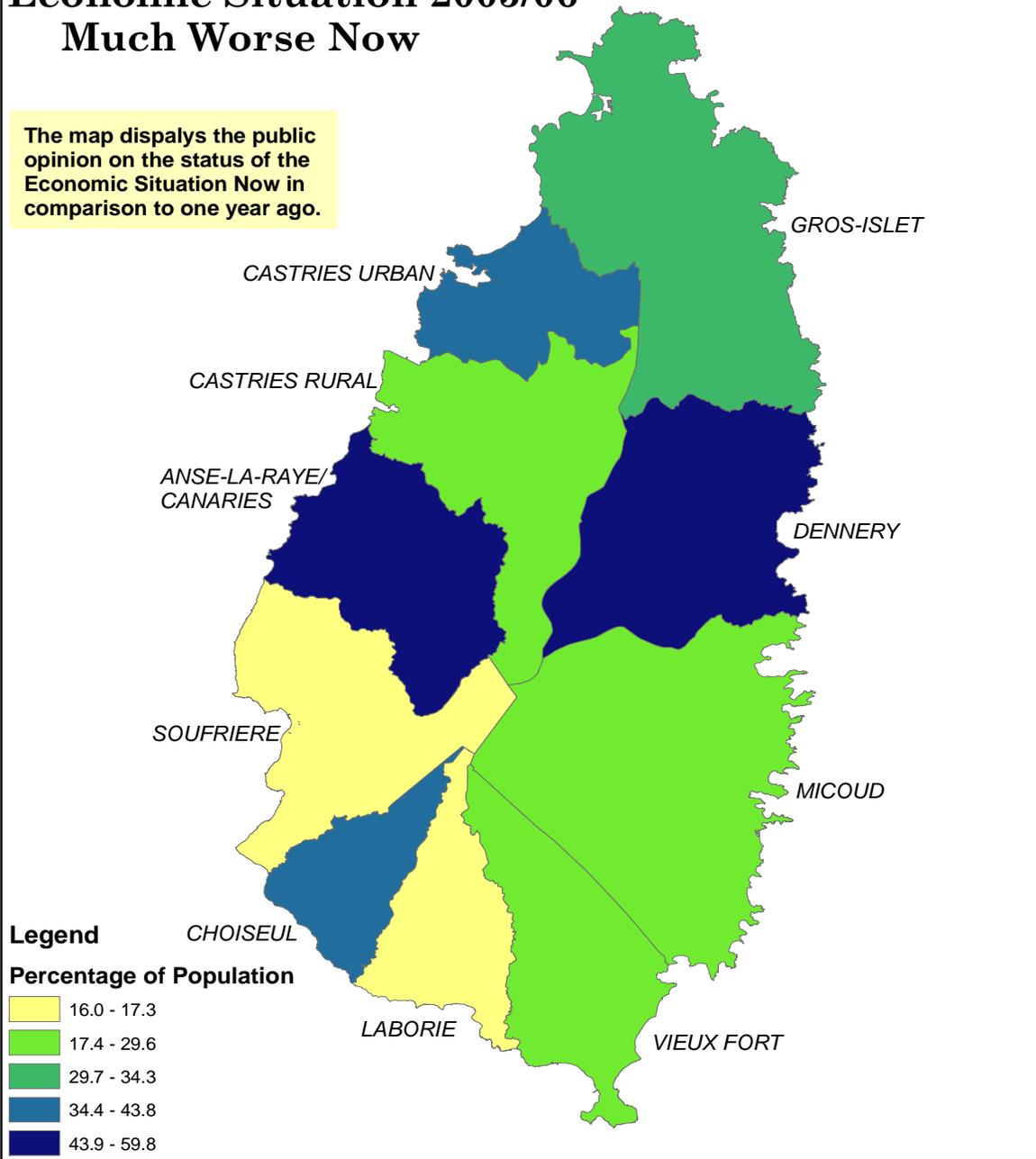


Source: Central Statistical Office
Household Burget Survey 2005/06
Publication Date: July 2006
Cartographer: Sherma Lawrence

Map 4.1 D

Economic Situation 2005/06 Much Worse Now

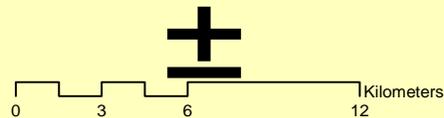
The map displays the public opinion on the status of the Economic Situation Now in comparison to one year ago.



Legend

Percentage of Population

- 16.0 - 17.3
- 17.4 - 29.6
- 29.7 - 34.3
- 34.4 - 43.8
- 43.9 - 59.8



Source: Central Statistical Office
Household Budget Survey 2005/06
Publication Date: July 2006
Cartographer: Sherma Lawrence

Map 4.1 E

4.6 PEOPLES' PERSPECTIVES ON POVERTY

The PPA provides perspectives of the people themselves on the poverty that has been experienced in St. Lucia. Seventeen communities were selected for study – four urban, one semi-urban and twelve rural. Residents of all communities engaged in discussions about whether in their view, their community was poor or not. Table 4.8 presents the findings: residents classified four communities – Faux a Chaux, the Mangue, Park Estate and Wilton's Yard - as "very poor", while the residents of Anse-le-Verde, Belle Vue and Morne Jacques felt that their community was "not bad when compared to others".

TABLE 4.8: LEVEL OF POVERTY IN COMMUNITIES: RESIDENTS' PERCEPTION

| Community | Very Poor | Poor | Not Bad Compared To Others | Better Off |
|---------------|-----------|------|----------------------------|------------|
| Anse-la-Raye | | * | | |
| Anse-le-Verde | | | * | |
| Balca | | * | | |
| Baron's Drive | | * | | |
| Belmont | | * | | |
| Belle Vue | | | * | |
| Bouton | | * | | |
| Des Barras | | | | * |
| Desrameaux | | * | | |
| Faux a Chaux | * | | | |
| Mangue | * | | | |
| Migny | | * | | |
| Morne Jacques | | | * | |
| Park Estate | * | | | |
| Praslin | | | | * |
| Roseau | | * | | |
| Wilton Yard | * | | | |

Generally though, residents felt that the poverty being experienced was different to what is observed elsewhere, such as in African countries.

Distinctions were also drawn between private and public poverty, individual, household and community poverty. In the view of participants, poor infrastructure, lack of facilities, services and resources and neglect by government contributed to public poverty, while private poverty was seen as deprivation being experienced by individuals and households. Residents in all the communities studied agreed that lack of jobs and limited opportunities to earn income were the primary causes of private poverty. Other causes cited were lack of education, few marketable skills, and lack of self esteem. At the same time, residents were also cognizant of the reality of the working poor; they were aware that many persons were employed in low paying jobs for wages that were insufficient to meet their basic needs of food, shelter, clothing and other necessities. PPA participants remarked that:

*"Most persons live from paycheck to paycheck."
"The money not enough to pay the bills and buy food."*

Four of the seventeen communities studied in 2005/06 had been the subject of a community situational analysis in 1995. When asked to compare their current circumstances with that of 1995, residents shared mixed views. Overall, residents indicated that while in some communities there had been improvements in the physical infrastructure, others, especially

those where the banana industry had been the economic mainstay, bore evidence of adverse impacts of the decline of the industry.

In terms of the changes in the social fabric of these communities, residents expressed concern about the increase in crime and other illegal activities and saw these as having a negative impact on community life. The data collected in the PPA suggest that the most significant changes over the ten year period have been the rise in unemployment, and the consequent increase in illegal activities as a source of income.

Residents in Balca were of the view that the community was a better place ten years ago, when residents were employed on the estate and were allowed to cultivate small plots. However, reduced access to land and the resulting loss of income was a major setback which limited opportunities to produce food for domestic consumption and which contributed to poverty as well as to an increase in involvement in use of illegal drugs, criminal activity and the mushrooming of what residents described as

“...a kind of ghetto called ‘the Gulf’ where young men go to smoke”.

In Belmont, which also traditionally produced bananas, the decline in the industry resulted in increased unemployment, and that unemployment had contributed to several problems. Young unemployed men had resorted to using and

selling illegal drugs; there was more indiscipline and delinquency in the community; there had been an increase in teenage pregnancies, and more people were turning to alcohol.

Residents (in Belmont) also pointed to the poor conditions of the infrastructure including roads and drains, which they said were in a worse condition than they were ten years ago. Absence of facilities like a health centre, community centre, day care centre or preschool, and a good playing field were seen to contribute to poverty in the community. At the same time public property is being abused and vandalized. Residents were also concerned about poor water quality and irregularity of the water supply, but agreed that there had been an increase in the number of households that now have telephones, including cell phones.

In Roseau residents said that housing conditions had improved over the last ten years. Government and house owners invested significantly in repairing leaking roofs and rotting floors. More homes now have electricity, but there is a problem with drinking water since the standpipe has ceased to function. The main road was reportedly in a better condition now and more buses are operating so transportation is no longer a problem but the road to the beach was said to be in need of repairs. Roseau was also devastated by the decline in the banana industry so there are fewer job opportunities; few people have access to land, and therefore are unable to access credit, or to acquire other resources needed to sustain their livelihoods.

A major change in Bouton reported by residents since the Assessment of 1995 was outward migration. Residents were of the view that this resulted in a dramatic decrease in population which now consists mainly of older persons, and loss of vital human resources. As in other communities, it was reported that there are no opportunities for employment, and additionally it was said that in Bouton there were no recreational facilities and nothing to do. While there has been some improvement in the road, ten years later it is still in a poor condition and few vehicles attempt to traverse it, so that transportation to and from the community is still a big problem. Migration did not appear to have brought upliftment to members of the community: residents lamented the fact that:

"... young people have to go to Castries and sell their bodies to make money".

In Baron's Drive, the only urban community surveyed in 1995, residents reported that the infrastructure has improved: the road is good, there are telephone lines and most people have electricity, however poor drainage contributes to flooding. There are no public wash rooms or toilets - most people use pit latrines while several others have no toilet facilities - and residents expressed concern about disposal of excrement in public places.

Comparison of these communities suggests that while there has been some reduction in public poverty, some communities still lack

essential facilities. However the most dramatic change appears to have been in the private poverty as reflected in the increase in unemployment and in illegal activities as sources of income. The increase in the level of private poverty has also had an impact on the quality of life being enjoyed by residents and on their sense of well being. During the PPA residents in the various communities studied illustrated this on A Wheel of Well Being and a Quality of Life Index, as can be seen in the Technical Appendix to this chapter.

4.7 OTHER KEY DIMENSIONS OF POVERTY – AN OVERVIEW

4.7.1 CHILD POVERTY

As has been found in most other Caribbean countries, the data reveal, that those persons living below the poverty line are disproportionately young. Table 4.9 shows that of those living below the poverty line, some 51 percent are below the age of 20. Among the non poor, the corresponding figure was 37 percent. Data over the last two censuses have established the fact of an ageing (of the) population and it is to be noted that persons who are 65 years and over are almost 10 percent of the population. However, while the percentage of the poor who were elderly was less than their presence in the population, the plight of the elderly poor was remarked on by community residents, and data from the PPA suggest that those who were totally reliant on public assistance would have been among the poorer of the poor.

TABLE 4.9: POVERTY BY AGE IN ST LUCIA

| Five Year Age Groups | Socio Economic Status | | | | Total | |
|----------------------|-----------------------|--------------|----------------|--------------|----------------|--------------|
| | Poor | | Non Poor | | | |
| | N | % | N | % | N | % |
| 0-4 | 3,844 | 8.1 | 8,763 | 7.5 | 12,607 | 7.6 |
| 5-9 | 6,624 | 13.9 | 10,286 | 8.8 | 16,910 | 10.3 |
| 10-14 | 7,923 | 16.7 | 12,387 | 10.6 | 20,310 | 12.3 |
| 15-19 | 5,932 | 12.5 | 11,404 | 9.7 | 17,336 | 10.5 |
| 20-24 | 3,923 | 8.3 | 9,100 | 7.8 | 13,023 | 7.9 |
| 25-29 | 2,642 | 5.6 | 7,713 | 6.6 | 10,355 | 6.3 |
| 30-34 | 2,153 | 4.5 | 8,027 | 6.8 | 10,180 | 6.2 |
| 35-39 | 3,063 | 6.4 | 8,776 | 7.5 | 11,839 | 7.2 |
| 40-44 | 2,951 | 6.2 | 7,917 | 6.7 | 10,867 | 6.6 |
| 45-49 | 1,912 | 4.0 | 6,584 | 5.6 | 8,496 | 5.2 |
| 50-54 | 1,271 | 2.7 | 4,892 | 4.2 | 6,163 | 3.7 |
| 55-59 | 1,077 | 2.3 | 4,527 | 3.9 | 5,604 | 3.4 |
| 60-64 | 1,121 | 2.4 | 3,898 | 3.3 | 5,018 | 3.0 |
| 65+ | 3,080 | 6.5 | 13,053 | 11.1 | 16,133 | 9.8 |
| Total | 47,516 | 100.0 | 117,326 | 100.0 | 164,842 | 100.0 |

With reference to children aged 0-14 years, Table 4.10 shows that the largest proportion of those classified as indigent poor lived in Micoud (32.9%). As in the case of the entire population, relatively large proportions were also observed to have been living in Anse-la-Raye (26.8%) and Vieux Fort (19.5%). Among the non-indigent poor, Sub-Urban Castries did not only have the largest share (30.4%) of the island's children but also the largest proportion of children classified as non-indigent poor (24.2%). Disproportionately large proportions of children among the ranks of the non-indigent poor were found to be living in Micoud (14.4%), Anse-la-Raye (10.6%), Soufriere (11.3%) and Dennery (10.3%). The City of Castries and Sub-Urban Castries

accounted for just under one half of the children who were considered vulnerable (45.6%).

TABLE 4.10: PERCENTAGE DISTRIBUTION OF CHILDREN AGED 0-14 YEARS BY DISTRICT ACCORDING TO SOCIO-ECONOMIC STATUS

| District | Socio-Economic Status | | | | Total |
|--------------------|-----------------------|------------------|-----------------|------------------|------------------|
| | Poor / Not Indigent | | Vulnerable | Non Poor | |
| | Indigent | Indigent | | | |
| % | % | % | % | % | |
| Castries City | 11.8 | 3.6 | 12.6 | 10.7 | 8.6 |
| Castries Sub-Urban | 6.1 | 24.2 | 33.8 | 35.1 | 30.4 |
| Anse-la-Raye | 26.5 | 10.6 | 11.0 | 2.9 | 7.6 |
| Soufriere | - | 11.3 | 2.8 | 4.8 | 6.5 |
| Choiseul | - | 4.8 | 1.2 | 3.0 | 3.2 |
| Laborie | - | 7.1 | 1.3 | 3.0 | 4.0 |
| Vieux-Fort | 19.5 | 4.4 | 8.5 | 10.0 | 8.1 |
| Micoud | 32.9 | 14.4 | 9.1 | 10.1 | 12.0 |
| Dennery | - | 10.3 | 11.1 | 7.5 | 9.0 |
| Gros-Islet | 3.2 | 9.2 | 8.7 | 12.9 | 10.6 |
| Total | 1234 (100.0) | 17158 (100.0) | 8940 (100.0) | 22495 (100.0) | 49826 (100.0) |

The long term consequences for indigent children in Anse-la-Raye, Vieux Fort and Micoud and for poor children in other communities have serious implications. Within the PPA residents in the majority of communities were of the view that children were the ones most severely affected by poverty.

According to them, there were children who were not getting enough food and some who were always hungry. Participants also expressed awareness that poor nutrition can limit children's physical and intellectual development and their ability to learn, noting that some poor children may not benefit from the educational opportunities that may be available, including free education. There were also some cases of children not being able to attend school because their mothers did not have the money for transportation, books and other school supplies.

The following are comments from children who participated in the PPA:

*"I can't concentrate at school when I am hungry."
 "I don't go to school everyday, my mother don't have money for lunch or bus fare."
 "Even if I do well at school I will not stand out because I don't have any money and that is how people view you."*

In respect of children under five years of age, some communities reported that they either did not have access to early childhood education, or when it was available it could not be accessed because mothers could not afford the fees.

The data also draw attention to the vulnerability of children - residents identified a number of risks to which poor children are exposed, including unsafe environments in their homes and communities. Such risks are reflected in high levels of indiscipline among children and in their involvement in illegal activities, including stealing and drug trafficking.

In light of the above analysis, it is evident that poor households with children should become a focus of social policy. The interventions designed to address the needs of such households would be dependent on the extent to which the household with children is long term (chronic) poor or experiencing poverty of more recent vintage (structural, seasonal with the labour market, financial, material and educational capacities to escape). Children from chronically poor households are likely to experience the most debilitating kind of deprivation. For these types of households the social safety net programmes are imperative.

4.7.2 GENDER DIMENSIONS

Gender inequalities are a major factor that contributes to multi-dimensional poverty. Poverty is gendered in the sense that males and females experience it differently and become poor through different societal processes.

Data produced only through surveys are insufficient to fully explain and understand the gendered nature of poverty and the differences in how males and females experience, are affected by, and cope with poverty. In order to mitigate against this during this study, qualitative data were collected through the PPA, which focus on the various dimensions of poverty, and which identifies and analyses gender differences, and actual experiences, feelings and views, challenges and risks, and the strategies that poor males and poor females employ to sustain their livelihoods and those of their families.

These qualitative data can also provide information about how males and females interact with and relate to societal institutional structures, and they can show how institutional structures perpetuate gender inequalities through gender discrimination and through the unequal distribution of resources to women and men within households, in the labour market, and in the society as a whole. Through focus group discussions with males and females and from interviews conducted with household heads in all seventeen communities, information was gleaned that highlighted a number of gender related factors, including visiting relationships and missing men in households, chronic poverty in multi-generational female headed households, and the type, level and severity of poverty being experienced by women and by men.

The discussion that follows uses data from both the SLC/HBS and the PPA.

4.7.2.1 Women

With regard to females 15 years and over, the largest concentrations of indigent females were reported in Micoud (27.5%), Vieux Fort (21.8%) and Sub-Urban Castries (15.3%). With respect to those classified as poor but not indigent, the largest proportions were located in Sub-Urban Castries (23.2%), Micoud (15.9%) and Gros

Islet (12.2%). Disproportionately high numbers of the non-indigent poor females were also found to be living in Anse-la-Raye (9.3%), Dennery (7.6%) and Laborie (7.3%).

More than one half (56.2%) of the female population aged 15 years and over were estimated to have been living in the urban areas of the City of Castries, Sub-Urban Castries and Gros Islet. Whether in the context of the indigent poor, the non-indigent poor or the vulnerable, the spatial distributions observed among females aged 15 years and over are consistent with those observed among children under 14 years and thus, indicative of the co-existence of children and adult females living within specific districts in circumstances where their social and economic well being is either impaired or under threat from external shocks.

Participants in PPA also identified women as being a special at-risk group that is particularly vulnerable to the negative effects of poverty. Moreover, they pointed out that single mothers were the ones who felt the adverse effects most keenly. According to data from the PPA, high levels of unemployment, low levels of education, few marketable skills and employment in low paying jobs for very low wages limited women's ability to feed their children, and to provide their families with the basic needs.

TABLE 4.11: DISTRIBUTION OF FEMALES AGED 15 YEARS AND OVER BY DISTRICT AND SOCIO ECONOMIC STATUS

| District | Socio-Economic Status | | | | Total |
|--------------------|-----------------------|---------------------|------------------|-------------------|-------------------|
| | Indigent | Poor / not Indigent | Vulnerable | Non Poor | |
| | % | | | | |
| Castries City | 9.9 | 5.2 | 16.6 | 13.1 | 11.8 |
| Castries Sub-Urban | 15.3 | 23.2 | 30.1 | 35.4 | 31.6 |
| Anse-la-Raye | 14.7 | 9.3 | 8.1 | 3.0 | 5.4 |
| Soufriere | 5.5 | 6.8 | 5.3 | 4.7 | 5.3 |
| Choiseul | - | 5.6 | 2.7 | 2.8 | 3.4 |
| Laborie | - | 7.3 | 4.4 | 3.8 | 4.6 |
| Vieux-fort | 21.8 | 6.9 | 7.3 | 9.3 | 8.6 |
| Micoud | 27.5 | 15.9 | 7.8 | 8.1 | 10.1 |
| Dennery | - | 7.6 | 6.3 | 6.2 | 6.5 |
| Gros-Islet | 5.3 | 12.2 | 11.5 | 13.5 | 12.8 |
| Total | 739 (100.0) | 14,009 (100.0) | 9,405 (100.0) | 36,962 (100.0) | 61,114 (100.0) |

Overall, a greater proportion of poor females were unemployed (27.4%), compared to poor males (12.7%), with notable exceptions in Choiseul and Vieux Fort. In respect of Vieux Fort, this may be explained by the availability of employment opportunities for women in the manufacturing zone.

In the absence of much needed financial and other resources, and faced with the responsibility as the sole provider for their families, women have adopted a number of

survival strategies, some of which have serious implications for their health and security. Among such coping strategies is transactional sex with several males and/or involvement in the sex trade, activities which, while they may provide them with small amounts of money to meet their needs in the short term, may have unintended outcomes. This may include multiple pregnancies, the risk of contracting Sexually Transmitted Diseases (STIs) and/or HIV/AIDS. The evidence also supports the view that these strategies, instead of helping them to move out of poverty, keeps them locked in a cycle from which they find it difficult, if not impossible, to escape.

4.7.2.2 Men

A significant finding is the high level of indigence among men in Vieux Fort. This may be explained by the fact that although there has been a decline in manufacturing in this town, the residual employment is still oriented to the employment of women. It may also be related to the large numbers of males that have become disenchanted with the type of employment available in the formal sector and withdrawing from the labour force, turning instead to illegal activities which produce faster results.

Consequently, with respect to entire population of males who were aged 15 years and over and among the indigent poor, Table 4.12 shows that the largest concentration was estimated to be in Vieux Fort (40.3%) being more than twice as large when compared with concentrations in any of the other districts. Lower, concentrations of similar magnitudes were observed in

Micoud (17.5%), Sub-Urban Castries (16.2%) and Anse-la-Rayé (15.6%). In the remaining districts, the concentrations of indigence among men did not appear to be as profound.

With respect to those males who were classified as non-indigent poor, the largest proportion was observed in Sub-Urban Castries (26.8%). Notably high proportions were observed in Micoud (17.8%) and Gros

Islet (12.4%) and to a somewhat lesser extent in Dennery (9.2%) and Soufriere (7.5%). In the context of males aged 15 years and over who were deemed to be vulnerable, the largest concentrations were observed in the two most highly populated districts, namely, Sub-Urban Castries (32.6%) and Gros Islet (13.5%). Though notably high in Micoud (9.7%), the disproportionately high concentration in Anse-la-Rayé (11.3%) is worthy of attention.

TABLE 4.12: PERCENTAGE DISTRIBUTION OF MALES AGED 15 YEARS AND OVER BY DISTRICT ACCORDING TO SOCIO ECONOMIC STATUS

| District | Socio-Economic Status | | | | Total |
|--------------------|-----------------------|-----------------------|-----------------|------------------|------------------|
| | Indigent | Poor But Not Indigent | Vulnerable | Non Poor | |
| | % | % | % | % | |
| Castries City | 10.5 | 4.0 | 9.6 | 11.9 | 9.5 |
| Castries Sub-Urban | 16.2 | 26.8 | 32.6 | 32.7 | 30.9 |
| Anse-la-Rayé | 15.6 | 6.9 | 11.3 | 3.8 | 5.9 |
| Soufriere | - | 7.5 | 4.0 | 4.8 | 5.3 |
| Choiseul | - | 3.4 | 2.1 | 3.4 | 3.2 |
| Laborie | - | 5.8 | 3.2 | 4.1 | 4.4 |
| Vieux-Fort | 40.3 | 6.2 | 8.7 | 9.5 | 8.9 |
| Micoud | 17.5 | 17.8 | 9.7 | 8.2 | 11.0 |
| Dennery | - | 9.2 | 5.3 | 6.0 | 6.6 |
| Gros-Islet | - | 12.4 | 13.5 | 15.5 | 14.2 |
| Total | 698 (100.0) | 13679 (100.0) | 8335 (100.0) | 31189 (100.0) | 53901 (100.0) |

Many poor men, who were participants in the PPA, said that they were unable to find permanent employment that paid wages that would allow them to provide adequately for their children. In their view, this “inability to provide” prevents them from performing some of their most important gender roles - that of breadwinner and household head. This not only seriously diminishes their self concept and their gender identity, but has serious implications for their relationships with female partners and their role in child rearing practices.

There is a significant difference in the survival strategies employed by women and by men. Many poor men said that they would do odd jobs if needed; many of these jobs would either not be available to or considered acceptable for women. At the same time, the data show that while several poor men turn to alcohol, some, especially younger men, become involved in illegal activities including crime and drug trafficking and see these simply as viable income-earning activities.

4.8 FAMILY DYNAMICS AND FERTILITY

Fertility in the Caribbean has followed the historical trend of decline towards replacement and below replacement levels. This is in keeping with the hypothesis that the Caribbean is experiencing a demographic transition governed by the control of mortality in general and infant mortality in particular (Guengant, 1992). This argument suggests that over the period

1960-1980, against the background of mortality declines, contraceptive usage among women in sexual unions rose from 10 percent to between 50 and 70 percent, except in Belize where it was reported to be below 10 percent at that time.

Of course, the mere availability of contraception will not lead to its usage by the populace. Indeed the conventional argument is that it is only when faced with the prospect of self improvement that women will utilize these devices and procedures on a systematic basis. Guengant (1992) suggests that in the Caribbean the failure of agriculture coupled with non-industrialization, over urbanization and massive emigration led to the emergence of a mind set that shifted from the view that a large family was a good thing. This process, he suggests, was aided by the spread of primary schooling.

Poverty, it seems, has mediated this trend. The familial context within which this has happened is important. In the Caribbean, a complex pattern of mating and union formation exists among the poor. This has its genesis in the region’s African cultural antecedents and its historical experiences in the era of Plantation Slavery. The outcome, primarily, among the population of African descent has been a system of union formation in which formal marriage often represents the culmination of a mating system that takes place late in life and more often than not represents the embellishment of an existing union between a man and a woman rather than its initiation.

The majority of mothers are involved in a socially, but not formally sanctioned relationship with a man at any given point in time. Some of the households counted as being single mother female headed, in fact represent a family spread between two households with the male member of the family living in a separate household. This type of relationship is known as a 'visiting' union. Not all visiting relationships lead to cohabitation and a woman might in the course of her childbearing years enter into a number of visiting or common law relationships without ever entering into formal marriage. A man on the other hand may be involved in more than one visiting relationship, or may be involved in a formal marriage or common law relationship even whilst being involved in the visiting relationship (Brown, 2002).

This phenomenon leads to families with 'missing men', or families of women and children or infants with no men present in the household. It tends to affect the poorest women with the lowest socioeconomic status to the greatest extent. Given the exposure to the risk of pregnancy that women involved in serial mating would experience, these conjugal forms are associated with relatively high levels of fertility among poor women (Marino, 1970; Roberts 1955). It can be hypothesized that the effects of socioeconomic deprivation with its origins in the society's macro-structural arrangements are filtered by the prisms of class and gender and are associated with a mating pattern that conduces to large family size and unstable family relations, both of which in turn are

associated with the reinforcement of poverty and its transmission across the generations.

Notwithstanding the overall decline in fertility rates, there are pockets of poor women in the population that still evince high levels of fertility. These women are often the victims of chronic or intergenerational poverty. They are usually educated to Primary school level only, lack employable skills and face bleak economic prospects. Their high fertility, it might be argued, is as much a product as it is a cause of their poverty. Poverty impels the poor woman into casual relationships in an attempt to acquire material gain and sustenance. However, this same poverty constrains the poor man from meeting his family obligations and undermines the stability of the relationships into which he may enter. The woman is left with the product of the union. This, in turn, increases her need for material support and propels her into another relationship. The man moves on to another poor woman.⁹

The fact that the existence of poverty needs to be understood in terms of the totality of the relationships in which the poor is involved is brought out when it is understood that the powerlessness of the women that is being highlighted is often also exploited by non-poor males who might be in a position to obtain sexual favours from them with the expectation that they will provide for the women. Such men often enter into a 'visiting' relationship with

⁹ Brown, Dennis. A.V., Understanding Vulnerability: mating fertility and chronic poverty in the Caribbean: Mimeo, March 2007.

them even whilst being committed to a long term relationship with another family. While some of these men maintain permanent ‘visiting’ relationships with the women that are socially sanctioned, in many instances the relationship is mostly sexual and devoid of any long term commitment on the man’s part.¹⁰

TABLE 4.13: AGE AT FIRST BIRTH AND SOCIO-ECONOMIC STATUS

| Age at First Birth | Consumption Quintile | | | | | Group Total |
|--------------------|----------------------|--------|--------|--------|---------|-------------|
| | Poorest | II | III | IV | Richest | |
| 13-16 | 7.10 | 8.20 | -- | 3.30 | 2.70 | 4.10 |
| 17-19 | 67.50 | 49.40 | 47.10 | 41.10 | 36.70 | 48.10 |
| 20-34 | 25.40 | 42.40 | 47.40 | 54.00 | 58.00 | 45.80 |
| 35+ | -- | -- | 5.50 | 1.60 | 2.60 | 2.00 |
| Group Total | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |

The data in Table 4.13 provides illustration of the practical outcome of the relationship between socioeconomic status, family and fertility. The majority of first births to women in the lower quintiles (1-3) take place during the teen years outside of formal wedlock. The majority of births to women in the top two consumption quintiles take place in the age groups beyond the teen years. Furthermore, the majority of first births occur to women less than 20 years of age. The pattern whereby age cohort fertility peaks in the teen years is characteristic of women in poor countries of the Caribbean. The age cohort fertility that characterizes wealthy industrialized countries sees fertility peaking in the age groups beyond 20 years. The existence of a lag in the fertility transition in some

¹⁰ *ibid*, 2007

Caribbean territories is brought out by the fact that in these countries the two patterns are to be found in the same population.¹¹

Data from the PPA suggest that male absenteeism has led to redefining of household headship. Interviewees in the PPA identified several factors that in their view determine household headship. Among these were earning power and responsibility for the welfare of the family, ownership of the house, absence of an adult male and responsibility for decision making.

“I am in control; I make the decisions.”

Not only were most of the interviewees in the PPA female but nearly sixty percent of the households were headed by women. Based on interviewees’ definition of head of household, in addition to single parent female headed households, women were household heads in one third of the multigenerational households, as well as 35 percent of nuclear and in 90 percent of single person households.

The large number of female heads attested to the fact that women have the major responsibility for the welfare of families and for meeting their own economic and other needs as well as those of family members. However, the majority of these women

¹¹ Dennis A.V.Brown, *Sociodemographic Vulnerability in the Caribbean: An Examination of the Social and Demographic Impediments to Equitable Development Through Participatory Citizenship in the Caribbean at the Dawn of the 21st Century*: CELADE, UNECLAC, Santiago, Chile, 2002

although they have children, and sometimes grand children who are dependent on them, are unemployed. For example, 90 percent of the women who were single heads of households had children under the age of 18 years, but 80 percent of them were unemployed. Yet, they were especially concerned about their inability to meet even the basic needs of food and shelter for their children, and to provide them with an education that would allow them to escape from poverty. These women shared the following views:

*"The key is education you should start with your kids."
"Education is the key to success without it you can't get a proper job to be able to care for your family."
"The price of books too high more than a thousand dollars to buy secondary school books, I can't afford it."*

Poor men expressed the view that they were at some disadvantage in contesting headship. The greatest need expressed by most of the men was the need for a job that paid enough money to maintain themselves and their families. In their view, their limited skills and education made employment and income precarious, and this not only limited their ability to perform the role of household head, but it also challenged their concept of masculinity, and created anxiety over relationships with partners. The following are some of the related views expressed during PPA interviews:

*"I cannot get a job and I have five children, I feeling really depressed"
"When I work STEP I can't maintain my family"*

"My pay too small I can't take care of my three children on that."

"As a man, no work, no money, it makes you mad."

"Your girlfriend might horn you when you have no money."

"You can lose your woman because of poverty you know."

4.9 THE RISK OF BEING POOR – LOGISTIC REGRESSION MODEL

A logistic regression model was elaborated, using the micro-dataset from the SLC/HBS 2005/06, following similar work by a number of researchers elsewhere (Ruben 1996, Ray 1999 and Geda 2001). The logit model attempts to estimate a household's odds of being poor, given various conditioning factors, including but not restricted to age, gender, adult equivalent family size¹², education, sector of employment, region, unemployment and participation in the labour force.

The variables in focus "poverty" or alternatively "vulnerability", take one of two conditions for every household that is, poor or non-poor when the variable in question is "poverty" and "vulnerable" or "not vulnerable" in the case of vulnerability. The choice of exogenous variables was influenced by confounding and effect modifying (interaction) impacts, but the final selection was based on theory, precedent of use in other studies and limitations in the dataset. Several different

¹² The use of adult equivalent scales in this study improves the specification of the absolute poverty line when compared to a per capita measure by according higher relative weights to adults over children. This study however does not explore the possibility of economies of household size in consumption which has been shown in some studies to be significant (Ranjan Ray 1999).

variable types were used based on inherent natural contrast, as in the case of the unemployed in contrast to the employed; participants versus non participants in the labour force; and female versus male-headed households. Variables such as age, number of persons employed or unemployed in the household or adult equivalent family size are continuous variables and their impact on the condition of poverty or vulnerability was interpreted in terms of the percentage contribution of an additional year or household member to the odds of being poor. The model also utilizes variables with less obvious contrasts, as in the case of regions - urban/rural or north/south.

4.9.1 RESULTS/FINDINGS

4.9.1.1 Employment

Most research on poverty has identified unemployment as a major contributing factor. Since the issue of employment or unemployment is potentially a problem for all household members we examined this issue in such a way that all household members impact the model from the perspective of how much additional income each member brings to the household. The model concludes that households reduce the risk of poverty by a factor of 96% for every additional \$100 EC earned by an employed person in the household. The use of income focuses not only on the availability of employment to eligible household members but it also serves as a proxy for the quality of employment obtained.

The model was also tested with both the unemployment status of the head of household as an explanatory variable, but although significant, the presence of this variable adversely affected the model's overall validity and was consequently dropped in favour of the number of employed persons, which though not significant improved the overall validity of the model. While the inclusion of the number of persons employed masks, to some extent, the effect of specific occupation groups, two such groups were defined and tested in the model: households containing at least one agricultural worker and households containing at least one worker in the construction sector. These two variables were selected/defined due to their significance to the economic dynamics of St Lucia at time.

The construction sector, for example, employs large numbers of unskilled labour but is cyclical: St Lucia was experiencing a construction "boom" due to increased economic activity in preparation for the hosting of the 2007 Cricket World Cup. The result was a reduction of unemployment and increasing employment rates in St. Lucia. However, workers in the construction sector are a special group of predominately males coming from either marginal farmer/farm labourer class, on the one hand, or senior primary/primary school leavers on the other. This variable was thus included in the model.

The variable for "at least one member of the household is engaged in employment in the construction sector" is the single most

important variable which can be associated with poverty. While persons were employed, and the unemployment rate was 13% nationally, the lowest rate on record, this employment was largely being driven by jobs created by urban construction activity. These jobs require low levels of skill and provide very modest levels of compensation not sufficient to lift person engaged in the sector out of poverty. When household members are employed in the construction sector the odds of a household being “poor” increased by 172%.

4.9.1.2 Housing conditions

A variable normally considered as an indicator of “un-met” basic housing needs, the number of persons per bedroom, though not usually considered from precedent set in other studies or by theory was also introduced for two reasons. First, it is intuitively appealing to make an association between the risk of poverty and housing conditions of members of households; and second the statistical properties of this variable in the model are very appealing - it significantly enhances the model’s overall validity based on Wald and log likelihood test results.

Overcrowding at the household level was found to be a statistically significant variable affecting the determination of socio-economic status of a household. The model suggests that improvement of housing conditions can, conditioned on the other variables included in this model, improve the situation of the poor by up to 65%.

4.9.1.3 Family Size and dependents

The adult equivalent family size was included as a continuous variable in this model and was found to be significant at the 1% level on the chi square distributed Wald test; for each additional equivalent adult added to the household the risk of poverty increases by 146%. This is not an unexpected result as larger household sizes are associated with greater levels of deprivation, social and material deficiencies.

The model also attempts to make a direct link between the presence of children in a household and poverty. This was found to be one of the most important variables impacting the risk of being “poor”: each additional child adds 120% to the risk of being “poor”.

4.9.1.4 Education

The issue of education was introduced as a categorical variable in the model (it was found to be significant at the 1% level) and its components were classified, broadly as none (no education), primary, secondary and tertiary. It was found that households with heads that had primary education were 54% less likely to be poor than households where the head had no education. This finding provides very strong evidence in support of ensuring that poverty reduction should be accompanied by very deliberate and sustained emphasis on primary education. Secondary education is also an important factor: households where household heads had secondary or

higher levels of education were generally not poor.

4.9.1.5 District/Region

The region variable examines the districts most affected by poverty and the odds associated with the extent of the problem in given districts. Anse-la-Raye/Canaries,

Choiseul and Laborie appear to have “odds” ratios greater than the reference “Castries City” area by a factor of at least 25% more than the remaining parts of St. Lucia.

A detailed discussion of the logistic Regression model is presented in Volume III – Analysis of the Quantitative Data.

CHAPTER FIVE: HOUSEHOLD EXPENDITURE PATTERNS

Although the process of data collection for household expenditure surveys is more arduous, it is likely to be a more accurate source of data than income, in terms of providing an estimate of an individual's well being, since respondents are more likely to cooperate and less likely to misrepresent information. But, in addition to its contribution to measuring the living conditions of people, expenditure data are used as input to a host of other national policy decisions. One such example is the revision of the National CPI basket, which is used to monitor changes in prices over time, and to report on one of the key macroeconomic indicators - the inflation rate.

This chapter examines the expenditure data collected during the SLC/HBS of 2005/06 for St Lucia, and reports on household expenditure, including the new CPI basket that was derived from the survey data.

5.1 AVERAGE EXPENDITURE FOR CONSUMPTION QUINTILES

The average household in St Lucia consumed an average of EC\$7,156 on food during the reference year. However, the consumption pattern varied widely across household consumption quintiles: average food expenditure for the poorest quintile was EC\$3,935, while that of Quintile V was EC\$10,793 over the same period (Table 5.1).

TABLE 5.1: MEAN HOUSEHOLD EXPENDITURE BY QUINTILE (EC\$ PER ANNUM)

| Expenditure (EC\$ per annum) | Poorest | II | III | IV | V | All Groups |
|------------------------------|---------|-------|-------|-------|-------|------------|
| | Mean | Mean | Mean | Mean | Mean | Mean |
| Food | 3935 | 5888 | 7317 | 7817 | 10793 | 7156 |
| Non Food | 8211 | 13782 | 16749 | 23335 | 45556 | 21566 |
| Total Expenditure | 12146 | 19670 | 24067 | 31152 | 56349 | 28722 |

5.2 FOOD AND NON-FOOD SHARE IN TOTAL EXPENDITURE

Not unexpectedly, the poor spend a larger proportion of their income on food than the well-off. Table 5.2 attests to the decreasing share of food in total consumption with increasing socio-economic status: the poorest quintile spends 32.4 percent on food compared to 19.2 percent for those in the wealthiest quintile. The data are fully consistent with expectations about the pattern of expenditure and socio-economic status.

TABLE 5.2: FOOD AND NON-FOOD SHARE IN TOTAL HOUSEHOLD EXPENDITURE

| Percentage of total | Poorest | II | III | IV | V | Mean Total |
|---------------------|---------|-------|-------|-------|-------|------------|
| | Mean | Mean | Mean | Mean | Mean | |
| Food | 32.4 | 29.9 | 30.4 | 25.1 | 19.2 | 24.9 |
| Non Food | 67.6 | 70.1 | 69.6 | 74.9 | 80.8 | 75.1 |
| Total (%) | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

5.3 FOOD EXPENDITURE

The distribution of expenditures among various types of foods is shown in Table 5.3. The data show that breads and cereals comprise 16.37 percent of total food expenditure, while meat, fish and seafood comprise 23.95 percent. Fruit and vegetables comprise 13.06 percent.

TABLE 5.3: DISTRIBUTION OF FOOD EXPENDITURE BY TYPE OF FOOD PRODUCT

| Description | Percentage of total food expenditure |
|---|--------------------------------------|
| Bread and cereals | 16.37 |
| Meat | 16.16 |
| Fish and seafood | 7.79 |
| Milk, cheese and eggs | 10.78 |
| Oils and fats | 3.45 |
| Fruit | 3.58 |
| Vegetables | 9.48 |
| Sugar, jam, honey, chocolate and confectionery | 5.08 |
| Food products not elsewhere classified (n.e.c.) | 14.78 |
| Coffee, tea and cocoa | 2.25 |
| Mineral waters, soft drinks, fruit and vegetable juices | 10.26 |
| All food and non-alcoholic beverages | 100.0 |

5.4 CPI BASKET COMPOSITION

Table 5.4 provides some disaggregation of average expenditure. Accommodation and utilities constituted the largest single area of expenditure, followed by food and drink. Given the heavy reliance on imported food

and the sensitivity of food prices to energy prices, the share of food and drink may well rise, and especially so for the lower quintiles. Interestingly, health and hospital services accounted for a larger share of expenditure than education. However, more was spent on clothing and footwear than on these two latter, and alcohol consumed a larger share of household budgets than education.

TABLE 5.4: CPI BASKET COMPOSITION

| COICOP-ICP | Description | % of total Expenditure |
|------------|---|------------------------|
| 11.01 | Food, mineral waters, juices, soft drinks, fruit and vegetables | 19.22 |
| 11.02 | Alcohol and Narcotics | 3.52 |
| 11.03 | Clothing, accessories and Footwear | 5.18 |
| 11.04 | Housing, rental, maintenance, repair, utilities and Energy | 24.93 |
| 11.10 | Education | 2.88 |
| 11.05 | Furniture, Appliances, utensils, and household services | 5.57 |
| 11.06 | Health and hospital Services | 4.58 |
| 11.07 | Vehicle maintenance and repair, transportation | 12.45 |
| 11.08 | Telephone and telefax services | 5.68 |
| 11.09 | Hobbies and Entertainment | 2.54 |
| 11.11 | Restaurants, canteens, accommodation services | 1.76 |
| 11.12 | Other services | 11.72 |
| | Total | 100.0 |

TABLE 5.5: DETAILED CPI BASKET, ST LUCIA 2005/06

| Description | Total | % of Total |
|--|-------------|------------|
| Bread and cereals | 54,182,711 | 3.15 |
| Meat | 53,505,754 | 3.11 |
| Fish and seafood | 25,769,330 | 1.50 |
| Milk, cheese and eggs | 35,681,446 | 2.07 |
| Oils and fats | 11,417,099 | 0.66 |
| Fruit | 11,865,817 | 0.69 |
| Vegetables | 31,389,228 | 1.82 |
| Sugar, jam, honey, chocolate and confectionery | 16,819,246 | 0.98 |
| Food products n.e.c. | 48,936,657 | 2.84 |
| Non-alcoholic Beverages | 9,261 | 0.00 |
| Coffee, tea and cocoa | 7,453,319 | 0.43 |
| Mineral waters, soft drinks, fruit and vegetable juices | 33,974,859 | 1.97 |
| Spirits | 22,414,483 | 1.30 |
| Wine | 5,480,806 | 0.32 |
| Beer | 27,095,111 | 1.57 |
| Tobacco | 5,150,783 | 0.30 |
| NARCOTICS | 0 | 0.00 |
| Narcotics | 404,946 | 0.02 |
| Clothing materials | 6,860,513 | 0.40 |
| Garments | 59,087,501 | 3.43 |
| Other articles of clothing and clothing accessories | 13,025,629 | 0.76 |
| Cleaning, repair and hire of clothing | 327,530 | 0.02 |
| Shoes and other footwear | 9,650,357 | 0.56 |
| Repair and hire of footwear | 238,999 | 0.01 |
| Actual rentals for housing | 6,900,030 | 0.40 |
| Other actual rentals | 244,646 | 0.01 |
| Imputed rentals for housing | 237,434,152 | 13.79 |
| Other imputed rentals | 6,080,601 | 0.35 |
| Materials for the maintenance and repair of the dwelling | 38,963,453 | 2.26 |
| Services for the maintenance and repair of the dwelling | 22,000,641 | 1.28 |
| Water supply | 25,423,068 | 1.48 |
| Miscellaneous services relating to the dwelling | 1,550,793 | 0.09 |
| ELECTRICITY, GAS AND OTHER FUELS | 17,354 | 0.00 |
| Electricity | 72,048,899 | 4.18 |
| Gas | 17,368,279 | 1.01 |
| Liquid fuels | 113,105 | 0.01 |

| Description | Total | % of Total |
|--|------------|------------|
| Solid fuels | 1,104,452 | 0.06 |
| Heat energy | 159,093 | 0.01 |
| Furniture and furnishings | 21,468,983 | 1.25 |
| Newspapers and periodicals | 1,783,093 | 0.10 |
| Miscellaneous printed matter, stationery and drawing materials | 460,914 | 0.03 |
| Package holidays | 0 | 0.00 |
| Pre-primary and primary education | 6,478,918 | 0.38 |
| Secondary education | 1,699,226 | 0.10 |
| Post-secondary non-tertiary education | 86,576 | 0.01 |
| Tertiary education | 37,847,104 | 2.20 |
| Repair of furniture, furnishings and floor coverings | 0 | 0.00 |
| Household textiles | 2,838,801 | 0.16 |
| Major household appliances whether electric or not | 16,420,710 | 0.95 |
| Small electric household appliances | 1,389,761 | 0.08 |
| Repair of household appliances | 1,432,407 | 0.08 |
| Glassware, tableware and household utensils | 1,293,648 | 0.08 |
| Major tools and equipment | 444,384 | 0.03 |
| Small tools and miscellaneous accessories | 1,339,689 | 0.08 |
| Non-durable household goods | 24,056,799 | 1.40 |
| Domestic services and household services | 25,201,374 | 1.46 |
| Pharmaceutical Products (ND) | 21,851,504 | 1.27 |
| Other Medical Products (ND) | 2,194,966 | 0.13 |
| Therapeutic appliances and equipment (ND) | 1,890,966 | 0.11 |
| Medical Services (S) | 37,236,135 | 2.16 |
| Dental Services (S) | 6,031,653 | 0.35 |
| Paramedical Services (S) | 3,176,996 | 0.18 |
| Hospital Services (S) | 6,428,465 | 0.37 |
| Motor cars | 40,483,571 | 2.35 |
| Motor cycles | 154,839 | 0.01 |
| Bicycles | 559,070 | 0.03 |
| Animal drawn vehicles | 0 | 0.00 |
| Spare parts and accessories for personal transport equipment | 25,856,234 | 1.50 |
| Fuels and lubricants for personal transport equipment | 34,929,570 | 2.03 |
| Maintenance and repair of personal transport equipment | 14,583,116 | 0.85 |
| Other services in respect of personal transport equipment | 3,648,164 | 0.21 |
| Passenger transport by railway | 0 | 0.00 |
| Passenger transport by road | 49,306,704 | 2.86 |
| Passenger transport by air | 37,370,635 | 2.17 |

| Description | Total | % of Total |
|---|----------------------|---------------|
| Passenger transport by sea and inland waterway | 1,000,464 | 0.06 |
| Combined passenger transport | 0 | 0.00 |
| Other purchased transport services | 6,456,943 | 0.37 |
| Postal services | 446,376 | 0.03 |
| Telephone and telefax equipment | 1,448,812 | 0.08 |
| Telephone and telefax services | 95,914,126 | 5.57 |
| Equipment for the reception, recording and reproduction of sound and pictures | 4,325,226 | 0.25 |
| Photographic and cinematographic equipment and optical instruments | 789,872 | 0.05 |
| Information processing equipment | 4,362,183 | 0.25 |
| Recording media | 945,699 | 0.05 |
| Repair of audio-visual, photographic and information processing equipment | 517,324 | 0.03 |
| OTHER MAJOR DURABLES FOR RECREATION AND CULTURE | 0 | 0.00 |
| Major durables for outdoor recreation | 0 | 0.00 |
| Musical instruments and major durables for indoor recreation | 246,793 | 0.01 |
| Maintenance and repair of other major durables for recreation | 478,456 | 0.03 |
| Games, toys and hobbies | 1,769,757 | 0.10 |
| Equipment for sport, camping and open-air recreation | 502,166 | 0.03 |
| Gardens, plants and flowers | 3,694,561 | 0.21 |
| Pets and related products | 2,652,510 | 0.15 |
| Veterinary and other services for pets | 3,929,741 | 0.23 |
| Recreational and sporting services | 354,034 | 0.02 |
| Cultural services | 12,206,004 | 0.71 |
| Games of chance | 317,736 | 0.02 |
| Books | 4,337,318 | 0.25 |
| Education not definable by level | 3,372,647 | 0.20 |
| Restaurants, cafés and the like | 9,614,141 | 0.56 |
| Canteens | 2,934,214 | 0.17 |
| Accommodation services | 17,788,332 | 1.03 |
| Hairdressing salons and personal grooming establishments | 5,737,752 | 0.33 |
| Electric appliances for personal care | 43,571 | 0.00 |
| Other appliances, articles and products for personal care | 33,098,028 | 1.92 |
| Prostitution | 839,926 | 0.05 |
| Jewellery, clocks and watches | 394,705 | 0.02 |
| Other personal effects | 942,186 | 0.05 |
| Social protection | 13,807,652 | 0.80 |
| Insurance | 139,238,989 | 8.08 |
| FISIM | 0 | 0.00 |
| Other financial services | 782,107 | 0.05 |
| Other services | 6,959,283 | 0.40 |
| Total | 1,722,344,560 | 100.00 |

CHAPTER SIX: LABOUR MARKET ISSUES AND POVERTY

Access to employment is the main source of income for most households in the economy of St. Lucia. The employment generation capacity of the economy was severely weakened by the decline in competitiveness of two of the three primary foreign exchange earning sectors. The transmission effect of performance of the export sector on employment across the economy has its own peculiarities in an export-propelled economy of the type that is St. Lucia.

The capacity for employment creation of the non-traded sectors ultimately depends on the competitiveness of the export sector or the traded goods and services sector. Growth in manufacturing employment has been flat at best over the last five years. The agriculture sector showed a reduced share in employment largely on account of the fall in exports of bananas. The sector employed mainly older workers and as it shed labour, it is this group that suffered most: it is estimated that employment in agriculture fell from over 12,000 in the 1990s to under 8000 by 2005, this in an employed workforce of just over 65,000.¹³ The decline in employment in agriculture and in the overall capacity of the economy to create jobs impacted poorer households and/or created poverty.

The non-traded goods sectors - Construction, Wholesale and Retail Trade (Distribution, including its incarnation in the informal sector), Transport, Storage and Communications, and Government are the other important sources for employment. State related employment has been driven by the demands of public administration and the improvement in the range of services to the public, but is limited by the capacity of the Government to sustain higher current expenditures. The other sectors showed modest expansion in employment, except for Construction, driven by the requirements of the Cricket World Cup and by the construction of new hotel plant.

In its other role as the provider of social protection, the Government mounted a number of social programmes to provide relief to the unemployed. The Minister of Finance in the Budget presentation of 2005/2006, identified the labour intensive programmes of the Poverty Reduction Programme, and the Short Term Employment Programme (STEP), along with support to SMEs through SEDU and the James Belgrave Fund.¹⁴

¹³ The Director of Statistics referred to this phenomenon in a review of the unemployment data in 2005. See www.stats.gov.lc/na_main/Labour%20Market%20Trends.pdf.

¹⁴ See Minister of Finance, 'Consolidating Gains, Developing a World Class Destination and Enhancing Human Resource Capacity,' Budget Address, 2005-2006, April 2005., p. 46.

There were also programmes to ease the labour market entry of young people, in which group unemployment has been historically highest. Here the National Skills Development Centre and the Youth Apprenticeship Programme were the main initiatives of the Government. In the final analysis, all of these measures depended on the revenue base of the Government, and this was severely weakened by the slowing of the export sector. The survey data in the SLC/HBS, as well as the PPA have identified the sequel to limited employment creation at the level of the household and the community.

6.1 LABOUR FORCE PARTICIPATION

The income generated by the head of household is an important source of income for many. Table 6.1 permits an examination of the relationship between labour force participation and socio-economic status.

Labour force participants are those persons who are either employed or unemployed and seeking work. Those not in the labour force are the aged, infants, young people attending school, those too disabled or ill to work, those of working age who are not interested in employment and those participating in the domestic sphere or family owned business for which they receive no pay.

The data show a clear positive relationship between socioeconomic status and labour force participation. Labour force participation increases from Quintile I (the poorest) to Quintile V (the wealthiest). Quintile I had the lowest rate, 33.4 percent. This rose steadily to peak at 51.7 percent for Quintile V.

The data in Table 6.1 should not be interpreted to mean that persons in Quintile 1 simply choose to participate less in the labour force than persons in Quintiles 2-5. Low rates of labour force participation may be the result of a lack of endowments, which can mean that:

- labour force participation is constrained; or
- labour force participation brings limited returns.

TABLE 6.1: LABOUR FORCE PARTICIPATION BY CONSUMPTION QUINTILE

| | Adult Equivalent Per Capita Consumption Quintiles | | | | | | | | | | Total | |
|-------------|---|-------|-------|-------|-------|-------|-------|-------|---------|-------|--------|-------|
| | Poorest | | II | | III | | IV | | Richest | | | |
| | No. | % | No. | % | No. | % | No. | % | No. | % | No. | % |
| Participant | 11077 | 33.4 | 12400 | 37.7 | 13773 | 42.0 | 15625 | 47.5 | 17082 | 51.7 | 69957 | 42.4 |
| NP | 22113 | 66.6 | 20508 | 62.3 | 19033 | 58.0 | 17294 | 52.5 | 15936 | 48.3 | 94884 | 57.6 |
| Total | 33190 | 100.0 | 32908 | 100.0 | 32807 | 100.0 | 32919 | 100.0 | 33018 | 100.0 | 164842 | 100.0 |

NP = Not in labour force

Thus, there are some labour force participants whose lack of endowments do not allow them higher returns and they remain in poverty. There are poor persons who are employed, but do not earn enough income to afford them a standard of living above the poverty line. Table 2.6 of Volume III indicates that some 81.6 percent of the poor in the labour force are employed.

Indeed, given that the official unemployment rate for the country was 15.7 percent in the last quarter of 2005, and 13.0 percent of the sample were unemployed, since 18.4 percent of the poor were unemployed, we can conclude that the poor faced a higher unemployment rate than the national average.:-

Table 6.2 examines the relationship between labour force participation, socio-economic status and sex of household heads. Overall, 66.1 percent of all household heads actively participated in the labour force. Moreover, substantially higher levels of participation were observed among male household heads than among female heads, 75.8 percent and 53.6 percent respectively. Among poor heads of households, however there was a lower level of participation (59.15).

When the gender of household heads is taken into account, there is greater participation among males than females regardless of socioeconomic status. Further, 73.7 percent of poor male household heads participated in the labour force, compared to 39.4 percent of poor female heads. This suggests that poor male heads would have had greater prospects than their female counterparts of obtaining income through employment either because the former were employed or may have explored prospects for obtaining work.

TABLE 6.2: LABOUR FORCE PARTICIPATION OF HEADS OF HOUSEHOLDS BY SOCIO-ECONOMIC STATUS AND SEX

| Labour Force Participants | Socio Economic Status | | | | Total | |
|---------------------------|-----------------------|-------|----------|-------|-------|-------|
| | Poor | | Non Poor | | | |
| | N | % | N | % | N | % |
| MALE | | | | | | |
| Participant | 4245 | 73.7 | 15558 | 76.4 | 19803 | 75.8 |
| Non Participant | 1511 | 26.3 | 4818 | 23.6 | 6330 | 24.2 |
| Total | 5756 | 100.0 | 20377 | 100.0 | 26133 | 100.0 |
| FEMALE | | | | | | |
| Participant | 1684 | 39.4 | 9129 | 57.4 | 10813 | 53.6 |
| Non Participant | 2585 | 60.6 | 6784 | 42.6 | 9369 | 46.4 |
| Total | 4269 | 100.0 | 15913 | 100.0 | 20182 | 100.0 |
| BOTH SEXES | | | | | | |
| Participant | 5929 | 59.1 | 24687 | 68.0 | 30616 | 66.1 |
| Non Participant | 4097 | 40.9 | 11602 | 32.0 | 15699 | 33.9 |
| Total | 10025 | 100.0 | 36290 | 100.0 | 46315 | 100.0 |

Among non-poor female heads of households, there were greater levels of participation in the labour force than non-participation (57.4% compared to 42.6%). By comparing poor female heads of households with their non-poor counterparts, it might be possible to discern factors that are likely to be associated with differential levels of participation across the two groups of women and as such, deemed to be ideal levers that can be manipulated to empower poor female heads with regard to their participation in the labour force.

6.1.1 LABOUR FORCE PARTICIPATION AND EDUCATIONAL ATTAINMENT

A look at labour force participation and highest level of examination passed by sex reveals some interesting findings (Tables 6.3 and 6.4). A large proportion of male participants across all quintiles had attained at most school leaving examinations (73.2%). Of these 56.7 percent had not passed any formal examinations. Additionally, more than 4 in 10 males in the richest quintile had not passed any examinations, and the situation was worse in the poorest quintile, with 81.7 percent of the poorest male participants having passed no formal examinations.

Female labour force participants appear to have performed better than their male counterparts in terms of educational attainment, but the situation is not much improved. As many as 51.0 percent of all female participants across all consumption quintiles had passed no formal examinations, while 21.0 percent had attained school leaving as the highest examination passed.

In general, the disparity across quintiles was less stark than in the case of male participants (Table 6.4). In the poorest quintile, female participants were more likely than males to have passed CXC level examinations (CXC basic, CXC 1-4 passes and CXC 5 passes or more combined).

TABLE 6.3: DISTRIBUTION OF MALE LABOUR FORCE PARTICIPANTS BY HIGHEST EXAMINATION PASSED AND QUINTILES

| Highest Examination Passed | Per Capita Consumption Quintiles | | | | | All St Lucia |
|----------------------------|----------------------------------|-------|-------|-------|---------|--------------|
| | Poorest | II | III | IV | Richest | |
| | % | | | | | |
| None | 81.7 | 59.8 | 56.1 | 58.7 | 40.3 | 56.7 |
| School Leaving | 7.3 | 22.5 | 19.2 | 20.4 | 13.3 | 16.5 |
| CXC Basic | - | - | - | 4.4 | 3.7 | 1.9 |
| CXC 1-4 Passes | 1.9 | 8.9 | 5.5 | 2.9 | 3.9 | 4.6 |
| CXC 5 and More Passes | 3.6 | 1.4 | 8.2 | 3.0 | 11.3 | 6.2 |
| A Level | - | - | - | 1.6 | 1.0 | .6 |
| Diploma | - | 4.5 | 2.9 | 6.1 | 6.5 | 4.3 |
| Associate Degree | - | - | - | - | 1.0 | .3 |
| Undergraduate Degree | - | - | - | - | 3.8 | 1.1 |
| Post Graduate Degree | - | 1.5 | - | 1.5 | 9.4 | 3.2 |
| Professional Qualification | - | - | 2.7 | - | 3.8 | 1.6 |
| Other | - | - | 2.8 | 1.5 | - | .8 |
| Not Stated | 5.5 | 1.4 | 2.7 | - | 1.9 | 2.2 |
| All St Lucia | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

TABLE 6.4: DISTRIBUTION OF FEMALE LABOUR FORCE PARTICIPANTS BY HIGHEST EXAMINATION PASSED BY QUINTILES

| Highest Examination Passed | Per Capita Consumption Quintiles | | | | | All St Lucia |
|----------------------------|----------------------------------|-------|-------|-------|-------|--------------|
| | I | II | III | IV | V | |
| | % | | | | | |
| None | 69.1 | 58.8 | 55.5 | 47.0 | 35.1 | 51.0 |
| School Leaving | 17.0 | 24.0 | 18.7 | 23.8 | 20.5 | 21.0 |
| CXC Basic | - | 3.9 | 4.6 | 2.2 | .9 | 2.4 |
| CXC 1-4 Passes | 5.3 | 4.0 | 8.1 | 9.1 | 5.4 | 6.5 |
| CXC 5 and More Passes | 3.4 | 5.3 | 3.6 | 11.1 | 12.1 | 7.7 |
| A Level | 1.8 | - | - | 1.1 | 1.8 | 1.0 |
| Diploma | - | 1.3 | 2.5 | 3.4 | 7.5 | 3.4 |
| Associate Degree | - | 1.3 | - | 1.1 | 2.7 | 1.2 |
| Undergraduate Degree | - | - | - | - | 3.7 | 1.0 |
| Post Graduate Degree | - | - | - | - | 2.8 | .7 |
| Professional Qualification | - | - | - | 1.2 | 4.7 | 1.5 |
| Other | - | 1.3 | 3.4 | - | .9 | 1.2 |
| Not Stated | 3.4 | - | 3.4 | - | 1.8 | 1.6 |
| All St Lucia | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Data from the SLC/HBS and from the PPA show that there is significant gender segmentation of the labour market. Employment growth is not equitable in terms of gender, when it does occur. According to the Department of Statistics, employment in the Hotels and Restaurants

Sector is skewed to the employment of women by a factor of two women to every one man, while employment in Construction Sector is skewed in favour of men with six men being employed for every one woman employed in the sector.¹⁵ This accords with the findings of the SLC and the PPA. Consequently, increasing women's participation in the labour market does not necessarily improve their access to wages and financial resources required to meet their basic needs and those of their families.

Some of the female participants in the PPA expressed the following views on the gender segmentation issue:

"Women's salaries are too low. We are being taken advantage of."

"I do tiling but people don't want to pay me \$1.25 per tile, they only want to pay 95 cents."

This may, in turn, prompt them to respond in ways that do not improve their living conditions and, perhaps even more likely, would result in further deterioration in their living conditions.

6.2 EMPLOYMENT STATUS

Table 6.5 shows the relationship between Employment Status and socioeconomic status. The data show that 21.3 percent of those employed are poor (a phenomenon generally referred to as the working-poor) and that 18.4 percent of all poor persons in the labour market are unemployed.

¹⁵ See comment of Director of Statistics in http://www.stats.gov.lc/na_main/Labour%20Market%20Trends.pdf.

TABLE 6.5: EMPLOYMENT STATUS AND SOCIO ECONOMIC STATUS CROSS-TABULATION

| Employment Status | Socio Economic Status | | Total |
|--------------------------------|-----------------------|----------|-------|
| | Poor | Non Poor | |
| EMPLOYED | | | |
| No. | 12977 | 47881 | 60858 |
| % within Employment Status | 21.3 | 78.7 | 100.0 |
| % within Socio Economic Status | 81.6 | 88.6 | 87.0 |
| % of Total | 18.5 | 68.4 | 87.0 |
| UNEMPLOYED | | | |
| No. | 2928 | 6171 | 9099 |
| % within Employment Status | 32.2 | 67.8 | 100.0 |
| % within Socio Economic Status | 18.4 | 11.4 | 13.0 |
| % of Total | 4.2 | 8.8 | 13.0 |
| TOTAL | | | |
| No. | 15905 | 54052 | 69957 |
| % within Employment Status | 22.7 | 77.3 | 100.0 |
| % within Socio Economic Status | 100.0 | 100.0 | 100.0 |
| % of Total | 22.7 | 77.3 | 100.0 |

Table 6.6 examines the relationship between employment status, socio-economic status and sex of household heads. Overall, 7.2 percent of household heads were estimated to be unemployed, a greater proportion being observed among female heads than among male heads (12.5% compared to 4.2% of males). Higher rates of unemployment were estimated among poor household heads irrespective of the sex of the household head. Among poor household heads, 11.0 percent were estimated to be unemployed, across both sexes, with 20.4 percent of poor female

heads unemployed compared to 7.3 percent of poor male heads.

These findings reinforce earlier findings suggesting that poor males have greater prospects than their female counterparts of obtaining income through employment and the need for empowering poor female heads to elevate their living standards and that of their families. They also attest to substantial segmentation of the labour market. Another interesting result is the reason advanced for not working by adults 15 years and over. Some 46 percent reported being retired for the population as a whole. However, while 62.5 percent of the richest quintile gave this reason, only one quarter did so in the lowest quintile. This suggests that while finding a job would have been challenging, the poor could not afford to be unemployed.

TABLE 6.6: DISTRIBUTION OF HOUSEHOLD HEADS IN THE LABOUR FORCE BY EMPLOYMENT STATUS BY SOCIOECONOMIC STATUS AND SEX

| Employment Status | Socio Economic Status | | | | Total | |
|-------------------|-----------------------|-------|----------|-------|--------|-------|
| | Poor | | Non Poor | | N | % |
| | N | % | N | % | | |
| MALE | | | | | | |
| Employed | 3,935 | 92.7 | 15,026 | 96.6 | 18,961 | 95.8 |
| Unemployed | 309 | 7.3 | 532 | 3.4 | 842 | 4.2 |
| Total | 4,245 | 100.0 | 15,558 | 100.0 | 19,803 | 100.0 |
| FEMALE | | | | | | |
| Employed | 1,341 | 79.6 | 8,117 | 88.9 | 9,458 | 87.5 |
| Unemployed | 343 | 20.4 | 1,012 | 11.1 | 1,355 | 12.5 |
| Total | 1,684 | 100.0 | 9,129 | 100.0 | 10,813 | 100.0 |
| BOTH SEXES | | | | | | |
| Employed | 5,276 | 89.0 | 23,143 | 93.7 | 28,419 | 92.8 |
| Unemployed | 652 | 11.0 | 1,544 | 6.3 | 2,196 | 7.2 |
| Total | 5,929 | 100.0 | 24,687 | 100.0 | 30,616 | 100.0 |

Table 6.7 below shows the geographic distribution of employed and unemployed poor persons in St. Lucia's labour force. Not surprisingly, variations in the concentrations within the districts are consistent with variations in the number of poor persons in the labour force in the respective district. As such, the greatest concentration of unemployed persons is found in Sub-Urban Castries (36.1 %), irrespective of individuals' sex. A similar observation emerges in the context of districts such as Micoud and Gros Islet that have relatively high concentrations of unemployed persons who are deemed to be poor.

6.3 COPING WITH UNEMPLOYMENT

The PPA provided insights on the impact of unemployment on various sub population groups. Approximately one hundred and fifty unemployed persons between the ages of 19 and 60 years of age participated in focus group discussions, and just over half of these were women. Many of the unemployed were young people between the ages of 19 and 35 and the majority reported having at most a primary level education and few marketable skills. Lack of qualifications and age (potentially linked to experience) were identified by them as the key factors in determining employment access.

TABLE 6.7: DISTRIBUTION OF POOR PERSONS IN THE LABOUR FORCE BY PARISH ACCORDING TO EMPLOYMENT STATUS AND SEX

| District | Employment Status | | Total |
|--------------------|-------------------|------------|-------|
| | Employed | Unemployed | |
| | % | % | % |
| MALE | | | |
| Castries City | 4.7 | - | 4.1 |
| Castries Sub-Urban | 30.6 | 36.4 | 31.3 |
| Anse-la-Raye | 9.4 | - | 8.2 |
| Soufriere | 6.8 | 13.3 | 7.6 |
| Choiseul | 2.1 | 8.6 | 2.9 |
| Laborie | 5.3 | - | 4.7 |
| Vieux-Fort | 8 | 12.9 | 8.6 |
| Micoud | 15.7 | 16.3 | 15.8 |
| Dennerly | 6.9 | - | 6 |
| Gros-Islet | 10.5 | 12.4 | 10.7 |
| Total | 100 | 100 | 100 |
| FEMALE | | | |
| Castries City | 4.1 | 4.3 | 4.1 |
| Castries Sub-Urban | 27.9 | 35.9 | 30.1 |
| Anse-la-Raye | 10.6 | 2.2 | 8.3 |
| Soufriere | 4.6 | 7.4 | 5.4 |
| Choiseul | 6.4 | 6.4 | 6.4 |
| Laborie | 5.9 | 6.7 | 6.2 |
| Vieux-Fort | 9.9 | 4.8 | 8.5 |
| Micoud | 10 | 14.5 | 11.2 |
| Dennerly | 6.6 | 8.8 | 7.2 |
| Gros-Islet | 13.9 | 9.2 | 12.6 |
| Total | 100 | 100 | 100 |
| BOTH SEXES | | | |
| Castries City | 4.5 | 2.5 | 4.1 |
| Castries Sub-Urban | 29.7 | 36.1 | 30.8 |
| Anse-la-Raye | 9.8 | 1.2 | 8.2 |
| Soufriere | 6 | 9.9 | 6.7 |
| Choiseul | 3.6 | 7.3 | 4.3 |
| Laborie | 5.5 | 3.9 | 5.2 |
| Vieux-Fort | 8.7 | 8.2 | 8.6 |
| Micoud | 13.8 | 15.3 | 14 |
| Dennerly | 6.8 | 5 | 6.5 |
| Gros-Islet | 11.6 | 10.6 | 11.4 |
| Total | 100 | 100 | 100 |

Most unemployed persons saw unemployment, manifested in their inability to get a job and to earn income, as the main reasons why they were poor. Those who lived in rural communities, and in particular the banana growing areas, attributed their poverty to the decline in the industry. They all recognized that being employed was essential to meeting basic needs and lamented the lack of job opportunities and their inability to find permanent employment.

"Poverty is no work, no money, you can't buy stuff."

"Next month will be a year since I' not working."

Participants also expressed issues of discrimination and exploitation by employers and several participants shared experiences of being abused and exploited. Women who had been exposed to special risks shared the following views:

"For you to get a job you have to sleep with the boss."

"It is a job we want that's why we have sex."

Some men were of the view that women stood a better chance of being employed; in their view:

"A fella can't get work, but a girl with long hair, short skirts and high heels are getting the job."

The STEP programme was identified as a potential source of income, as well as hotel and construction work (although for some employment is seasonal). However, many said that the wages were too low to satisfy their basic needs.

Additionally, the stigma attached to particular communities like Faux a Chaux Wiltons Yard and the Mangue militates against employment opportunities, effectively locking an entire community from economic and thus social mobility: this leads to a vicious cycle of marginalization and poverty from one generation to another.

"When I told him that I live in Faux a Chaux, he told me to get out of his office because he don't trust people who live there."

The rural economy has generated even fewer jobs and offered little prospects, and while prospects were better in the urban communities, possibly because of a buyers' market, wages were sometimes so low that it was not worthwhile to work. This was also the case of seasonal employment where men were employed in the construction industry and women in the hotel industry. The official labour statistics reflect the modest employment growth across the economy, for the most part: the participants in the PPA were clearly alluding to some level of work sharing as employers put pressure on workers to adjust to lower wages if they wanted to be employed.

"Imagine at the hotel they paying the girl \$100.00 a fortnight, it was too little bit, she had to stop."

A significant number of persons also admitted to working in the informal and underground economies, due to limited access to employment in the formal sectors of the economy, and their inability to secure jobs that paid decent wages.

6.4 OCCUPATION

Table 6.8 investigates the relationship between occupation, socio-economic status and sex of household heads. Overall, the majority of employed heads were engaged in work related to sales and services. The respective proportions for males, females and all heads were 8.8 percent, 7.0 percent and 8.0 percent, indicating that the same pattern persisted across the sexes. Among male heads, work related to craft activities and skilled agricultural pursuits appeared to be popular and were reported by respective proportions of 7.3 percent and 6.0 percent of the all household heads. Among female heads, work related to craft activities and elementary tasks appeared to be popular and were reported by respective proportions of 4.5 percent and 4.3 percent of all heads. It should be noted however that the large number of non-responses (not-stated) to this question imply that the results should be viewed with caution.

While the three main occupational activities that were characteristic of all male heads persisted among poor male heads, their order of predominance was different. Specifically, work akin to skilled agricultural pursuits became the most popular activity among poor male heads followed by elementary occupations and craft-related work. To this end, the respective proportions engaged in such activities were 7.0 percent, 6.8 percent and 6.7 percent. The pattern of occupational activity among poor female heads did not depart too far from that observed among all female heads as the former engaged primarily in work activities associated with sales and services and craft-related tasks,

the respective proportions being 7.2 percent and 4.6 percent. For poor female household heads, however, there was a notable thrust in the direction of skilled agricultural activities (4.5%) compared to all female heads (1.7%).

TABLE 6.8: DISTRIBUTION OF HOUSEHOLD HEADS IN THE OCCUPATION ACCORDING TO SOCIOECONOMIC STATUS AND SEX

| Occupation | Socio Economic Status | | Total % |
|----------------------|-----------------------|---------------|------------|
| | Poor % | Non Poor % | |
| MALE | | | |
| Legislator/Manager | 2 | 6.6 | 5.6 |
| Professional | 0.7 | 3.4 | 2.8 |
| Technical | - | 2.4 | 1.9 |
| Clerical | - | 2.4 | 1.9 |
| Services/Sales | 6.1 | 9.6 | 8.8 |
| Skilled/Agricultural | 7 | 5.7 | 6 |
| Craft | 6.7 | 7.5 | 7.3 |
| Machine Operator | 1.4 | 3.6 | 3.1 |
| Elementary | 6.8 | 4.7 | 5.2 |
| Not Stated | 69.3 | 54.2 | 57.5 |
| Total | 100 | 100 | 100 |
| FEMALE | | | |
| Legislator/Manager | 0.9 | 2 | 1.7 |
| Professional | - | 4.3 | 3.4 |
| Technical | - | 1.7 | 1.3 |
| Clerical | - | 3.1 | 2.4 |
| Services/Sales | 7.2 | 7 | 7 |
| Skilled/Agricultural | 4.5 | 1 | 1.7 |
| Craft | 4.6 | 4.5 | 4.5 |
| Machine Operator | 1.9 | 0.7 | 1 |
| Elementary | 3.5 | 4.6 | 4.3 |
| Not Stated | 77.3 | 71.2 | 72.5 |
| Total | 100 | 100 | 100 |
| BOTH SEXES | | | |
| Legislator/Manager | 1.5 | 4.5 | 3.9 |
| Professional | 0.4 | 3.8 | 3.1 |
| Technical | - | 2.1 | 1.6 |
| Clerical | - | 2.7 | 2.1 |
| Services/Sales | 6.6 | 8.4 | 8 |
| Skilled/Agricultural | 6 | 3.6 | 4.1 |
| Craft | 5.8 | 6.2 | 6.1 |
| Machine Operator | 1.6 | 2.3 | 2.2 |
| Elementary | 5.4 | 4.7 | 4.8 |
| Not Stated | 72.7 | 61.6 | 64 |
| Total | 100 | 100 | 100 |

In sum, it appears that though poor male heads were primarily engaged in skilled agricultural work, elementary occupations and craft-related work. In contrast, female heads were primarily engaged in work akin to sales and services, craft-related work and skilled agricultural activities.

In terms of type of worker, the data show that the private sector was the primary employer, accounting for 29.3 percent of all labour force participants, while the State and Statutory Boards accounted for 7.7 percent and 1.5 percent respectively. The large number of non responses to this question suggests caution in interpreting these results.

TABLE 6.9: DISTRIBUTION OF BOTH SEXES OF LABOUR FORCE PARTICIPANTS BY TYPE OF WORKER

| Type of Worker | Per Capita Consumption Quintiles | | | | | All St Lucia |
|---------------------------------|----------------------------------|-------|-------|-------|---------|--------------|
| | Poorest | II | III | IV | Richest | |
| Paid Employee – Government | 3.8 | 4.1 | 4.2 | 10.4 | 12.8 | 7.7 |
| Paid Employee – Statutory | 1.0 | .7 | 1.1 | 1.9 | 2.2 | 1.5 |
| Paid Employee – private | 27.6 | 25.1 | 29.8 | 31.2 | 31.2 | 29.3 |
| Self employed without employees | 6.5 | 7.5 | 8.3 | 6.7 | 11.7 | 8.6 |
| Self employed with employees | 1.0 | .7 | .6 | - | 1.8 | .9 |
| Other | 1.0 | - | - | - | .4 | .3 |
| Not Stated | 59.2 | 61.8 | 56.1 | 49.8 | 39.8 | 51.8 |
| All St Lucia | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

6.5 COPING WITH LOW INCOME

Data from the PPA show that poor persons rarely depended fully on others for their survival. The unemployed or those who work for low wages may choose to become involved in illegal or other risky activities in order to cope with their circumstances. They generally said that:

"When you have no money you will take a drink quicker than if you have. "

"I prefer doing prostitution than stealing."

The data also show that others become resigned to their situation or put their faith in God, suggesting that:

"I do what I can, God will do the rest."

However, the majority are very creative and innovative in adopting strategies to help them to cope and survive. Among these were careful budgeting, making do and doing without, vending, begging, and doing 'odd jobs'.

Many poor unemployed persons are resilient and show a willingness to do whatever is necessary, to make ends meet and to make sacrifices to ensure that they and their families can survive. They prioritize, they do odd jobs, plan on how best to use scarce resources and how to make the most of what they have. The following are some of the views expressed:

"I do anything I can get, cleaning, washing, sell things..."

"As a mother sometimes I sell nuts and farine to make a few dollars."

"I do anything with my hands to make a dollar."

"I do the best with what I have, I budget carefully."

"I use what ever I have to make ends meet."

"I make do with what I have."

"Sometimes I leave a bill behind to get things for the children."

"I am not ashamed to say that I beg."

Some households relied on remittances and gifts of various kinds to survive and to sustain their livelihoods. Twenty heads of households interviewed during the PPA received remittances from relatives abroad and at home, but for some, these were not always consistent nor were they received on a regular basis. Fourteen of the households received small amounts of money in the form of social welfare assistance and an even smaller number received pensions. While the amounts received from these sources are generally small, for many households they were the sole source of income. But only three interviewees said that they received a small amount of money by way of pension. Some other household heads said that they relied on neighbours to help them with food from time to time. They confirmed that:

"If I have nothing neighbours will give me."

"Neighbours will share and help out with food."

The finances of the households are very fragile and are dependent on the ability of household members to obtain employment that would produce enough money to meet needs. There is differential capacity here. In

the elderly single person households where individuals are unable to work, they depend on small pensions, welfare, and help from children or other relatives and friends. Many of them are vulnerable and lack food and their dietary, nutritional and health needs are not being met because of lack of money.

In terms of numbers of earners per household, three out of four households said one or two family members were employed either in fulltime, part time, or seasonal jobs. In more than half of these households there was at least one person employed, and in more than one person was employed. While the data show that a significant number of persons in these households were employed and therefore were generating some income, nearly half (46.3%) of them were working part time or in seasonal jobs. In addition, most of those employed were working in low skilled, low paying jobs, like cleaning Government offices and facilities, including public toilets and baths, working in the STEP programme, in construction, and as labourers or doing odd jobs. A few were engaged in small scale farming or were self-employed, earning low incomes. In most of the households weekly income ranged from EC\$100.00 to and EC\$200.00, and in those with monthly incomes, most earned between \$100.00 and \$500.00, and some over \$500.00.

In some of the households, absent fathers did contribute money to the support of their children, but in several cases neither the amount of money nor the frequency of the

contributions was consistent or reliable. At the same time while some of the households did occasionally receive remittances of money and gifts in the form of barrels from relatives or friends abroad they could not depend on these. Most of the available money was spent on food and on electricity and medical bills and often one had to be neglected in order to do the other.

6.6 INFORMAL SECTOR AND UNDERGROUND ECONOMY

During the PPA, participants revealed that high levels of unemployment and underemployment have led to the growth of the informal sector and to a reliance on seasonal and low level work including buying and selling of agricultural produce (men and women), construction (mostly men), and domestic work in homes or offices (women). Others, especially young men, have to “hustle” and do odd jobs, including car washing and running errands and some young women are engaged in the sex trade.

The drug culture seems to have become fully institutionalised and is seen as important source for common economic activities, especially for unemployed young people, and especially for unemployed young men: illegality counts for little importance. The majority of the communities reported an increase in underground or illegal activities including crime, gambling and drug trafficking, as sources of income. It was said that:

“Some people make a living by selling weed.”

“The drugs helping the community, it help pay the bills, feed families.”

The drug culture appears to have become a “normal” activity and large numbers of young people, both male and female but larger numbers of the former are involved in trafficking and use of illegal drugs. Not only has there been an increase in the use of illegal drugs, including cocaine, in all of the communities, but smoking of marijuana in particular is now done in the open.

“People no longer hide to take drugs”

“Marijuana, cocaine, hash, it is a competition, I have the ting so I have to sell it to him before someone else.”

In sum, then, the relatively high level of unemployment that has been witnessed in the country has been reflected in the experiences of residents in the selected communities, who have been unemployed, or underemployed, or engaged in low level activities in the informal sector, and occasionally, in the underground economy in eking out an existence. There are the few who reap high rewards from the latter and would find it difficult to revert to mainstream employment. This convergence with a low capacity formal labour market has implications in creating labour commitment, especially among young people.

CHAPTER SEVEN: EDUCATION

In the more recent past, the major thrust in education has been in respect of the universalizing of secondary education. The reach to the poor is the litmus test in the achievement of this objective.

While the data from this study will not reflect recent initiatives undertaken by GOSL to correct problems of human resource deficiencies, it provides good baseline data which can serve to inform policy. The survey provides evidence on the educational attainment, and to some extent, on the reach and targeting of existing school feeding and textbook programmes.

7.1 REPORTED LITERACY

Table 7.1 reports the findings of functional illiteracy from the SLC/HBS. The data attest to the positive relationship between literacy and socioeconomic status; 20.0 percent of those in the poorest quintile said that they could not read or write, compared to 16.4 percent in Quintile III and 9.3 percent in Quintile V. Generally, some 15.7 percent of the population could not read and write: this should be disturbing for a country seeking to get into the knowledge economy of the 21st century.

TABLE 7.1: DISTRIBUTION OF BOTH SEXES BY REPORTED LITERACY STATUS BY QUINTILES

| Can Read and Write | Per Capita Consumption Quintiles | | | | | All St Lucia |
|--------------------|----------------------------------|-------|-------|-------|---------|--------------|
| | Poorest | II | III | IV | Richest | |
| | % | | | | | |
| Yes | 79.3 | 83.3 | 83.5 | 84.1 | 90.7 | 84.2 |
| No | 20.6 | 16.6 | 16.4 | 15.8 | 9.3 | 15.7 |
| Not Stated | .1 | .1 | .1 | .1 | - | .1 |
| All St Lucia | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

7.2 EDUCATIONAL ATTAINMENT OF HEAD

Table 7.2 examines variations in the educational attainment of household heads according to socio-economic status and sex. In St. Lucia, the majority (approximately 60.0%) of household heads were estimated to have attained a maximum of primary education - this was the case irrespective of sex. While about 22.2 percent of household heads attained secondary education, just about 4.0 percent had attained a maximum of a university level education.

Also worthy of note is the fact that the data for 2005 reflect an advance on conditions in 1995: as much as 78 percent had not gone beyond primary in 1995, and in the lowest quintile as much as 90.1 percent. Much of the educational upgrading had come through the greater participation at secondary level education, and more so for females.

The data in table 7.2 shows the predominance of primary education as the highest level attained by household heads irrespective of their socio-economic status. Moreover, it shows that poor household heads were much more likely to have attained a maximum of a primary education and less likely to have attained higher levels when compared to their non-poor counterparts.

When the sex of household heads is taken into account, this pattern persists especially among male heads for whom it was much more pronounced. In the case of female heads however, sex differentials in educational attainment across socio-economic status were observed but were not as pronounced as in the case of their male counterparts. The difference in the proportions of poor and non-poor female household heads attaining a maximum of secondary education was 3.7 percentage points. The corresponding difference for male heads was 16.3 percentage points.

This implies that despite attaining secondary level education, greater proportions of females rather than males end up being the heads of households that may be unable to ensure the well being of their members.

TABLE 7.2: HIGHEST EDUCATIONAL ATTAINMENT OF HOUSEHOLD HEADS BY ACCORDING TO SOCIO-ECONOMIC STATUS AND SEX

| Highest Educational Attainment | Socio Economic Status 2005/06 | | Total | Total |
|--------------------------------|-------------------------------|----------|---------|-----------|
| | Poor | Non Poor | 2005/06 | 1995 SLC* |
| | % | % | % | % |
| BOTH SEXES | | | | |
| None | 0.4 | 0.6 | 0.5 | |
| Nursery/ Kindergarten | - | 0.1 | 0.1 | 0.6 |
| Primary | 74.3 | 56.6 | 60.2 | 78.1 |
| Secondary | 13.7 | 24.7 | 22.4 | 12.8 |
| SALCC | 1.3 | 4.6 | 3.9 | 3.1 |
| Other Tech/Vocational | 0.9 | 2.3 | 2 | |
| University | - | 5.6 | 4.4 | 3 |
| Other Not Specified | 0.9 | 0.8 | 0.8 | 2.4 |
| Don't Know | 8.6 | 4.3 | 5.2 | |
| Not Stated | - | 0.3 | 0.3 | |
| Total | 100 | 100 | 100 | 100 |
| Total (n) | 8864 | 34110 | 42973 | |
| MALE | | | | |
| None | 0.7 | 0.8 | 0.8 | |
| Nursery/ Kindergarten | - | 0.2 | 0.2 | 0.6 |
| Primary | 80.2 | 55.6 | 60.8 | 76.4 |
| Secondary | 8 | 24.3 | 20.8 | 13.6 |
| SALCC | 1.5 | 4.9 | 4.2 | 2.9 |
| Other Tech/Vocational | - | 1.8 | 1.4 | |
| University | - | 6 | 4.7 | 4.9 |
| Other Not Specified | 1.5 | 1 | 1.1 | 1.6 |
| Don't Know | 8.1 | 4.9 | 5.6 | |
| Not Stated | - | 0.6 | 0.5 | |
| Total | 100 | 100 | 100 | 100 |
| FEMALE | | | | |
| None | - | 0.3 | 0.2 | |
| Nursery/ Kindergarten | - | 0.2 | 0.2 | 0.4 |
| Primary | 66.2 | 57.9 | 59.5 | 80.6 |
| Secondary | 21.6 | 25.3 | 24.5 | 11.6 |
| SALCC | 1 | 4.1 | 3.5 | 3.4 |
| Other Tech/Vocational | 2 | 3.1 | 2.9 | |
| University | - | 5.2 | 4.1 | 0.4 |
| Other Not Specified | - | 0.5 | 0.4 | 3.4 |
| Don't Know | 9.2 | 3.6 | 4.7 | |
| Not Stated | - | - | - | |
| Total | 100 | 100 | 100 | 100 |

*Source: Tables 22 and 23, Appendix II, Poverty Assessment Report St. Lucia, 1995.

7.3 HIGHEST EXAMINATION PASSED BY QUINTILE

The highest examination passed was analysed for all individuals 15 years and over and reclassified to reflect the attainment of post-secondary level qualifications “en masse” rather than at specific levels. For the purposes of these analyses, the attainment of post-secondary level qualifications is consistent with certification at different levels including A Level, Diploma, Associate Degree, Undergraduate Degree, Post Graduate Degree and Professional Qualification.

Table 7.3 shows that 51.4 percent of the population aged 15 years and over had no certification and that 10.0 percent had at least acquired post-secondary level certification. Among the male population, 53.1 percent had attained no certification as opposed to a smaller proportion (49.7%) among the female population. With respect to post-secondary certification, the situation was reversed as a slightly higher proportion of the female population had at least acquired post-secondary certification when compared to the corresponding proportion among the male population, the respective proportions being estimated to be 10.4 percent and 9.7 percent. With respect to the attainment of different levels of certification at the secondary level, a similar pattern was observed among the male and female populations.

For the population aged 15 years and over, the proportion with no certification decreased with progression to higher consumption quintiles so that while 69.0

percent of persons from the poorest quintile had attained no certification, a lower proportion amounting to 51.4 percent had attained no certification in the wealthiest quintile. For those persons who had attained post-secondary qualifications, the pattern was reversed so that while 1.1 percent from the poorest quintile had attained post-secondary certification, the corresponding proportion in the wealthiest quintile was estimated to be 25.6 percent. There appears to be little variation in the proportions that attained a maximum of a school leaving certificate as one progresses from the poorest to the wealthiest quintile.

Several conclusions may be drawn from these data. The first relates to the fact that 2.0 percent of females with post-secondary certification were in the poorest quintile as opposed to 0.3 percent among males. Such an outcome points towards an inequitable distribution of resources between the sexes with respect to persons attaining post-secondary certification and at the same time, being among the ranks of the poorest in St. Lucia.

A gender analysis of the data draws attention to the link between possession of education qualification, high unemployment among women and level of poverty being experienced by female heads of households. In a society in which education qualification is often the one of the most important criteria for obtaining a job, for women, educational qualifications do not always improve their chances of obtaining employment. Thus, several women who do have such qualifications are

still either unemployed or underemployed, which suggests impact of gender discrimination and labour market segmentation.

The second point relates to the fact that relatively more females than males attaining a maximum of school leaving certification had progressed to quintile 4 and the wealthiest quintile. This might be indicative of the resilience of some older women who had no more than a school leaving certificate but at the same time, had been able to acquire the means to sustain a standard of living equivalent to that experienced within the two wealthiest quintile groups.

An analysis of highest examination passed by socio-economic status is presented in Volume Three, and follows a similar pattern. Among poor persons overall, 64.5 percent had no certification compared to 46.7 percent of the non-poor. With respect to persons who had attained at least post-secondary level certification, a substantially lower proportion was observed among the poor than among the non-poor, the respective estimates being 1.7 percent and 12.0 percent.

A consistent pattern emerged between the sexes. For males who had no certification, 67.2 percent were poor and 47.8 percent were non poor. For females, the corresponding proportions were 61.7 percent and 45.7 percent. With respect to persons who attained at least tertiary certification, the respective proportions among the poor and the non-poor were 0.9

percent and 13.0 percent in the case of males and 2.4 percent and 13.0 percent in the case of females. The results demonstrate that the attainment of certification enhances one's socio-economic status and facilitates one's prospects of being among the ranks of the non-poor.

In the buyer's market of early half of the decade, for the poor, the fact of education might have improved employment opportunity, but provided no guarantee. The stigma of being resident in certain communities can elide the advantage of securing educational qualifications. In the discussions in the PPA, people were very much aware of the link between education and employment. However, many young people expressed frustration at the failure of the education system to prepare them for the world of work.

"Education does not prepare you for the job market."

"When you go for a job, they asking how much paper and how much experience you have"

"How can you get experience before you get a job?"

On the other hand, while adults in the communities also recognized the value of education and the link between qualifications and securing employment, they seemed to equate this with formal schooling for children and young people. As a result, very few if any of them were continuing their education or participating in any type of education or skill training programme.

TABLE 7.3: DISTRIBUTION OF THE POPULATION AGED 15 YEARS AND OVER BY HIGHEST EXAMINATION PASSED ACCORDING TO PER CAPITA CONSUMPTION QUINTILES AND SEX

| Highest Examination Passed | Per Capita Consumption Quintiles | | | | | | | | | | Total | |
|----------------------------|----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|
| | Poorest | | II | | III | | IV | | Richest | | | |
| | N | % | N | % | N | % | N | % | N | % | N | % |
| MALE | | | | | | | | | | | | |
| None | 7538 | 71.6 | 6056 | 57.6 | 5654 | 58.0 | 5137 | 48.7 | 4072 | 33.3 | 28457 | 53.1 |
| School Leaving | 1434 | 13.6 | 1928 | 18.3 | 1527 | 15.7 | 1678 | 15.9 | 2067 | 16.9 | 8634 | 16.1 |
| CXC Basic | 38 | .4 | 190 | 1.8 | 233 | 2.4 | 450 | 4.3 | 304 | 2.5 | 1214 | 2.3 |
| CXC 1-4 Passes | 646 | 6.1 | 1078 | 10.3 | 832 | 8.5 | 912 | 8.6 | 699 | 5.7 | 4168 | 7.8 |
| CXC 5 and More Passes | 298 | 2.8 | 540 | 5.1 | 710 | 7.3 | 1077 | 10.2 | 1528 | 12.5 | 4154 | 7.8 |
| Post-Secondary | 36 | .3 | 453 | 4.3 | 530 | 5.4 | 993 | 9.4 | 3158 | 25.9 | 5171 | 9.7 |
| Other | 153 | 1.5 | 112 | 1.1 | 153 | 1.6 | 150 | 1.4 | 114 | .9 | 682 | 1.3 |
| Not Stated | 389 | 3.7 | 153 | 1.5 | 117 | 1.2 | 152 | 1.4 | 270 | 2.2 | 1080 | 2.0 |
| Total | 10531 | 100.0 | 10510 | 100.0 | 9756 | 100.0 | 10549 | 100.0 | 12213 | 100.0 | 53561 | 100.0 |
| FEMALE | | | | | | | | | | | | |
| None | 6673 | 66.4 | 5332 | 53.9 | 6138 | 52.8 | 6040 | 47.6 | 4345 | 33.1 | 28528 | 49.7 |
| School Leaving | 1302 | 12.9 | 2064 | 20.9 | 1796 | 15.4 | 2324 | 18.3 | 2865 | 21.8 | 10351 | 18.0 |
| CXC Basic | 76 | .8 | 372 | 3.8 | 487 | 4.2 | 339 | 2.7 | 116 | .9 | 1390 | 2.4 |
| CXC 1-4 Passes | 732 | 7.3 | 777 | 7.8 | 1289 | 11.1 | 911 | 7.2 | 909 | 6.9 | 4617 | 8.0 |
| CXC 5 and More Passes | 465 | 4.6 | 753 | 7.6 | 807 | 6.9 | 1215 | 9.6 | 1264 | 9.6 | 4504 | 7.8 |
| Post-Secondary | 196 | 2.0 | 299 | 3.0 | 497 | 4.3 | 1602 | 12.7 | 3328 | 25.4 | 5922 | 10.4 |
| Other | 226 | 2.2 | 186 | 1.9 | 228 | 2.0 | 73 | .6 | 151 | 1.1 | 863 | 1.5 |
| Not Stated | 387 | 3.8 | 112 | 1.1 | 382 | 3.3 | 197 | 1.6 | 151 | 1.2 | 1229 | 2.1 |
| Total | 10056 | 100.0 | 9895 | 100.0 | 11626 | 100.0 | 12701 | 100.0 | 13127 | 100.0 | 57404 | 100.0 |
| BOTH SEXES | | | | | | | | | | | | |
| None | 14211 | 69.0 | 11388 | 55.8 | 11792 | 55.1 | 11177 | 48.1 | 8417 | 33.2 | 56985 | 51.4 |
| School Leaving | 2736 | 13.3 | 3993 | 19.6 | 3323 | 15.5 | 4002 | 17.2 | 4932 | 19.5 | 18985 | 17.1 |
| CXC Basic | 114 | .6 | 562 | 2.8 | 720 | 3.4 | 790 | 3.4 | 420 | 1.7 | 2605 | 2.3 |
| CXC 1-4 Passes | 1378 | 6.7 | 1855 | 9.1 | 2121 | 9.9 | 1823 | 7.8 | 1608 | 6.3 | 8785 | 7.9 |
| CXC 5 and More Passes | 763 | 3.7 | 1293 | 6.3 | 1518 | 7.1 | 2293 | 9.9 | 2792 | 11.0 | 8658 | 7.8 |
| Post-Secondary | 232 | 1.1 | 753 | 3.4 | 1028 | 4.9 | 2596 | 10.2 | 6485 | 25.6 | 11093 | 10.0 |
| Other | 379 | 1.8 | 298 | 1.5 | 381 | 1.8 | 223 | 1.0 | 265 | 1.0 | 1545 | 1.4 |
| Not Stated | 775 | 3.8 | 264 | 1.3 | 499 | 2.3 | 349 | 1.5 | 421 | 1.7 | 2309 | 2.1 |
| Total | 20587 | 100.0 | 20405 | 100.0 | 21382 | 100.0 | 23251 | 100.0 | 25340 | 100.0 | 110965 | 100.0 |

7.4 TECHNICAL AND VOCATIONAL TRAINING

In terms of vocational and technical training, Table 7.4 shows that among males, as many as 82.3 percent of those in the poorest quintile had received neither technical nor vocational training, but the situation improved from quintile I to V. Males in the richest quintile generally had more than technical and vocational training compared to the national average.

More women were likely to have neither technical nor vocational training when compared to males, but more women than men were likely to have received vocational training irrespective of consumption quintile (Table 7.5).

TABLE 7.4: DISTRIBUTION OF MALES WITH TECHNICAL OR VOCATIONAL TRAINING BY QUINTILES

| Technical or Vocation Training | Per Capita Consumption Quintiles | | | | | All St Lucia |
|--------------------------------|----------------------------------|-------|-------|-------|---------|--------------|
| | Poorest | II | III | IV | Richest | |
| | % | | | | | |
| Vocational | 1.7 | 4.6 | 3.5 | 4.9 | 8.0 | 4.7 |
| Technical | 12.8 | 18.0 | 20.3 | 26.2 | 28.3 | 21.3 |
| Both | 2.2 | 7.4 | 4.3 | 7.5 | 10.6 | 6.6 |
| None | 82.3 | 69.2 | 71.2 | 60.0 | 52.8 | 66.6 |
| Not Stated | 1.1 | .7 | .8 | 1.4 | .3 | .9 |
| All St Lucia | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

TABLE 7.5: DISTRIBUTION OF FEMALES WITH TECHNICAL OR VOCATIONAL TRAINING BY QUINTILES

| Technical or Vocation Training | Per Capita Consumption Quintiles | | | | | All St Lucia |
|--------------------------------|----------------------------------|-------|-------|-------|---------|--------------|
| | Poorest | II | III | IV | Richest | |
| | % | | | | | |
| Vocational | 4.9 | 8.7 | 9.0 | 14.2 | 15.3 | 10.8 |
| Technical | 2.7 | 4.6 | 6.6 | 8.1 | 14.5 | 7.7 |
| Both | .7 | 3.8 | 5.5 | 4.5 | 7.3 | 4.6 |
| None | 90.2 | 82.2 | 77.2 | 72.3 | 62.0 | 75.8 |
| Not Stated | 1.5 | .8 | 1.6 | .9 | .9 | 1.1 |
| All St Lucia | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

7.5 RECIPIENTS OF EDUCATION SUBSIDIES

Although schooling may be widely available and may even be free, the additional costs associated with schooling, including transportation, lunches and books tend to limit the opportunities and reduce the potential benefit to subgroups who may be unable to meet these costs.

Of those who said that a free meal services was available at their school, 86.6 percent said that they received meals or snacks from this service. It is interesting to note that there was no stark distinction in beneficiaries between quintiles, thus there appears to be little if any targeting (Table 7.6). Data on the distribution of beneficiaries by sex is provided in Volume III.

TABLE 7.6: DISTRIBUTION OF RECIPIENTS OF FREE MEALS BY QUINTILE

| Receives Meal Or Snack From This Service | Per Capita Consumption Quintiles | | | | | All St Lucia |
|--|----------------------------------|-------|-------|-------|-------|--------------|
| | I | II | III | IV | V | |
| | % | | | | | |
| Yes | 87.7 | 86.9 | 87.3 | 80.9 | 89.3 | 86.6 |
| No | 12.3 | 13.1 | 12.7 | 19.1 | 10.7 | 13.4 |
| All St Lucia | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

A look at the ownership of schoolbooks (Table 7.7) and reasons forwarded for failure to own all required textbooks (table 7.8) supports the view that this is one area which places a burden on poorer households. Ownership of books appeared to be closely related to consumption quintile - 55.9 percent of those in the richest quintile said that they owned all their books compared to 43.9 percent of those in the poorest quintile, while 50.8 percent of those in the poorest quintile said that they owned “only some” books. Some forty eight percent of those in the poorest quintile who said that they did not have all their textbooks, stated inability to afford as the reason.

Most persons did not use the book loan facility where it existed, irrespective of consumption quintile. The relative recency of this facility and lack of clarity in the modalities for administering it, may be factors militating against its use.

TABLE 7.7: REPORTED OWNERSHIP OF SCHOOL BOOKS BY QUINTILES

| Has All Textbooks Required For School | Per Capita Consumption Quintiles | | | | | All St Lucia |
|---|----------------------------------|-------|-------|-------|---------|--------------|
| | Poorest | II | III | IV | Richest | |
| | % | | | | | |
| Yes, has books for exclusive use | 43.9 | 58.5 | 59.0 | 64.4 | 55.9 | 55.9 |
| Yes, but shares with other family members | .3 | .3 | .3 | .4 | .5 | .3 |
| Has only some books | 50.8 | 35.1 | 30.2 | 23.0 | 18.9 | 33.2 |
| Has None | 4.3 | 4.3 | 7.3 | 6.7 | 9.0 | 6.0 |
| Not Stated | .6 | 1.8 | 3.3 | 5.5 | 15.8 | 4.5 |
| All St Lucia | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

TABLE 7.8: REPORTED REASONS FOR NOT OWNING ALL TEXT BOOKS BY BOTH SEXES BY QUINTILES

| Reasons For Not Having Required Textbooks | Per Capita Consumption Quintiles | | | | | All St Lucia |
|---|----------------------------------|-------|-------|-------|---------|--------------|
| | Poorest | II | III | IV | Richest | |
| | % | | | | | |
| Books not available | 36.7 | 57.8 | 37.4 | 48.9 | 35.0 | 42.9 |
| Could not afford | 48.3 | 25.1 | 29.3 | 7.6 | 6.0 | 27.6 |
| Books available in school library | 1.7 | 1.5 | .8 | 1.1 | - | 1.2 |
| To be purchased | 3.9 | 1.4 | 7.4 | 7.6 | - | 4.1 |
| Other | 7.7 | 8.2 | 15.4 | 15.7 | 19.4 | 12.1 |
| Not Stated | 1.7 | 6.0 | 9.7 | 19.1 | 39.6 | 12.1 |
| All St Lucia | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

TABLE 7.9: DISTRIBUTION OF BOTH SEXES ATTENDING SCHOOL USING BOOK LOAN FACILITY BY QUINTILES

| Made Use Of Loan Book Facility | Per Capita Consumption Quintiles | | | | | All St Lucia |
|--------------------------------|----------------------------------|-------|-------|-------|---------|--------------|
| | Poorest | II | III | IV | Richest | |
| | % | | | | | |
| Yes | 3.5 | 2.1 | 2.6 | .8 | 2.0 | 2.3 |
| No | 96.1 | 95.2 | 93.4 | 93.3 | 81.8 | 92.8 |
| Not Stated | .3 | 2.7 | 3.9 | 5.9 | 16.2 | 4.9 |
| All St Lucia | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

CHAPTER EIGHT: HEALTH

The context and character of poverty in the Caribbean conduces to an underreporting of illness on the part of the poor relative to the non-poor. The poor because they tend to be undereducated and are more likely to have limited access to good quality health care are less likely to perceive the symptoms of disease than their better placed non-poor counterparts.¹⁶ Reported health data, as obtained in the case of the CPA, tend therefore to provide an inadequate basis for the formulation of health policy.

In the 1995 CPA of St. Lucia, for example, the poor reported lower levels of illness than the non-poor. This jars with common sense and practical experience. The research in this area seems to indicate that the poor do get sicker than the non-poor and tend to suffer higher rates of mortality as a result¹⁷. In the context of the Caribbean having experienced an epidemiological transition somewhat ominous implications follow. In this transition the incidence of exogenous type diseases with their origins in the physical environment have been overtaken

by endogenous diseases or those with their origins in physiological malfunction. The endogenous diseases are also known as 'silent killers' since their presence is not usually manifest until the final stages of the disease. Given the propensity of the poor to suffer higher levels of illness than the non-poor, there is a good likelihood, therefore, this group might be experiencing higher levels of endogenous disease than that which they are aware.

8.1 CHILD HEALTH

The quality of care available to babies and infant in the first few years of life is one criterion of the capacity of a health care system. Very little data on child health could be gleaned from the SLC/HBS due to high levels of non-responses to the related questions. In household interviews during the PPA, most women claimed that they had breast fed their babies. The data from the SLC/HBS suggest that inoculation of children is well institutionalized (Table 8.1.)

¹⁶ A. Sen, Health: perception versus observation, Editorial, British Medical Journal, 2002;324:860-861 (13 April)

¹⁷ Kawachi, Ichiro, Bruce Kennedy, and Richard Wilkinson. 2002. *The Health of Nations: Why Inequality is Harmful to Your Health*. New York: New Press. Also Kawachi, Ichiro, Kennedy B.P, Lochner, K, and Prothrow-Stith, D. "Social Capital, income inequality, and mortality," in *American Journal of Public Health* Vol. 87, 1997, pp. 1491-1498. See as well, Frankson, G. *Poverty and Health*, mimeo, 2004 and Link, B.G. Phelan J.C. "The Fundamental Cause Concept as an Explanation for Social Disparities in Disease and Death." In Bird, C., Conrad, P., Fremont, A (2000). *Prentice Hall: The Handbook of Medical Sociology*.

TABLE 8.1: IMMUNIZATION RECEIVED BY AGE OF CHILD BY QUINTILES

| Age in Years | Vaccination Received (yes) | | | | | | |
|--------------|----------------------------|------------|------|------|---------|-------------|------|
| | Polio | Diphtheria | BCG | HIB | Measles | Hepatitis B | MMR1 |
| Under 1 | 23.2 | 19.0 | 24.6 | 20.1 | 22.0 | 24.1 | 18.9 |
| 1 < 2 | 18.5 | 18.4 | 18.5 | 13.0 | 15.5 | 12.5 | 15.9 |
| 2 < 3 | 15.2 | 16.1 | 14.8 | 15.7 | 14.2 | 12.6 | 15.4 |
| 3 < 4 | 24.5 | 26.4 | 23.6 | 27.6 | 25.9 | 26.4 | 27.8 |
| 4 < 5 | 18.7 | 20.1 | 18.5 | 23.6 | 22.4 | 24.4 | 21.9 |

8.2 MOBILITY

In respect of the reporting of illness, there seemed to have been a slightly higher tendency for the better-off to report illness, than those in lower quintiles. On the other hand, it may well be that the better-off were more likely to be aware of illness and to take action on any evidence.

TABLE 8.2: BOTH SEXES REPORTING ILLNESS OR INJURY BY QUINTILES

| Suffer Illness/Injury Due To | Per Capita Consumption Quintiles | | | | | All St Lucia |
|------------------------------|----------------------------------|-------|-------|-------|---------|--------------|
| | Poorest | II | III | IV | Richest | |
| Accident | % | | | | | |
| Yes | 12.0 | 13.3 | 15.2 | 17.1 | 16.8 | 14.9 |
| No | 87.8 | 86.5 | 84.6 | 82.8 | 83.2 | 85.0 |
| Not Stated | .1 | .2 | .2 | .1 | - | .1 |
| All St Lucia | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

8.3 LIFESTYLE DISEASES BY TYPE

The survey collected data on the main lifetime diseases among persons who

indicated that they are suffering from some disease. The prevalence rates relate to five main lifestyle diseases notably diabetes, high blood pressure, heart disease, cancer and HIV/AIDS.

Table 8.3 shows the number of persons suffering from the main lifestyle diseases and their specific prevalence rates relative to all persons who indicated that they were suffering from diseases. However, in order to interpret these results, it is critical that one bears in mind differential levels of awareness, knowledge and pursuit of treatment that are likely to be associated with socio-economic status.

Table 8.3 shows that irrespective of per capita consumption quintile, high blood pressure is the most prevalent lifestyle disease affecting persons with diseases in St. Lucia. In every quintile group, Table 8.3 also shows that the prevalence of diabetes ranks second to high blood pressure as a lifetime disease affecting persons with diseases in St. Lucia. In each of the quintile groups, more than three fifths of the persons with diseases reported suffering from high blood pressure while more than one quarter reported suffering from diabetes.

According to Table 8.3, heart diseases are more prevalent than cancer in each of the quintile groups. Table 8.3 indicates that socio-economic status as gleaned from the quintile groups has no impact on the pattern of lifestyle diseases affecting the population of St. Lucia. Although data on the prevalence of HIV/AIDS is

forthcoming, issues with data accuracy precluded any further analyses. Saint Lucia has a low HIV prevalence rate of 0.12 percent, however, underreporting due to inadequate reporting/surveillance systems, avoidance of testing, and high levels of stigma and discrimination make it difficult to provide a true picture of the epidemic in the country.

Table 8.3 presents results that permit assessments of variation in prevalence rates of the different lifestyle diseases due to individuals' socio-economic status. With reference to persons who claim to have had a disease, the highest prevalence rates among persons claiming to be living with a heart condition or cancer have been observed for persons in the wealthiest quintile. For persons claiming to be living with diabetes, higher prevalence rates have been observed among persons in wealthier quintiles than among those in the two poorest quintiles.

TABLE 8.3: PERSONS SUFFERING FROM DISEASE BY TYPE OF DISEASE AND QUINTILES, NUMBER AND PERCENTAGE

| Per Capita Consumption | Diabetes | | High Blood Pressure | | Heart Condition | | Cancer | | HIV/AIDS | |
|------------------------|----------|------|---------------------|------|-----------------|------|--------|-----|----------|---|
| | N | % | N | % | N | % | N | % | N | % |
| Poorest | 771 | 28.7 | 1711 | 63.7 | 194 | 7.2 | 41 | 1.5 | - | - |
| II | 915 | 29.2 | 2099 | 67.0 | 347 | 11.1 | 41 | 1.3 | - | - |
| III | 1440 | 38.7 | 2501 | 67.3 | 307 | 8.3 | 79 | 2.1 | - | - |
| IV | 1601 | 35.2 | 3095 | 68.1 | 483 | 10.6 | 77 | 1.7 | - | - |
| Richest | 2569 | 37.6 | 4598 | 67.3 | 1151 | 16.9 | 189 | 2.8 | - | - |

It should be noted that these differential prevalence rates across socio-economic status groups are likely to be a function of status differentials on awareness of the onset of specific diseases: the better-off are more likely to display a different approach to access to treatment, interpretation of diagnosis and orientation towards reporting the condition. For persons living with high blood pressure, there is no clear pattern of variation in prevalence rates across socio-economic status as prevalence rates appear to have stabilized at a little over two thirds of the persons claiming to have had a disease. This, however, was not the case for persons in the poorest quintile for whom, a slightly lower prevalence rate was observed when compared to the four wealthier quintiles. On the other hand, this might reflect simply greater information on health matters among higher quintiles.

Altogether, these result point to the need for greater public health education programmes across the population targeting persons from poorer strata, to raise awareness and promote pro-activism with respect to treating with the main lifestyle diseases. The results also point towards the intensification of possible strategies such as institutionalising Employee Assistance Programmes to counsel and treat employees who

might be at risk of succumbing to the various lifestyle diseases.

This is especially important in the context of persons from wealthier quintiles as they seem to bear greater risks of succumbing to such diseases and at the same time, appear more likely to possess the human capital that is absolutely essential in making greater contributions to national well being.

8.4 USE OF HEALTH CARE FACILITIES BY TYPE

Individuals' use of health care facilities is being gauged in accordance with the type of medical facility first visited during the last thirty days as a result of an illness or injury. According to Table 8.4, 87.8 percent of persons who reported having a main lifestyle disease in the previous 30 days, experienced other forms of illness or injury due to accidents, indicated that they had either first visited a public hospital, a community health clinic or a private physician/dentist. Given that good personal health is a critical factor in enhancing individuals' prospects of pursuing educational opportunities and obtaining education credentials on one hand, and participating in productive enterprise through participating in the labour force on the other, it is absolutely essential that such individuals have access to quality health care. In the event that there is evidence that is indicative of variations in the delivery of quality health across different types of

health care facilities, it becomes important to learn more about variations in the use of such facilities resulting from differences in individuals' socio-economic status.

In the poorest quintile group, for instance, the majority of individuals used public hospitals (33.7%) with lower percentages using community health clinics (30.1%) and private physicians/dentists (24.5%). In the case of the wealthiest quintile group, the majority of individuals used private physicians/dentists (43.4%) with lower percentages using public hospitals (24.5%) and community health clinics (13.9%). Also worth noting is the fact that the proportion of individuals visiting private physicians/dentists is lower in the poorest quintile than in any of the wealthier quintiles. In addition, there is relatively greater use of private hospitals among individuals belonging to the two wealthiest quintiles than among their counterparts from the poorer quintiles. In particular, the use of private hospitals is most pronounced among the members of the wealthiest quintile.

TABLE 8.4: PLACE FIRST VISITED FOR MEDICAL ATTENTION BY PER CAPITA CONSUMPTION QUINTILES

| Place First Visit Made | Per Capita Consumption Quintiles | | | | | All St |
|-------------------------|----------------------------------|-------|-------|-------|---------|--------|
| | Poorest | II | III | IV | Richest | Lucia |
| | % | % | % | % | % | % |
| Public Hospital | 33.7 | 26.8 | 34.7 | 29.3 | 24.5 | 29.1 |
| Private Hospital | 1.5 | - | - | 7.2 | 10.8 | 5.0 |
| Community Health Clinic | 30.1 | 35.2 | 33.3 | 26.4 | 13.9 | 25.9 |
| Polyclinic | 2.8 | 5.0 | - | 2.7 | 2.7 | 2.6 |
| Private Doctor/Dentist | 24.5 | 30.6 | 29.9 | 28.2 | 43.4 | 32.8 |
| Out of state hospital | - | - | - | 1.8 | 1.3 | .8 |
| Pharmacy/Chemist | 2.8 | 1.2 | 1.0 | 1.8 | 2.6 | 2.0 |
| Other | 3.0 | 1.2 | - | 2.7 | .7 | 1.4 |
| Not Stated | 1.5 | - | 1.1 | - | - | .4 |
| All St Lucia | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Assuming that the individuals have been seeking similar medical services from different sources that may differ in the quality of their service delivery, some attention ought to be placed in redressing any imbalance that might arise in terms of differential access to quality services across socio-economic status groups. The relatively greater use of private physicians/dentists and private hospitals among individuals from wealthier quintiles relative to their counterparts from the poorest quintile is a critical determinant that could facilitate public policy reform geared towards improving health delivery systems. This may have implications for the redistribution of health coverage and resources that could provide better access to quality health care among poorer sub-populations. Moreover, other implications might include building capacity in public hospitals and community health care facilities to render health care services at higher standards that are deemed to be acceptable and in line with best practices.

The data from the PPA clearly show that persons in the lower quintiles are more likely to depend on and use the public health care facilities more often than their non-poor counterparts, and most persons in the communities studied reported that they were more or less satisfied with the quality of the service received. However, in some cases, for example in Balca, Migny, and Bouton, communities that display features of social isolation, distance and lack of transportation were cited as obstacles in accessing the services. In addition, residents also cited long waiting time,

irregularity of visits from Health Aides and inability to afford medicine as threats to maintenance of good health.

In a few cases, concern was expressed about lack of confidentiality and about the poor attitudes of some health care personnel. One interesting comparison between 1995 and 2005, is that there was a larger percentage of persons in the highest quintile using public facilities in 2005, and this might have been responsible for the increase in the overall percentage using such facilities, from 51 percent in 1995 to 55 percent in 2005.

TABLE 8.5: REPORTED LEVEL OF SATISFACTION WITH MEDICAL SERVICE BY QUINTILES

| Level of Satisfaction With Treatment | Per Capita Consumption Quintiles | | | | | All St Lucia |
|--------------------------------------|----------------------------------|-------|-------|-------|---------|--------------|
| | Poorest | II | III | IV | Richest | |
| | % | | | | | |
| Very satisfied | 41.6 | 42.6 | 43.3 | 47.8 | 55.0 | 47.4 |
| Satisfied | 48.4 | 45.6 | 49.2 | 33.8 | 40.4 | 42.5 |
| Dissatisfied | 5.5 | 9.4 | 5.4 | 13.9 | 3.3 | 7.3 |
| Very dissatisfied | 3.0 | 1.2 | 2.1 | 3.6 | .6 | 2.0 |
| Not Stated | 1.5 | 1.2 | - | .8 | .6 | .8 |
| All St Lucia | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

8.5 HEALTH INSURANCE COVERAGE

Health insurance coverage is a function of the extent to which individuals are covered by private health insurance, employee medical plan, National Insurance Scheme or Social Welfare. Table 8.6 shows that the

majority of individuals, estimated to be in the vicinity of 72.5 percent of the national population, did not have any medical coverage, as opposed to just 26.3 percent who had such coverage. In 1995, only 20.4 percent enjoyed such coverage. Altogether, Table 8.5 suggests that relatively fewer persons had health coverage when compared to those who had no such coverage, a pattern that persisted irrespective of individuals' socio-economic status group.

Notwithstanding this, persons belonging to the poorest quintile were the least likely to have had insurance coverage, but the percentage generally increased relatively speaking with a progression to wealthier quintiles, in particular, the two wealthiest quintiles. While just 5.7 percent of the persons belonging to the poorest quintile were estimated to have had health insurance coverage, the corresponding proportion among persons from the wealthiest quintile was estimated to be 40.9 percent. Such results should provide further means for explaining and appreciating outcomes indicating relatively greater use of private hospitals among persons belonging to the two wealthiest quintiles. On the other hand, while in 1995, 9.9 percent of those in the lowest quintile claimed to have health insurance, only 5.7 percent had such coverage in 2005.

TABLE 8.6: PERCENTAGE DISTRIBUTION OF POPULATION BY HEALTH INSURANCE COVERAGE ACCORDING TO PER CAPITA CONSUMPTION QUINTILES

| Covered By Health Insurance | Per Capita Consumption Quintiles | | | | | All St Lucia |
|-----------------------------------|----------------------------------|-------|-------|-------|---------|-----------------|
| | Poorest | II | III | IV | Richest | |
| | % | % | % | % | % | % |
| Yes | 5.7 | 21.7 | 16.1 | 31.6 | 40.9 | 26.3 |
| No | 92.8 | 75.9 | 83.9 | 67.5 | 57.8 | 72.5 |
| Not Stated | 1.5 | 2.3 | - | .9 | 1.4 | 1.2 |
| All St Lucia | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Ultimately, the reason why the poor suffer higher levels of ill health and premature death than the non-poor has to do with 'fundamental causes' associated with inequality of income and its associated poor housing, diet and lack of access to quality health care. There are also intangible factors at play such as lack of social capital, limited social networks and lack of education. Health policy interventions aimed at specific illnesses or diseases therefore will only address that specific condition, but leave the poor vulnerable to any number of other physical maladies. The long term answer therefore to the health status of the poor lies in the removal of the fundamental causes of the higher incidence of ill health, namely social inequality and poverty.¹⁸

¹⁸ D. Brown, 2007, Forthcoming

CHAPTER NINE: PHYSICAL LIVING CONDITIONS

This Chapter examines selected aspects of living conditions in St. Lucia. Physical conditions are often the outward visible evidence of poverty. The examination of the housing conditions by socio-economic status reinforces other findings on the face of poverty in the country.

9.1 TENANCY OF DWELLING

Home ownership is a means towards the acquisition of wealth. It is the outcome of an investment that provides owners with an asset base that can potentially enhance the well being of household members. Data from the Survey (Table 9.1) show that 78.5 percent of all households lived in dwelling units that were owner-occupied with or without mortgage. This was marginally higher than the percentage in 1995 – 76.0 percent. Not surprisingly, the greatest proportion of households in owner-occupied dwelling units was evident in the wealthiest household quintile with rates of ownership amounting to 82.8 percent.

In general, rates exceeding 75.0 percent were observed among households in each of the remaining household quintiles. Interestingly, less than one percent of

household admitted to squatting although almost six percent in the lowest quintile claimed to be living rent-free. There could be a thin line here between squatting and traditional rights to property. While the pattern of accommodation overall, for owner-occupied dwelling units does not vary much across household quintile groups, the quality of housing and the amenities available to household members are likely to vary across household quintile groups.

TABLE 9.1: PERCENTAGE DISTRIBUTION OF HOUSEHOLDS BY TENANCY OF DWELLING ACCORDING TO HOUSEHOLD QUINTILES

| Tenancy of Dwelling | Household Quintiles | | | | | Total |
|------------------------|---------------------|------|------|------|------|-------|
| | Poorest | II | III | IV | V | |
| | % | % | % | % | % | |
| Owned With Mortgage | 3.6 | 6 | 7.4 | 12.3 | 21.3 | 10.1 |
| Owned Without Mortgage | 76.0 | 70.8 | 70.3 | 63.7 | 61.5 | 68.4 |
| Rented-Furnished | - | 0.4 | - | 1.2 | 2.8 | 0.9 |
| Rented-Unfurnished | 13.1 | 18.3 | 17.4 | 18.7 | 12.8 | 16.1 |
| Rent-free | 5.8 | 4.5 | 4.4 | 3.7 | 0.8 | 3.8 |
| Squatted | 0.8 | - | 0.4 | - | 0.8 | 0.4 |
| Other | 0.4 | - | - | 0.4 | - | 0.2 |
| Not Stated | 0.4 | - | - | - | - | 0.1 |

The reported data for 1995 did not disaggregate whether ownership was with or without mortgage. The data for 2005 show that the percentage of the quintile

owning through mortgage increases with socio-economic status, and correlatively, the percentage of owners without mortgage falls with socio-economic status. The better-off were investing in accommodation, but the poorer one was, the more difficult it would have been to do so, and this would have been reflected in the quality of the housing.

TABLE 9.2: PERCENTAGE DISTRIBUTION OF HOUSEHOLDS BY TYPE OF DWELLING UNIT ACCORDING TO HOUSEHOLD QUINTILES

| Type of Dwelling Unit | Household Quintiles | | | | | Total % |
|------------------------------|---------------------|------|------|------|------|------------|
| | Poorest | II | III | IV | V | |
| | % | % | % | % | % | |
| Undivided Private House | 90.2 | 89.8 | 83.7 | 81.8 | 80.7 | 85.2 |
| Part of a Private House | 7 | 6.2 | 9 | 11.3 | 9.6 | 8.6 |
| Flat, Apartment, Condominium | 2.4 | 2.8 | 6.1 | 5.7 | 7.2 | 4.8 |
| Double House/Duplex | - | - | - | 0.4 | 0.4 | 0.2 |
| Combined Business & Dwelling | 0.4 | 0.8 | 0.8 | 0.4 | 2.1 | 0.9 |
| Barracks | - | 0.4 | - | - | - | 0.1 |
| Other | - | - | 0.4 | 0.4 | - | 0.2 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 |

9.2 MAIN ROOFING MATERIAL

In St. Lucia, the use of sheet metal as an option for roofing is virtually universal. According to Table 9.3, 96.2 percent of all households lived in dwelling units that used sheet metal (galvanize) as the main roofing material: this was some improvement on the data for 1995 when

90.8 percent of households used sheet metal. At the same time, Table 9.3 also shows that the proportion of households living in dwelling units that use sheet metal as the primary roofing material increases with declining household socio-economic status. While 90.3 percent of all households in the wealthiest quintile lived in dwelling units that used sheet metal as the main roofing material, the corresponding proportion for the poorest quintile was 98.4 percent. These results indicate that households belonging to the wealthiest

quintile group may have been able to exercise greater choice in the purchase of dwelling units and the use of roofing material. The prevalence of sheet metal across socio-economic status groups does not allow for differentiation in respect of the adequacy of

protection from the elements. However, the percentage of households using more exotic roofing materials – shingle asphalt and shingle-wood – fell between 1995 and 2005, but still increased with socio-economic status, as in 1995 (Appendix Table 51, St. Lucia SLC, 1995).

TABLE 9.3: PERCENTAGE DISTRIBUTION OF HOUSEHOLDS BY MAIN ROOFING MATERIAL OF DWELLING ACCORDING TO HOUSEHOLD QUINTILES

| Main Roofing Material | Household Quintiles | | | | | Total % |
|-------------------------|---------------------|------|-------|------|------|---------|
| | Poorest % | II % | III % | IV % | V % | |
| Sheet Metal (galvanize) | 98.4 | 98.3 | 97.5 | 96.7 | 90.3 | 96.2 |
| Shingle Asphalt | 0.4 | 0.4 | 0.8 | 2.5 | 4.9 | 1.8 |
| Shingle Wood | - | - | - | - | 0.8 | 0.2 |
| Shingle Other | - | - | - | - | 1.2 | 0.2 |
| Tile | - | - | - | - | 1.2 | 0.2 |
| Concrete | - | 1.2 | 0.8 | - | 0.8 | 0.6 |
| Makeshift/Thatched | - | - | 0.4 | - | - | 0.1 |
| Other | 0.4 | - | 0.4 | 0.8 | 0.8 | 0.5 |
| Don't Know | 0.8 | - | - | - | - | 0.2 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 |

9.3 MATERIAL OF OUTER WALLS

In St. Lucia, dwelling units are built mainly with materials such as wood, concrete, a combination of wood and concrete or plywood. According to Table 9.4, the majority of households (43.4%) occupied dwelling units with outer walls of concrete. A further 20.2 percent occupied dwelling units with wooden outer walls while a slightly lower proportion amounting to 18.3 percent occupied dwelling units with outer walls of wood and concrete. Plywood was used to construct the outer walls of dwelling units that comprised 15.5 percent of all households. Except for households belonging to the poorest quintile, those belonging to wealthier quintile groups occupied dwelling units with outer walls of concrete more frequently than units built with any other materials.

Outer walls of concrete are highly likely to enhance the physical strength of dwelling units and provide occupants with a greater sense of security against environmental agents. Table 9.4 shows that the proportion of households occupying dwelling units with outer walls built of concrete decreases with declining household socio-economic status. While 68.5 percent of households in the wealthiest quintile occupied dwelling units with walls of concrete, the corresponding proportion for the poorest quintile was 20.9 percent. In contrast, the situation was reversed in the context of household occupying dwelling units with outer walls made of plywood. In such cases, the proportion of households living in units with outer walls of plywood has been increasing with declining household socio-economic status. These are likely to be very vulnerable to environmental risks.

According to Table 9.4, 1.6 percent of all households in the wealthiest quintile occupied dwelling units with outer walls made of plywood as opposed to a much higher proportion amounting to 30.7 percent in the case of households belonging to the poorest quintile. The evidence points towards imbalances that place lower socio-economic status groups at clear disadvantages that have implications for the social and physical well being of group members. Overall, there was a substantial change between 1995 and 2005. In 1995, as much as 45.8 percent of households were reliant on wood as outer walls, and in the poorest quintile, 62.5 percent of households had such walls. The presence of wood had dropped by one half or more for all of the

quintiles (Appendix Table 49, St. Lucia SLC 1995).

TABLE 9.4: PERCENTAGE DISTRIBUTION OF HOUSEHOLDS BY MATERIAL OF OUTER WALLS OF DWELLING ACCORDING TO HOUSEHOLD QUINTILES

| Material of Outer Walls | Household Quintiles | | | | | Total % |
|--------------------------|---------------------|-------------|-------------|-------------|-------------|--------------|
| | Poorest % | II % | III % | IV % | V % | |
| Wood/Timber | 32 | 23.7 | 19.1 | 16.1 | 10.1 | 20.2 |
| Concrete/Concrete Blocks | 20.9 | 30.6 | 41.6 | 55.3 | 68.5 | 43.4 |
| Wood & Concrete | 14 | 23.8 | 18.6 | 17.6 | 17.7 | 18.3 |
| Stone | - | - | - | - | 0.4 | 0.1 |
| Brick/Blocks | 2.1 | 2.4 | 2.4 | 2 | 1.2 | 2 |
| Plywood | 30.7 | 19.1 | 17.9 | 8.5 | 1.6 | 15.5 |
| Makeshift | 0.4 | 0.4 | 0.4 | - | - | 0.2 |
| Other/Don't Know | - | - | - | 0.4 | - | 0.1 |
| Not Stated | - | - | - | - | 0.4 | 0.1 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 |
| Total (n) | 9367 | 9267 | 9272 | 9261 | 9417 | 46584 |

The evidence from the PPA confirms vulnerability and attests to generally poor housing conditions for the majority in these poorer communities. In the majority of households, families were living in small wooden houses with limited room and some of which were literally falling apart and lacked basic amenities like indoor pipes, kitchens, toilets and bathrooms. Although a significant number did have pit latrines, in several of the household members disposed of human excreta in the surrounding environment.

9.4 MAIN COOKING FUEL

Cooking gas was the principal cooking fuel of choice in St. Lucia being used by 91.1 percent of all households as a means of preparing meals. Coal and to a lesser extent, wood, were used by 5.2 percent and 2.2 percent of all households, respectively, but this was much reduced on the percentages for 1995, of 14.2 percent and 5.7 percent (Appendix Table 55, St. Lucia, SLC 1995). Table 9.5 shows that the proportion of households using cooking gas decreased with declining socio-economic status. While 96.8 percent of all households in the wealthiest quintile used cooking gas, the corresponding proportion for the poorest quintile was 78.4 percent. In contrast, the situation was reversed with respect to the use of coal and wood as main fuels, the respective proportions actually increasing with declining socio-economic status within households.

TABLE 9.5: PERCENTAGE DISTRIBUTION OF HOUSEHOLDS BY MAIN COOKING FUEL USED ACCORDING TO HOUSEHOLD QUINTILES

| Main Cooking Fuel Used | Household Quintiles | | | | | Total % |
|------------------------|---------------------|-------------|-------------|-------------|-------------|--------------|
| | Poorest % | II % | III % | IV % | V % | |
| Coal | 11.1 | 5.3 | 5.7 | 2.8 | 1.2 | 5.2 |
| Wood | 7.9 | 1.2 | 1.2 | 0.4 | 0.4 | 2.2 |
| Gas/LPG/Cooking Gas | 78.4 | 93.5 | 92.7 | 94.3 | 96.8 | 91.1 |
| Kerosene | - | - | - | 0.8 | - | 0.2 |
| Electricity | 0.4 | - | 0.4 | 1.3 | 1.6 | 0.7 |
| Other | 2.1 | - | - | 0.4 | - | 0.5 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 |
| Total (n) | 9367 | 9267 | 9272 | 9261 | 9417 | 46584 |

9.5 TOILET FACILITIES

In the main, the majority of households had toilet facilities with water closets that are either linked to sewer systems or septic tanks. Altogether, Table 9.6 reveals that 66.6 percent of all households claimed to have such facilities. Another 28.7 percent of households relied upon pit latrines while 2.5 percent had no facilities whatsoever. The proportion of households with water closets decreased with declining socio-economic status so that while 93.0 percent of all households in the wealthiest quintile used toilet facilities with water closets, the corresponding proportion for the poorest quintile was 31.0 percent.

With respect to the proportion of households with pit latrines as toilet facilities or where no toilet facilities were available, proportions increased, not unexpectedly, as the socio-economic status of households declined. It is also worth noting that except for households belonging

to the poorest quintile, those belonging to wealthier quintile groups claimed that they used water closets more frequently than any other type of toilet facility. In contrast, households in the poorest quintile claimed that they used pit latrines more frequently than any other type of facility. In some of the communities studied, although some number of households did have pit latrines, in several there were no toilets and, household members disposed of human excreta in the surrounding environment. That notwithstanding, there has been a substantial reduction in the percentage without toilet facilities – 2.4 percent in 2005 as against 8.8 percent in 1995. As many as 45 percent relied on pit-latrines in 1995 compared to 28.7 percent in 2005. The initiatives in this regard over the ten year period had yielded some positive results.

TABLE 9.6: PERCENTAGE DISTRIBUTION OF HOUSEHOLDS BY TOILET FACILITIES USED ACCORDING TO HOUSEHOLD QUINTILES

| Toilet Facilities Used | Household Quintiles – AE | | | | | | | | | | Total | |
|--------------------------------------|--------------------------|--------------|-------------|--------------|-------------|--------------|-------------|--------------|-------------|--------------|--------------|--------------|
| | Poorest | | II | | III | | IV | | V | | | |
| | N | % | N | % | N | % | N | % | N | % | N | % |
| W.C. Linked to sewer | 263 | 2.8 | 412 | 4.4 | 337 | 3.6 | 381 | 4.1 | 1377 | 14.6 | 2770 | 5.9 |
| W.C. Linked to Septic tank/Soak-away | 2644 | 28.2 | 5013 | 54.1 | 6136 | 66.2 | 7088 | 76.5 | 7388 | 78.4 | 28269 | 60.7 |
| Pit-latrine | 5415 | 57.8 | 3399 | 36.7 | 2386 | 25.7 | 1524 | 16.5 | 652 | 6.9 | 13375 | 28.7 |
| Ventilated Pit-latrine | 38 | .4 | 38 | .4 | 75 | .8 | - | - | - | - | 151 | .3 |
| Other | 300 | 3.2 | 293 | 3.2 | 183 | 2.0 | 77 | .8 | - | - | 853 | 1.8 |
| None | 707 | 7.5 | 73 | .8 | 154 | 1.7 | 192 | 2.1 | - | - | 1126 | 2.4 |
| Not Stated | - | - | 39 | .4 | - | - | - | - | - | - | 39 | .1 |
| Total | 9367 | 100.0 | 9267 | 100.0 | 9272 | 100.0 | 9261 | 100.0 | 9417 | 100.0 | 46584 | 100.0 |

9.6 MAIN SOURCE OF WATER

In St. Lucia, the majority of households claimed that they relied mainly upon water being piped into dwelling from a public source (68.6%), piped into yard from public source (19.9%) or obtained from a public standpipe (5.3%). Thus, according to Table 3.37, almost 94.0 percent of all households relied principally upon public sources for their water supply. Table 9.7 shows that the proportion of households with water piped into their dwelling units from public sources decreased with declining socio-economic status so that while 90.1% of all households in the wealthiest quintile obtained pipe borne water from public sources, the corresponding proportion for the poorest quintile was 40.1 percent.

Altogether, pipe borne water from public sources was the most frequently cited main source of water supply in spite of household socio-economic status. Nonetheless, it is worth noting that in the proportions of households that relied principally on a public supply of water in a yard or from a standpipe increased with declining socio-economic status. While only 7.0 percent of all households in the wealthiest quintile reported having their main supply of water piped into a yard from a public source, the corresponding

proportion within the poorest quintile was estimated to be 34.4 percent. With respect to the amount of time consumed in gathering water, relatively greater numbers of households from the poorest quintile relied upon such means as a public standpipe, a public well, tank or truck, or a private catchment area, which involved more time in gathering water than compared to households in the wealthier quintile groups. Generally, though, there was some improvement in respect of access to safer water sources between 1995 and 2005.

Table 9.7 suggests engagement in more time-consuming water-gathering practices by members of poorer households. Such an allocation of time is likely to reduce the amount of time available for individuals to develop their human capabilities and retard their transition to more favourable conditions and opportunities in life. Altogether, the main sources of water supply are distributed inequitably across household socio-economic status groups and will require infrastructural interventions within the public arena to enhance the quality of service delivery and reduce inequities. There are also problems across the various districts of St. Lucia. The map of mean water supply shows substantial disparity: the area of Dennery is the worst affected.

TABLE 9.7: PERCENTAGE DISTRIBUTION OF HOUSEHOLDS BY MAIN SOURCE OF WATER
ACCORDING TO HOUSEHOLD QUINTILES

| Main Source of Water | Household Quintiles – AE | | | | | | | | | | Total | |
|------------------------------|--------------------------|--------------|-------------|--------------|-------------|--------------|-------------|--------------|-------------|--------------|--------------|--------------|
| | Poorest | | II | | III | | IV | | V | | | |
| | N | % | N | % | N | % | N | % | N | % | N | % |
| Public, piped into dwelling | 3795 | 40.5 | 5546 | 59.8 | 6546 | 70.6 | 7604 | 82.1 | 8488 | 90.1 | 31979 | 68.6 |
| Public, piped into yard | 3220 | 34.4 | 2408 | 26.0 | 2008 | 21.7 | 1000 | 10.8 | 657 | 7.0 | 9293 | 19.9 |
| Public standpipe | 1266 | 13.5 | 601 | 6.5 | 341 | 3.7 | 272 | 2.9 | - | - | 2480 | 5.3 |
| Public well/tank or truck | 39 | .4 | - | - | - | - | - | - | - | - | 39 | .1 |
| Private, piped into dwelling | 38 | .4 | 221 | 2.4 | 109 | 1.2 | 112 | 1.2 | 110 | 1.2 | 590 | 1.3 |
| Private catchment not piped | 38 | .4 | 151 | 1.6 | 36 | .4 | - | - | 41 | .4 | 266 | .6 |
| Private catchment piped | 77 | .8 | - | - | - | - | - | - | 41 | .4 | 117 | .3 |
| Other | 894 | 9.5 | 302 | 3.3 | 231 | 2.5 | 274 | 3.0 | 79 | .8 | 1780 | 3.8 |
| Not Stated | - | - | 39 | .4 | - | - | - | - | - | - | 39 | .1 |
| Total | 9367 | 100.0 | 9267 | 100.0 | 9272 | 100.0 | 9261 | 100.0 | 9417 | 100.0 | 46584 | 100.0 |

9.7 THE ENVIRONMENT AND POVERTY

The physical environment within which poor people live has an impact on their lives. The environment can provide them with natural resources that can be used as the basis for economic activity, for food security and to sustain their livelihoods; at the same time environmental conditions can be a threat to the health and well being, and the security and safety of its inhabitants. Perspectives on the relationship of poorer people with their environment were derived in the PPA.

There is a significant difference in the physical environment of the urban, semi-urban and rural communities studied. The urban and sub-urban communities have few natural resources on which residents can depend to sustain their livelihoods.

However the poor condition of their physical environments is a threat to health. Residents in urban communities reported lack of physical space leading to overcrowding, poor drainage and flooding, poor sanitation and inadequate storage of food, littering and improper garbage disposal, absence and poor condition of toilet facilities, sewage problems and disposal of feces in the sea and surrounding areas. Rats and mosquitoes are also prevalent. All of this creates an unhealthy physical environment that increases risks and poses threat to health of residents.

In the rural communities, many residents depend on the natural resources for their livelihoods. The land, sea, rivers and forests were not only sources of income but provided food security for many who may

not have money, but who are able at least to get a meal of ground provision, fish and fruit. However the use of natural resources while providing income for some depletes these resources and limits the ability of others to benefit from them. Deforestation and removal of top soil have resulted in landslides and soil erosion. Residents reported on the incidence of over-fishing, poisoning of rivers and sea to increase the fish catch size, and prevalence of sand mining.

Indiscriminate deforestation along with poor drainage in many communities and poor agricultural practices including the use of chemicals in rural communities, have had serious negative impacts on the natural resources in these communities. In Praslin, there is a concern about pollution of the mangrove about cutting down of the trees there to burn in the charcoal pit and about the use of the ravine as a source of water which can result in depletion of the crayfish and tilapia stock.

Availability of good quality drinking water is essential but residents in many communities go through more than seasonal water shortages. In particular communities like Desrameaux, Roseau, Anse-la- Raye, and Morn Jacques have additional concerns. Some are dependent on public standpipes, others due to their isolated location and depleted watersheds, do not always have access to good quality drinking water on a regular basis like Anse-le-Verde, where several people reported that they had to walk long distances to get water. In communities like

Faux a Chaux and Baron's Drive the sea is being polluted by human faeces, by seepage of agricultural and other chemicals, and by the dumping of garbage. In Park Estate and Des Barras, where rivers were being used for bathing and washing of clothes and vehicles, chemicals were also being deposited in the water.

Residents in Belle Vue, The Mangue and Roseau were concerned about the presence of rats and mosquitoes; in Park Estate, Desrameaux, and Praslin, about stray dogs; in Praslin and Des Barras about the African Snail; and also in Praslin about wild pigs near the river bank. In communities where residents rely on rivers for their water supply, they were concerned about stagnant water and pollution of the river. In addition, in a few communities residents were concerned about the presence of snakes as a result of clearing of land, about air pollution from second hand smoking and burning of rubbish. There were also concerns about smell from livestock pens (for chicken and pigs) in Roseau and Des Barras and about noise pollution in Belle Vue.

All of these environmental issues have implications for the conditions under which residents live, for their health, the quality of their lives and their sense of well being. While many of the health problems appear to be linked to life style diseases, some of the illnesses like asthma and other respiratory diseases in children and adults can be caused by environmental factors. Contamination of food by rats and other pests, and by chemicals in agricultural

produce and fish can also cause certain diseases. At the same time in several communities, lack of toilet facilities and disposal of human waste in the sea, rivers and banana fields are dangerous activities that threaten the health of everyone in a community.

indicators of the absence of poverty, and

All of the communities had experienced the effect of natural disasters, especially storms and hurricanes and residents were now more willing to take these seriously and to prepare for them. However, the quality of their housing, and in some cases their location, increases their vulnerability to natural disasters.

Drought also creates problems in some communities. At the same time there was a feeling that while people were somewhat more aware of and concerned about environmental issues, much more needed to be done to educate them about environmental conservation and degradation and about their responsibility for and the benefits that would be derived from judicious use of natural resources and from protecting the environment.

9.8 OTHER HOUSEHOLD AMENITIES

Amenities like good quality running water, electricity, telephone land lines and cell phones, and household appliances were not any longer regarded by interviewees as luxuries, but as essentials for enjoying a good standard of living and quality of life. Their presence in households therefore cannot by themselves be used as one of the

although some or all of these were absent in many of the households, there were present in a significant number.

In 1995, 81 percent of the population used electricity: 69 percent of the lowest quintile used electricity then and 29 percent used kerosene. In 2005, just over 5 percent still used kerosene in the lowest quintile, and over 82 percent used electricity. For the population as a whole, 92 percent used electricity. Indeed, except for the lowest quintile, over 93 percent of the other quintiles used electricity. The increased electricity use supports the use of many more household gadgets that are seen as necessary appurtenances of modern living.

In the PPA, forty three (eighty percent) of the households interviewed had electricity and electrical appliances, particularly fridges and TVs, including cable. However in many cases these were not working because interviewees could not afford to pay the electricity bill which according to them was too high and on which they would have to spend most of their money. Given the role of television in communications and in providing access to the mass media, and its potential as an educational tool, some number of poorer households would have suffered information poverty as well.

TABLE 9.8: PERCENTAGE DISTRIBUTION OF HOUSEHOLDS BY HOUSEHOLD AMENITIES
ACCORDING TO HOUSEHOLD QUINTILES

| Type of Lighting | Household Quintiles - AE | | | | | Group Total |
|--------------------------|--------------------------|--------|--------|--------|--------|-------------|
| | Poorest | II | III | IV | V | |
| | % | % | % | % | % | % |
| Gas | 0.80 | 0.40 | 0.40 | 0.90 | 2.10 | 0.90 |
| Kerosene | 5.30 | 1.20 | 2.50 | | | 1.80 |
| Electricity - Public | 82.20 | 94.20 | 94.60 | 95.20 | 93.40 | 91.90 |
| Electricity - Private | 0.40 | 1.30 | 1.30 | 1.30 | 4.10 | 1.70 |
| Other | 10.00 | 2.50 | 0.40 | 1.30 | | 2.90 |
| None | 1.30 | 0.40 | 0.40 | 1.30 | 0.40 | 0.80 |
| Not Stated | | | 0.40 | | | 0.10 |
| Group Total | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Total (n) | 9367 | 9267 | 9272 | 9261 | 9417 | 46584 |

Several persons also complained about the high cost of water and felt that WASCO was charging too much. In many of the households there were also gas stoves, but either because of inability to afford gas or as a strategy to save, wood and/or charcoal was being used extensively for cooking. Although land line telephones were not as common, several of the interviewees did have cell phones, and some of those who did not, expressed a wish for them.

9.9 PUBLIC GOODS AND POVERTY

Poor communities often lack public goods that are important to welfare. Their absence contributes to poverty. While facilities and services may be available the extent to which residents can access and/or afford them, availability to the household is

determined ultimately by factors such as distance, hours and time of delivery, the cost and the quality of the services being provided, and the attitude of the providers. Some of the communities are well served with services and facilities and residents can readily and easily access them. In several communities residents agreed that there has been an improvement in sanitation service because garbage is now being collected on a regular basis. This is so in Belle Vue and also in the urban communities because of their proximity to Castries and Vieux Fort.

However, in several of the rural communities, including Morne Jacques, Balca, Migny, and Park Estate, there are few, if any facilities and/or services in the community.

"Belmont is not yet a place, government refuse to build roads because this area is not in the project."
(Resident in Belmont)

"We do not have roads in Desrameaux, access to water is poor and the water quality is poor."

Residents in these and in some other communities were also concerned about poor roads, absence of electricity and telephone lines, and inadequate water supply and absence of recreational facilities, preschools and day care centres. In several of the communities residents were particularly concerned about the unavailability of health services.

Another issue that affects the quality of services being offered is the attitude of the providers, including issues of confidentiality as in the case of health service providers, and in the user-friendliness of services provided. Residents confirmed that these issues influence their decision on whether to use the service or not. Although there are public toilet and bath facilities in these communities, residents do not always have access to them. Among the reasons cited for this situation is the inability to pay the small fee required for use, the hours when the facility is open and in the case of Faux a Chaux, the unacceptable, poor and abusive attitude of the Manager of the facility. These factors have led to indiscriminate disposal of human excreta in surrounding areas, including the waterfront opposite.

The degree to which residents have been able to create and sustain social capital contributes to the quality and quantity of public goods. Relationships between residents vary from community to community, but in some of the communities relationships are harmonious, there are networks of formal and informal support systems, and residents cooperate and help each other in time of need. This is conducive to community action that can mobilise social capacity.

"I love my community, you can have confusion here, but when a house in flames everybody running, people forget they vex with you." (Faux a Chaux)

However in some other communities, including The Mangue and Roseau, relationships are characterized by mistrust, disagreements, conflict over petty situations, quarrels and fighting. While in many communities there are networks of mutual support and cooperation, especially in times of need, in others, lack of cooperation and community spirit were seen as stumbling blocks that adversely affected progress and initiatives designed to improve and develop the community.

CHAPTER TEN: SPECIAL GROUPS AT RISK

In-depth analysis of the survey and PPA data suggest differential impact of poverty on particular groups. This section explores at-risk groups – women, children and youth, the elderly and persons with disabilities. Most of the information used in this chapter was derived from the PPA.

10.1 WOMEN AND COPING

Women face graver hardships in coping with poverty than men. The survey data demonstrate that they face higher unemployment. Women who participated in the PPA were of the view that poverty affects women more than men, especially women who were single parents and grandmothers, and who may be solely responsible for the welfare of their children and grandchildren.

All of the women interviewed were concerned about being able to feed their children to provide health care and to send them to school every day, and while they saw education as a way of moving out of poverty, for many the cost of education remained prohibitive. Working women who were poor were generally working in unskilled low paying jobs for wages that did not allow them to meet even basic needs and in some cases their labour was being exploited.

Some women saw prostitution as an economic activity and admitted that they would do anything, including prostitute

themselves, to feed their children. In other cases, they would give in to sexual advances to get money, but could not always afford the protection of contraception. This involvement in transactional sex puts them at risk of contracting STIs or HIV/AIDS and, in many cases, has resulted in multiple pregnancies, thus perpetuating the cycle of poverty.

"Women cannot afford contraceptives so they cannot space their children, then the baby comes and the cycle of poverty continues."

"I prefer doing prostitution than stealing."

"The child father only feed him if he get sex."

"Men take advantage, they want you to have sex with them before they give you anything."

"Without money, you keep passing from man to man, child after child... you can get AIDS so."

Several women shared their experience of not receiving any support from their children's fathers, and for some this was a major factor that contributed to their poverty. Others shared that the fathers may have been unemployed or otherwise unable to provide for their children.

Women's physical and mental health is also affected by the conditions under which they live. Early pregnancy, multiple pregnancies, poor diet, inability to access or afford health services, and the stress and anxiety of having sole responsibility for their families all take a toll on their health. In addition the health of those who are victims of abuse and domestic violence, and those who have

multiple sexual partners or are engaged in the sex trade, is threatened.

Poverty also has a psychological effect on women and on their emotions. Many said that it contributed to low self esteem and several reported suffering from stress and depression, and of being sad and angry. The question of relationships with other women was also discussed and while in some communities women recognized the need to work together and to help each other, in others relationships among women were characterised by friction, jealousy, arguments and quarrels.

10.2 CHILDREN AND YOUTH

In twelve of the communities separate discussions were held with children under 14 years and with young people 15 to 25 years of age. Over five hundred children and youth, equally distributed among males and females, participated in these focus group discussions.

For many children poverty meant not getting enough food and not being able to get things that they needed and wanted when they needed them; some claimed that they were always hungry.

"My belly boils, we don't always have food, I am always hungry."

"When you see something you cannot afford it the children cut style on you at school."

Many of the children felt that being poor when one is young is worse because of the difficulties of dealing with peer pressure

and harassment. This was stated as a reason for many not wanting to go to school.

'...when parents have no money to give you what you need, other children pick on you, call you names and make jokes about you.'

"Poverty makes parents quarrel with their children."

"You feel as though your parents hate you."

Many of the children said that they did not like living in their communities, they hated the dirtiness, the closeness of the houses, and the constant quarrelling. They also expressed concern about alcoholism and about the amount of illegal drugs in their communities. While some children in the urban communities disliked the police presence and actions, others in some of the rural communities felt that the police was not doing enough to patrol the areas where illegal activities were conducted.

The children valued education and saw it as a way for moving out of poverty. The absence of day nurseries and preschool in some communities and parent's inability to pay for these when there were available, meant that many young children were not adequately prepared for entry into primary school. At the same time, the absence of electricity, telephones, computers, and access to the internet affects children's performance in school and limits their ability to do homework especially if it requires research on the internet.

In addition their school performance is often affected by parents' inability to afford lunch, transportation, school books and other vital supplies.

A few of the young girls were concerned about becoming pregnant or being victims of sexual abuse and incest. They were aware that adults who should be protecting them can abuse them. The girls observed that,

"if you (are) left home with a stepfather who is abusive it is a problem but your mother may not believe you."

While some poor children do receive help from neighbours, friends and family, in order to survive others may have had to beg or earn money by doing odd jobs. Some also admitted that in order to survive, children or other family members may become involved in illegal activities including stealing, crime and drug trafficking.

Many of the young adults (15-25) who participated in the PPA expressed an awareness that being poor not only affects the situation in which they live but that it affects them physically and mentally and determines their life chances. They were also aware that some people were born into poverty while others 'fall into poverty', and they recognised that several young people were caught in the cycle of poverty, that the effect on them was devastating, and that many were disenchanted.

"The way I look at it, poverty is a cycle. Some people born in poverty and very few get out of it."

According to them, several factors contributed to and perpetuated the cycle of poverty. Among those listed by participants were: attitude, lack of resources, absence of educational and job opportunities, lack of ambition and unwillingness to take the jobs that may be available. Some of the youth

belonged to large families and commented on the environment in which they and many of their peers grew up. They expressed concern about the number of children that poor people had and about their reluctance to go to family planning programmes and to ask for contraceptives. Some were of the view that contraceptives should not only be distributed free of charge, but that it should be given to people at their homes.

Young people recognise the importance of education and see it as a strategy for escaping from poverty but many admitted to having been unable to pursue, complete or benefit from their education because their parents lacked the financial resources needed for food, transportation, books and examination fees. Several were also of the view that the education system and in particular the irrelevance of the curriculum had contributed to their inability to get a job, to move out of poverty and to function effectively in community life. Unemployment is high among the youth and several complain of not being able to get jobs or of the low salaries being offered for the jobs that are available.

Young people also lamented the absence of facilities, activities and programmes for youth in their communities and said that this was one of the reasons why they got involved in illegal activities.

"There is nothing for young people to do here so the guys just hang around and smoke and the girls talk people business."

Clearly, the existing programmes for youth have had a limited reach. Poverty was seen to be manifest in young people in a number of ways: they generally suffered low self esteem and expressed feelings of inadequacy, worthlessness, helplessness and disenchantment. Many of these feelings resulted from the attitudes of their peers and of people in their communities and wider society, but was often also the result of being ill-treated in the home, including verbal abuse from their parents.

The youth also turned to illegal and criminal activities as a means of coping with poverty. Several admitted to using and selling drugs, and to being involved in gangs and crime and saw these activities as providing them with the money they needed to get the things they wanted.

"Poverty affects most teenagers here they end up doing prostitution or drugs."

There was concern about the level of crime in their communities and felt that *"we need to see a documentary on prison life to discourage young people from crime"*, in order to discourage young people from becoming involved in crime and other illegal activities. They were of the view that stricter laws and stiffer prison sentences were not effective deterrents.

Large numbers were also engaged in risky sexual activity. Some groups expressed concern about the risks to which they were exposed, including teenage pregnancy and Sexually Transmitted Diseases (STDs) including HIV/AIDS. While little

information was offered on the incidence of HIV/AIDS, discussions with the young women revealed a variety of myths about contraceptive use and a few admitted that their boyfriends did not want them to use contraceptives. At the same time, there was a recognition that young men do not, and/or will not go to health clinics.

Some young people are also concerned about their future and that of their children. And many identified the need for resources, for sporting facilities and activities, and for education and skills training programmes, and saw these as important for the long term development of young people.

"Education is the key."

"I need to get a better education but where to get the money from?"

"The ideal is to go to school, but that is not always realistic many have to stop at primary school."

"That is why a lot of children, especially boys drop out, they don't have the money to go to school."

In sum, the physical and social environments in which children live in the communities studied are not conducive to providing them with an acceptable standard of living and quality of life.

10.3 THE ELDERLY AND PERSONS WITH DISABILITIES

A small number of elderly persons and persons with disabilities were interviewed as heads of their households, and in most of the communities focus group discussions were organised to include elderly persons as well as persons with disabilities. In some cases, because of challenges being faced by

the latter, discussions took place at participants' homes. A total of 132 persons participated in the discussions. The majority was over 65 years of age and about two thirds were women. Among those who participated were widows and widowers, physically challenged persons and persons who were parents of children, including adult children with disabilities. Many of them had only had a primary education and a few had not been to school at all. A few were still engaged in subsistence farming on a small scale but most were unemployed and had no regular source of income.

Several elderly persons admitted to being poor and provided reasons for their condition. Indeed, the circumstances that these elderly persons face are often reflective of the families they have created through the mating and fertility experiences they have had as young persons. Among the reasons cited were: age and the inability to work, ill health or sickness, responsibility for supporting children, including children with disabilities, or grandchildren, lack of support by adult children and lack of access to resources. This does not prevent many from being still responsible for the welfare of children and grandchildren. Many older persons and persons with disabilities are living in poor conditions, in small houses badly in need of repair and without adequate furniture and amenities like water, toilet and bath, and while some may have electricity, they are unable to pay the bills.

There is a grave concern about the plight of the elderly and about persons with disabilities. The lack of a regular and steady income, the small amount of money that a few receive from the Government, their inability to eat balanced meals and regularly, their poor health, isolation and social exclusion are issues seen to need urgent attention.

"I have asked to be placed on the paupers list."

"Pension is from hand to mouth since it so small and not increasing."

"The amount I receive from the government is not enough."

"The public assistance small but without it I would be worse off."

A significant number of older persons are not in good health. Elderly women as well as elderly men suffer from diabetes, and high blood pressure and alcoholism, rheumatism, arthritis, and asthma. Eye problems are also common. A few men suffer from prostate cancer. All complained about the high cost of health care and the difficulties they experience in accessing health services.

Other concerns identified include the absence of legislation to protect the rights of the elderly persons and persons with disabilities, lack of education and training opportunities, of recreational and economic activities and of markets for things that they might make and absence of facilities to provide care.

Box 3 provides an example of the plight of Mavis, an elderly woman, whose mental condition as she ages, might hardly have been addressed. The case also illustrates the impact of emigration on the household, and on those elderly whose offspring have all emigrated.

The nature of the risks can change in response to economic cycles. The discussion and the examples above provide some

perspectives on the current realities of St. Lucia as it seeks to encourage the growth of new sectors, while its social services manage the fall-out effects on particular vulnerable groups in the society, some of whom are not in the labour market, but are indirectly reliant on it. The system of social protection in its various forms does not seem to have had the resources adequate to the needs of large numbers facing physical and social disabilities.

BOX 3: MARVIS, THE ELDERLY

Mavis is 94 years of age. She lives by herself in a small wooden house. The house shares the same space with two or three other dwellings. The house belongs to her but she rents the land on which it sits for EC\$10 per month from a prominent family in the community. It has no kitchen or toilet. The latter facility is lacking in two thirds of the households in this community. Like all of the elderly interviewed in this community, she uses a bucket which is emptied for her by someone in the community. As the interview is being conducted Mavis goes about her chores, in this instance preparing lunch. She goes about her task conscientiously moving about in a nimble way that belies her age and the fact that she is completely blind.

"Of all the sicknesses you can get in your old age", Mavis says, "pray that you never get blindness." Mavis says she has been blind since 1960. It happened in stages. It started when she used to work on the sugar estate for the "white people" for \$1 per load of cane carried. One day as she was attempting to lift a load of cane the strap that bound the cane burst and hit her in her eye. She never received any compensation, but eventually took an operation. However she gradually lost sight in her eyes until sometime later she lost her sight completely. The lady who takes care of her reports that Mavis never made an issue of the accident. Furthermore, when she took the operation Mavis is said to have disregarded the doctor's advice regarding care of herself during the healing process. The rationale for this though is that because she was poor Mavis had to continue working and doing chores even though she was supposed to be resting. Mavis reports that she worked at the Police station in the community after her accident and up until the time that she lost her sight.

Mavis is feisty and fiercely independent. She used to live with a woman who took care of her, but could not stand to be dependent on others for everything. Furthermore she felt the things that people gave her such as groceries were being taken by the people taking care of her. She eventually decided to leave and come on her own to the place where she presently resides.

Mavis has one child, a male. The father of that child had children with other women. He is now deceased. Her son lives in the U.K. Mavis mourns his absence and the fact that they are not communicating. This is in spite of the fact that she has a telephone and has asked him to call. He occasionally sends 20 pounds for her the last occasion being on Christmas. The story is told that their estrangement stems from the fact that on the last occasion that her son visited Mavis from the U.K. He did so on the basis of her assurance that she had money. On arrival in the district he discovered that all she had was EC\$200.00. This left him financially embarrassed and having to resort to loans from the neighbour. Mavis cries when she speaks of her son and how she misses him... She says that if she does not see him she will die. She laments that when there is rain and thunder and lightning she is all alone. Her son is reported to be a 70+ year old U.K. pensioner.

Mavis receives EC\$85 per month from the government. She also receives donations made by any charitable organisation that might be passing through the area. Finally she receives food and care from friends in the community. A friend buys coal for her to cook with and water for domestic use. She also has a couple of relatives who pass by to help her out or ask someone to do so. Still, it is obvious that she feels lonely and neglected. She cries when she recalls that there are young people around that she cared for when she was younger, but today because she is old and nobody is taking care of her. She is blind and nobody is taking care of her. Nobody knows her they have to see some misery before anyone pays her attention. Today she is poor and old nobody pays any attention to her.

She expresses thankfulness for the fact that her blindness was not a result of her taking somebody's man. "I got blind through working and thank God for that. I have one child and that child is not taking care of me, but thank God I am alive today". One of her caregivers reports that a part of the reason why not many people come around is that Mavis' tongue is very sharp and accusatory. She (the care giver) started taking care of Mavis when one day she told her she was hungry. An immediate neighbour also takes care of her, but Mavis sometimes quarrels with her. Mavis is described as not being grateful and thankful for what people do on her behalf. Mavis receives medical care from the local clinic.



**PART III:
THE INSTITUTION FRAMEWORK FOR
POVERTY REDUCTION**

CHAPTER ELEVEN: INSTITUTIONAL REVIEW

11.1 INTRODUCTION

There has been considerable research and documentation on the role of institutions in shaping social and economic life. Institutions are here described as both organisational forms and as patterns of behaviour. This section examines the contribution of a number of agencies and organisations to the poverty reduction and alleviation in the context of the current reality of St. Lucia: behaviour patterns would also be discussed, information permitting. As has been indicated earlier, this country as one of the SIDS, is susceptible to economic volatility deriving from the vulnerability that is a fact of life for such countries.

But the very international environment in which St. Lucia has to hold its own is subject to major structural changes. The economic transformation of Asia has already started to eclipse the North Atlantic countries, which have been the main markets for Caribbean countries. The North Atlantic has to deal with its own problems of adjustment in the face of the rise of Asia. All of these external forces impact, in the final analysis, on communities, and on people in the island states of the Caribbean, including of St. Lucia.

The nature of the institutional structure of the country has considerable relevance in

the way the various groups in the society accommodate to change. A host of agencies will be surveyed to establish their efficacy in assisting the population in coping with the economic and social changes in their midst. This section will examine the contribution of these organisations, in the provision of services in the four main areas into which services could be disaggregated for present purposes – developmental, preventive, remedial, and supportive. Where possible, the views of some of their clients will be noted, from the discussions that took place in the PPA.

Developmental institutions contribute to capacity building, and equip individuals and/or groups with the wherewithal to grow and expand. They assist in empowerment. Training institutions, for example, are engaged in developmental work. Institutions that perform functions that are preventive by nature, assist in protecting individuals or groups from risks or vulnerabilities, and from succumbing to particular problems. Youth programmes in high risk communities may engage in preventive work by encouraging young people to become involved in constructive activity, in the face of models in their immediate environment, which prompt delinquent behaviours.

Remedial entities seek to restore individuals or groups to a state of wholesomeness

following their having been subjected, or having succumbed, to particular social challenges. Supportive agencies focus on the provision of succour to those in need, without necessarily being concerned with their capacity to respond to social and economic challenges on their own.

11.2 DEVELOPMENT AGENCIES

The Poverty Assessment of 1995 provided the information base for better targeting the poor. Following the Poverty Report of 1995, the Government embarked on a number of initiatives designed to reduce and alleviate poverty in St. Lucia over time. In some cases, special institutions were created. In others, existing structures were modified with a view to rendering their work more sensitive to the requirements of poverty reduction. The incoming administration of 1997 made poverty reduction the focus of its platform and committed itself to collaborate with CBOs, and NGOs – domestic and foreign – and the international community in mounting an attack on poverty.

Two of the primary programmes in poverty reduction merit specific review, since their roles have been expansive, spanning a range of functional areas. The Government of St. Lucia had had a long standing arrangement with the Caribbean Development Bank that allowed the country to benefit from the Basic Needs Trust Fund. The refocused initiative on poverty reduction led to the establishment of the Poverty Reduction Fund, for which funding came from the World Bank and other

sources. The two programmes have existed side by side.

11.2.1 POVERTY REDUCTION FUND

One the most significant initiatives undertaken by the Government was the establishment of the Poverty Reduction Fund (PRF), which became its flagship in the attack on poverty in St. Lucia. It was established in 1998 by an Act of Parliament, and began operations in August 1998. It was initially under the Ministry of Planning, which was the focal point for poverty reduction until responsibility was transferred to the Ministry of Social Transformation: the Government had taken the decision to put all the agencies responsible for the social sectors under one roof, under this new Ministry created in 2001.

The Fund draws its inspiration from the social funds that were created in Latin America and Africa in the 1980s. These were designed to give early effect to poverty interventions in recognition of the fact that the structure of government agencies normally prevents their responding quickly to the needs identified by communities. The World Bank has been a major supporter of the idea of social funds to mitigate the negative effects on the social sectors of structural adjustment measures in the face of fiscal and balance of payments crises. Social Funds have been used elsewhere in the social sectors- education, health, population, nutrition, AIDS – and in the provision of community infrastructure – rural roads, markets, upgrading schools,

health clinics. Social Funds are expected to respond to the needs identified by local groups and communities.

The PRF was initially established with a 'learning and innovation' loan from the World Bank, with the expectation that it would eventually be routinised into the structure of operations of the Government, while retaining the flexibility allowed it under the Act. Other funding sources, in addition to the World Bank, have been the French Government, and the Japanese Government, with some technical assistance coming from the European Union.

While overall policy for the Fund is set by the Government, it is managed by a Board of Directors drawn from the government agencies, NGOs and CBOs. The strategy of the Fund has been guided by the Millennium Development Goals (MDGs) generally and seeks to focus on:

- Sustainable economic opportunities at both the macro and micro levels;
- Empowerment of people and communities and the inclusion of the concerns of poorer people;
- Promotion of universal access to health, education, water, and sanitation and the protection of vulnerable individuals and groups.

The staff complement has been as high as 17 persons at one stage. The existing structure is oriented to monitoring and evaluation, and to management of the information systems to support this function.

11.2.1.1 PRF and Communities

The thrust of the work of PRF is to reduce poverty in communities by building social capital, improving geographic equity, and encouraging initiatives that contribute to environmental sustainability. Much of its work in St. Lucia has been oriented to building capacity at the local level.

PRF has targeted the poorest communities: for example, in respect of Bouton – one of the communities identified as poor in the Poverty Assessment of 1995 - there were initiatives in the area of health over a period of many months. The effort consisted of observation, awareness building in respect of health issues, treatment, and network building. Other communities benefitting from this programme have been Fond Maiye, Paix Bouche, La Caye and La Guerre.

In other words, PRF interventions have gone beyond the provision of physical facilities, as significant as these have been in its programme. It imposes no restrictions on the nature of the applications that it entertains. More recently, it has developed a poverty map electronically with poverty indicators, with the help of consultations that were conducted. This participatory exercise has resulted in the development of priorities - I, II, and III, with I being the highest - and there may even be voting on the part of the community in undertaking any exercise. The agency conducts cost-benefit analysis of its interventions. In its Annual Report 2001-2002, it argued that its interventions have been heavily weighted in favour of the poor, since 75 percent of the

resources had been allocated to communities with a poverty index that rated them as ‘very bad’ or ‘bad’.

11.2.1.2 PRF and Agencies

PRF seeks to make meaningful interventions with the support of certain government agencies. These initiatives are often supported by memoranda of understanding: this has happened with Ministries of Health, and Education and Planning. There have also been arrangements with the St. Lucia Cancer Society, with organisations representing nurses, mental health and other national umbrella organisations.

The PRF has collaborated with the National Skills Development Centres in the provision of training – 50 -100 hours of training. The goal has been to ensure the expansion of skills for self-employment. There have been problems of apathy on the part of potential recipients. The Adult Education programme of the NSDC has been transformed into a national enrichment programme. Also emphasis is placed on improving productivity, and in inculcating positive values and ethics.

The agency has collaborated with other agencies in addressing critical issues in the society:

- Life style management
- Employment
- Early childhood education
- Enterprise development

The key problems identified by PRDF at the present time are:

- HIV/AIDS – in part exacerbated by sexual promiscuity.
- Nature of the family, and the looseness in parenting arrangements.
- Lack of community structures.

In the more recent past, it has been seen as a mechanism for assisting in the development of labour intensive programmes and the Landslide Risk Reduction Programme in unplanned communities in urban and peri-urban areas inhabited by poorer people. Communities such as Trou Rouge, Pavee/Parkers Hill, Bagatelle, Morne Du Don, and Bruce Ville were to receive allocations through the Poverty Reduction Fund in the budget of 2005/06.

While its presence has been recognised by communities, there has been some frustration over its remit. For example, residents of Bouton felt that it was unresponsive to the request for assistance in the establishment of a fruit processing operation in the community to provide employment in the area with a link back to a plentiful supply of local fruit.

It seems that there is now some official ambivalence on the way forward with PRF. It was perhaps obligatory on the Government to establish it as a separate entity through which there could be a transparent provision of funds from the World Bank and other external agencies. These funds were time bound, however, and it was the expectation that following the thrust of the programmes deriving from the Fund, there would be continuation on

the part of the Government, where this was necessary: World Bank funding ended in 2003.

An independent review of PRF by ESA Consultores International in 2003 suggested that the programme had been a success generally. Communities had benefitted by way of improved access to social and economic infrastructure, capacity building, access to water, short-term employment, and, to a more limited extent, in respect of education and re-forestation projects. In the vital area of employment generation, ESA concluded that PRF sponsored employment could not be classed as ‘fully-fledged replacement’ for jobs lost in the banana industry.¹⁹

PRF and the Basic Needs Trust Fund (BNTF) have remained the prime agencies involved in implementing the projects under the Ministry of Social Transformation. In its most recent budget exercise, the allocation to the PRF is much lower than to the BNTF - \$1.8m as against \$7.2m - suggesting that the policy may be gradually to absorb the PRF in the BNTF, which has been of longer standing.²⁰

11.2.2 BASIC NEEDS TRUST FUND

The Basic Needs Trust Fund has been part of the development landscape of St. Lucia for almost as long as this programme has been in existence as part of the approach of the CDB to target poverty since the late 1970s. Indeed, the CDB was in advance of most development institutions in the support of poor communities hurt by structural adjustment and stabilisation programmes. Through BNTF, CDB has provided a structure within which other donors have contributed to the effort at poverty reduction in St. Lucia: for example, CIDA and STABEX funding has supplemented the resources provided by the CDB.

St. Lucia is the beneficiary of the Fifth Programme under the BNTF, with a total of over EC\$12m of grant funding earmarked for the period 2003-2010. In the Fourth Programme, which spanned the period 1997-2003, a number of the poorer communities identified in the last Poverty Assessment were targeted for infrastructure and other forms of support - Bouton, Anse-la-Raye, Belmont, and Belvedere with water, Bacadere with footpaths and drains, and public conveniences, Roseau with public toilets, and Anse-la-Raye with training in leather craft. The Poverty Assessment of 1995 provided the base information that allowed for better targeting of the poor.

The CDB has required of the Government, an action plan for the BNTF in St. Lucia - the Poverty Action Plan - with an

¹⁹ ESA Consultores International, ‘St. Lucia Poverty Reduction Fund: 2003 Impact Evaluation Survey – Final Report,’ June 2004.

²⁰ Minister of Finance, Budget Address 2006-2007: From Recovery to Expansion, April 25, 2006.

operations manual that gives detailed approaches for targeting, supported by community profiles. Highlights of the Programme are:

- Water for all – this has been achieved in actual practice.
- Physical access to communities through roads and footpaths.
- Targeting of the indigent – the homeless and the aged, in particular.
- Skills training and improvement of the employability of young people.
- Improvement of School Plant.

Other aspects of the contribution of BNTF include the provision for direct labour, thus allowing the services of residents to be utilised in the construction of public facilities, and creating a strong sense of ownership in the community, at the same time as skills are being upgraded. There is also allowance for a micro-enterprise component in the BNTF. A major challenge has been in upgrading squatter communities in urban areas. BNTF can only invest in property which belongs to the state. The poor in urban areas are often squatting on private property, and this makes it impossible for the BNTF to intervene.

While some \$14m had been allocated to the year 2010, the list of projects already approved could result in the exhaustion of funds by the end of 2006. The wide geographic spread of the programmes of intervention, and the high degree of targeting on the poor have meant that the BNTF has brought considerable

improvement in the plight of poorer people of St. Lucia.

On the other hand, the attempt at wide reach with limited resources relative to the requirements of communities, did create disappointment in some communities. In the conduct of the PPA, residents of Balca claimed that PRF and BNTF had been insignificant in their interventions in the area.

11.2.3 OTHER IMPORTANT DEVELOPMENT INTERVENTIONS

There is wide range of government and non-governmental agencies which, from their mandate, contribute to the development of the country and thus, indirectly to the poor. However, there has been a poverty focus in many of the projects and programmes of the Government which has sought to make much of its expenditure pro-poor. This has not meant that all of its agencies have been successful in this regard. However, most of the key personnel in charge of the various agencies of the state are aware of the need for a pro-poor thrust, even though this has not meant that there is the level of collaboration to maximise the benefits of their individual agency interventions. Even prior to the Poverty Assessment of 1995, there were NGOs that concerned themselves with the development of the poor, and in organising resources for their assistance in pulling themselves up on their own initiatives. Some of the initiatives can be assessed at the sectoral level.

11.2.3.1 Agriculture

Given the role of agriculture in the economy of St. Lucia, the institutions that contribute to its development would be critical in determining its success as a sector. The PPA establishes that people in the rural communities did see agriculture as important to their development. They were cognisant of the fact that most farmers were no longer competitive with bananas. However, under the right conditions, there was still a future in agriculture.

*"We have land, we must look at agriculture".
"Agriculture is one way of making money".*

However, the rural communities recognised a number of constraints. There was the issue of credit for agriculture.

*"The people who really need it can't benefit because they set some criteria that the common poor man cannot get in, those who already have are the ones who benefit."
"I don't have title so I can't get a loan."
"As a poor man you have to have a certain amount of money to get land."*

A major intervening variable was the ownership of such land. While good land might have been available near to some poorer communities, ownership could be in the control of the Catholic Church, the State, private companies and individuals, and the failure in dealing with land titling has led to lands lying idle or abandoned. The issue of family land, land distribution and land titles was raised in most of the communities.

*"I want land but I still don't have it yet."
"We don't have title to the land."*

"The land is there but they don't do anything with it"

In communities that were dependent on fishing, the availability of credit for the purchase of boats and equipment were the constraints which needed to be addressed by emerging institutions.

*"Ten years I am a fisherman but I can't achieve what I want. I wanted my own boat, but I don't have the deposit
"What ever set up to help is difficult to access. These things are set up to keep people poor."
"The fishing complex buying the fish much lower than it is worth."*

Thus, institutions involved in the agricultural sector needed to take all these issues into consideration. Most of the institutions fall within the ambit of the Government, but there are NGOs and CBOs as well that have been formed to assist the sector. Moreover, in conditions where the Government sees its role as being primarily facilitative of sector growth, much will depend on institutions outside of the State Sector and on the degree to which the farming community itself can create effective organisation to represent its interests. In this subsection, the role of a few state agencies and non-state actors will be assessed briefly.

Ministry of Agriculture, Forestry and Fisheries

This agency has had the prime responsibility for managing the challenge of the reorganisation of the agricultural sector in the face of the radical changes that have taken place in the market for the output of the St. Lucian farming sector. There have

been, over the years, many policy statements on the need to diversify the agricultural sector.

It should be noted that the banana industry had, over time, developed a well oiled institutional infrastructure that was reasonably effective in delivering high levels of output for export. Although production in the field was under the control of a host of small farmers, many of them not highly educated, the supporting infrastructure compensated for any deficiency that existed at this level. The St. Lucia Banana Growers Association (SLBGA) and Windward Islands Banana Development and Exporting Company (WIBDECO) and Geest Industries, UK were all involved in organised marketing and a system from farm-to-market delivery that guaranteed decent product to the final consumer in Europe. The Association had in place an extensive extension service that delivered advice to the farmer in the field. WINBAN provided high level research support.

Although the St. Lucia Banana Growers Association operated with some measure of independence, the State was represented and had to provide tangible financial support from time to time. In the new dispensation of greater reliance on non-banana agriculture, it would have been necessary to re-create a comparable sophisticated infrastructure to support small farmers venturing into the unknown with the commercial production of produce with which they might have been familiar only by way of back-yard production. For example, there were few standing orchards

of the types of tree-crop agriculture proposed for diversification in the mid 1990s.

It is possible that the requirements for a successful transition to viable non-banana agriculture have been seriously underestimated. It is a moot point whether the Ministry of Agriculture and other related agencies were able to create in short order a comparable institutional infrastructure that applied to bananas for the range of produce that was identified as offering potential to farmers seeking to diversify. Farmers would have required extension services, research support, credit, marketing arrangements, and as well training, all adequate to the demands of their producing for external markets or increasingly sophisticated domestic markets in competition with the rest of the world. Official statements seemed to recognise the challenge, whatever might have been the difficulties in meeting the imperatives. Between two important departments of the Ministry of Agriculture – Extension and Advisory Services and Production and Support Services - there have been more than 50 professional officers directly involved in the field, monitoring the farming sector, comprised of 1,500 banana farmers and others engaged in non-banana agriculture. However, despite its work, as Box 4 shows, there may be still be farmers who do not fully understand the function of the Department.

BOX 4: STEPHANIE'S STORY

*Stephanie and the younger three of her six children live in one of the rural communities. She lost her husband five years ago. He was fatally **stabbed** one evening on returning from one of his visits to town to sell his produce. Stephanie is in her late forties, and has been the sole breadwinner since. The other children are grown up and have their own families to maintain and have all left the community to earn their livelihoods in Castries. Two of the children still at home are at secondary school and the last is nearing the end of primary school. It is not easy trying to make ends meet and Stephanie makes every sacrifice to ensure that the children can attend school. There are times when she does not have the wherewithal to send the secondary students to school – transport and food.*

Stephanie farms the two acres of land left by her husband. She used to work the land with her husband before his demise. She now has to do it all by herself. It is backbreaking work and she attempts to plant on every area of the land, so that there is always something that she can sell to earn an income. The road to her little acreage is bad and in that remote area, it costs her very much to get transport to come and collect her produce to take to Soufriere. She could get sale for some produce in the hotels, but she has not been able to set up firm long term arrangements.

The area was in marginal banana production before the industry declined, and Stephanie has continued the switch to other crops which her husband had started. She produces beans, tomatoes and other short crops along with some ground provisions. Water is a problem at some times of the year, and Stephanie was saving to buy a pump. However, unseasonable weather devastated her farm and she had to use the limited savings to start the process all over again. There are technical problems that she has had to grapple with by trial and error. There are pests to control. Fortunately, the land is of good quality.

When asked about assistance from the Extension Services of the Ministry of Agriculture, Stephanie remains incredulous. She is not aware that she is entitled to help from that source and has never been visited by any Agricultural Officer. Nor is she the sole farmer in the area where she operates. It would be great if only she could get advice on how to improve productivity on the operation, and how to finance the pump so that she could get water from the river when the dry season comes.

She has not got into any relationship since the death of her husband. She still grieves at his passing, and is a deeply religious person. She prays God to help her carry her burden. She will continue to work for as long as she can and hopes that the children would all succeed at school and get good jobs that would allow them to assist her in her later years. She tries to encourage them to perform well at school.

Early in its administration, the Government announced that it would pursue 'a market-led approach to agricultural diversification' (Minister of Finance Budget Speech, 1998/99). It was recognised that the banana industry needed to be rationalised, and that to complement (with) this radical reorganisation, (there had to be) a number of measures had to be put in place. The

Early in its administration, the Government announced that it would pursue 'a market-led approach to agricultural diversification' (Minister of Finance Budget Speech, 1998/99). It was recognised that the banana industry needed to be rationalised, and complementary with this radical reorganisation, there had to be a number of

measures put in place. The pillars of its approach to diversification were encapsulated in the following:

- 1) Establishment of a system for collaboration with individual Farmers and Farmer Groups, Exporters, the Ministry of Agriculture, Regional Marketing Organisations and Buyers (both local and overseas), for effective delivery of services by the St. Lucia Marketing Board;
- (2) Establishment of a comprehensive produce marketing network, based on adequate market intelligence, and with the capability to absorb commercial agricultural production,

- for both local distribution and export;
- (3) Expansion of the range and quantity of local output through the promotion of new agricultural commodities for export, and for new markets locally and overseas;
 - (4) Bulk purchasing of planting materials and inputs for sale to farmers at reasonable margins, in collaboration with other regional Marketing Boards;
 - (5) Facilitating improvement in standards of production and final product, through the use of suitable packaging material, and post harvest facilities, and provision of training for farmers and produce handlers;
 - (6) Provision of technical and facilitatory services (such as training, research and current, relevant market information) to farmers and other stakeholders to guide production planning, marketing activities and maximisation of sector earnings;
 - (7) Assistance in the marketing of locally produced agro products.

The Government received funding from STABEX, to cover among its top priorities 'Agricultural Diversification, Poverty Reduction, Economic Diversification and Training' (Minister of Finance, Budget Speech, 1998/99). At that time, there were such other programmes in place as the Rural Economic Diversification Incentives Project (REDIP), also with funding from

STABEX, the Small Farmer Irrigation Scheme being financed by the United Nations Food and Agriculture Organisation, and the Multi-Purpose Agricultural Development Centres that were planned for establishment with funding from the Government itself.

On the admission of one official in the Ministry of Agriculture, the efforts at diversification have been 'quite modest'. The available statistical data reviewed in Section II showed that banana agriculture declined, and non-banana agriculture did not fare much better, whether in terms of production for domestic or export markets. This confirms that St. Lucia was not able to overcome the development challenges posed by the structural adjustment of its vital agricultural sector. In this regard, some of the problems stemmed from the difficulty in developing quickly, the appropriate institutional infrastructure, and others from lack of finance to support these institutions.

One major difficulty was the reliance on external finance by a Government seeking to stave off fiscal crisis. As was seen in Section II, the country became heavily reliant on its external partners for development assistance. The formal agreement with them may have led to some complacency, in that Government budgeting was configured with the external assistance factored into the annual estimates. When this was not forthcoming on time, because of the bureaucracy involved in securing disbursements, important measures had to be postponed,

with tragic implications for the farming community.

In the recently read Budget Speech 2006-2007, the Minister of Finance expressed the regrets of the Government that the agricultural diversification programme that had been announced in the previous year could not get off the ground, because of the non-receipt of the necessary funding under the Special Framework of Assistance (SFA) of the European Union. Clearly, in the context of the binding fiscal constraints faced by the Government, resources for the diversification process had to be secured from outside. The Government had announced in its budget of 2005-06, the establishment of a state-owned company, the St. Lucia Agricultural Diversification Agency Ltd (SLADA), to be managed in a private sector mode and clearly to be market driven in its approach. However, it was to be funded by SFA sources. Timing of development funds for diversification would have been of crucial importance for farmers constrained by their increasing lack of competitiveness in their main market, and needing to make the switch expeditiously. This was not forthcoming with the timeliness required at the time.

The decline of the banana industry led to the some farmers seeking alternative livelihood in the fisheries industry. The Fisheries Department forms part of the Ministry of Agriculture with a mandate to promote self-sufficiency and increased production of marine and aquaculture products, and to develop and ensure the sustainability of the fishing industry. With a

staff complement of about 40 persons, the Department consists of three Units - Research, Extension and Aquaculture - and is currently involved in several programmes aimed at ensuring the conservation and sustainable use of the country's marine resources, enhancing the livelihood and skills of local fishers, improving the island's potential for fisheries, aquaculture and product development. Its main intervention in poor communities is through the conduct of training programmes aimed at improving the fishing techniques and management of fishers. However, the effectiveness of these training programmes to fishers in poor communities is questionable since their total dependence on fishing and their lack of assets make them more resistant to change in the industry geared at protecting the fisheries resources.

Other Associations in Agriculture

There are a few organisations, both state and non-state actors, which have sought to support the development of the farming community, with variable success. One such is Laborie Development Planning Foundation. This is an umbrella organisation that has a number of Laborie related organisations in its fold, including two farmer organisations. The committee has addressed the need for strategic planning for the area against the background of declining population and has marshaled resources to suit. However, there has been a rural urban drift to Castries as fishing and agriculture have not been able to sustain the local population. This is in spite of a strong local identity and a commitment to development. Much of the

credit now supplied by the Laborie Credit Union goes to activity other than agriculture. However, while fishing has declined, it is still important to the people of the area. It would appear that the general climate in agriculture has been so discouraging that farmers even in an area of the country with a strong sense of identity and with a supporting development agency, seem reluctant to embrace an agricultural future, albeit in a part of the country which has not been at the centre stage in the heyday of a vibrant export agriculture.

The St. Lucia Farmers Credit Union was established in 1994, with a membership drawn mainly from banana farmers at the time. It was expected to help farmers organise their savings in managing their households and their farming operations. It has a small staff and its officers operate from two offices, one in Castries and the other in Vieux Fort. Its membership has since been extended to general workers, and this has allowed it to survive in the face of the decline in the income of its once core membership. It has become a general credit union. It is not in the position of being able to undertake any major strategic initiatives on behalf of the farmers.

Meanwhile, the St. Lucia Marketing Board established in 1967, in its earlier incarnation, was expected to provide an outlet for the produce of farmers in the domestic market. It remains a state-owned agency under the control of the Ministry of Agriculture, and is engaged in importation of selected goods targeted at lower end consumers. It is severely strapped for resources.

It is torn between the role of a development agency for which role it lacks resources and that of a commercial operation, for which it is badly equipped in the face of the competition from an increasingly concentrated supermarket sector. It lacks loyal support from the farming community and is used as a last resort when supplies are not taken by the high end supermarkets and the hotels. This agency seems clearly in a state of limbo at the present time and incapable of creating any new thrust for the declining agricultural sector, in spite of the best efforts of a committed and perceptive management. Nor does it have the resources to take on the challenge of the supermarket industry against which it is technically in competition.

The St. Lucia Banana Corporation is one of the institutions that have remained following the dissolution of the St. Lucia Banana Growers Association (SLBGA). It occupies the premises previously utilised by the SLBGA. While it has been able to survive and to branch out into other activity –for example, supporting initiatives in respect of poultry production, it is keenly aware that the remaining banana industry is not yet ready for the challenge of open competition. The current banana industry does not have the research infrastructure that existed in the past with WINBAN, and needs support even if it is going to move into such areas as ‘fair trade bananas’.

Nor have the alternatives to banana offered an easy transition for the farming community. In the area of poultry production, there would be need for some

overarching strategy informed by policy – for example, self-sufficiency – to provide the breathing space for new activities to emerge and survive. The poultry industry offers such a possibility especially since it allows for a regular flow of cash to farmers.

However, in the more open market conditions of the early 21st century, in the face of the possibility of the dumping of chicken parts on the domestic market by producers in the United States through domestic agents in St. Lucia, the poultry industry offers no ready-made panacea for banana farmers seeking to escape income collapse. By and large then, St. Lucia has not been well served by an institutional structure capable of managing the adjustment to a world of more competitive markets for its main primary export.

Diversification to new agricultural activity has not been met with any major success, which eventuality has spread gloom across a wide cross-section of the farming community of the country, in addition to its contributing to declining employment in agriculture and related pursuits. In terms of geographic spread of the decline, the once highly productive agricultural communities of the eastern side of the island have come to resemble the west of the island south of Roseau which remained in a social stasis over the period when the east benefited from vibrant export markets for bananas.

In summary then, the setback in the achievement of a successful diversification to date can be attributed to the financial constraints facing the Government and its

excessive reliance on external support, on the one hand. It has been compounded by the difficulty in creating the supporting institutional environment appropriate to the major structural reform in the agricultural sector built mainly on small farmers with limited resources to tide them over bad times.

11.2.3.2 Community Development Initiatives

Effective community development opens for populations possibilities that might have remained unrealised otherwise. There are some communities in St. Lucia that are blessed with institutions that contribute to the general development of the community, and thus to an expansion of the opportunities available to the people of the area.

In the PPA, residents were very aware of institutions that had made a positive impact on their lives. In some, there was a level of independence and social capital that they could rely on their own initiatives in addressing most problems.

"We help ourselves, we don't depend on people from outside."

At the same time, the Venn Diagrams that they created showed that while the interventions of some institutions and organisations were remedial, supportive, preventative and developmental, those of governmental institutions were more likely to be remedial and supportive and those of NGOs tended to be more developmental.

The Foundation has been instrumental in implementing a range of activities and initiatives in the area, and received support from the St. Lucia Heritage Tourism Programme in developing a strategic plan for the area. It has also been the beneficiary of research support from the Department of Fisheries of St. Lucia, the Institute of Development Studies of the University of Sussex, and UK Department of International Development (DFID) in the examination of the potential for sustainable seamoss production from the Laborie Bay²¹. There is a credit union that has emerged out of it and a number of other formal structures as well, through which it can mobilise support from within and outside the community to target at particular needs of the community. There is evident organisational structure in terms of office, staff and board of management that meets from time to time to examine local and national issues (see Box 5).

A more recent example of vibrant community development initiative is that of the Canaries Community Club, which was formed in 2003 on the conclusion of a community consultation that was called to consider the development of the Canaries Basin. Its primary concern is the development of the people of the Canaries Basin by encouraging their self-empowerment and community participation. There has been a general recognition that the community, along with

much of the west coast of St. Lucia south of Roseau, has lagged behind many others in terms of its level of transformation over the years. A Youth Arm has been formed in the Club to mobilise the youth of the area and to ensure their active involvement in the development process.

Because of the presence of this organisation, the Canaries area has been able to secure resources from PRF, the Department of Youth and Sports, the National Lotteries Authority, and the private sector. Funding for rehabilitation works for foot paths at Flora Villa was secured from the PRF. The Club was instrumental in securing support from PRF for the intervention of the National Learning and Enrichment Programme (NELP), to attack the problem of unemployment and underemployment of people in the area: the assessment conducted by the Club of unemployment in the area suggested that some 70 percent of the residents were seasonally employed or unemployed.

Garment construction classes have since been introduced in the evening programme at the Canaries Primary School and a number of people have participated in an information technology course in Soufriere. Also children of the area have been sponsored for information technology summer courses in Soufriere.

²¹ See Smith, A. H., and J. Gustave, 2001. A Description of the harvest of wild seamoss in Laborie, St. Lucia. CANARI LWI Project Document no. 2. CANARI Technical Report No 292:4, <http://www.canari.org/292harvestpdf>.

BOX 5: LABORIE DEVELOPMENT AND PLANNING FOUNDATION

Starting in 1999, the Laborie Development and Planning Foundation engaged the population of Laborie and its environs in process of popular participation leading to a Strategic Development Plan for Laborie. This initiative was conceived when in the words of the Foundation,

".....our nation faces formidable challenges from issues such as globalisation, equity, access to education, sustainable development, health for all, the decline of the banana industry, unemployment and under-employment and consequent pressures on scarce resources."

Drawing inspiration from Arthur Lewis, and especially his dictum that the cure for poverty is not wealth but knowledge, the Foundation developed a number of programmes and strategies with the following long-term objectives:

- *Develop the human resources of the community;*
- *Foster positive attitudes among citizens;*
- *Ensure that the people of Laborie and its environs are mentally, physically, spiritually and socially well and quality health care is available to them;*
- *Institute mechanisms for facilitating the sustainable socio-economic well being of persons involved in the productive sectors of the community, especially agriculture, fishing and tourism;*
- *Optimise the use of resources so that the need of every member of the community can be satisfied;*
- *Ensure that the use of natural and financial resources is sustainable;*
- *Develop the youth sector of the community through a process of social integration, education and personal growth through sports, participation and cultural expression;*
- *Develop a general appreciation for the history and culture of the community; and*
- *Develop self-esteem and community pride.*

This led to a long list of concrete measures and actions that the Foundation committed to implementing over the period 2002 – 2007, including – establishment of an Education Foundation providing funding for scholarships, expansion of the school feeding programme, home-visiting and parenting, research on male academic under-performance, community environmental education, development of natural, cultural and agro-tourism sites, development of craft and the development of marine-based cottage industries.

It saw financing coming from:

- *Grants and donations;*
- *Community fund-raising events and activities;*
- *Establishment of an endowment fund in collaboration with the Laboire Cooperative Credit Union;*
- *Fees collected from sites and events;*
- *Fees collected from services (website, training, and information management)*
- *Channeling of funds from community-level projects from other agencies and programmes.*

The Club had also introduced a home-work centre with free After-School Classes Programme on evenings. In the face of fluctuating attendance at such classes, the Club had initiated work among parents and guardians, with a view to stimulate greater interest in the educational performance of the children of the area. An Education Fund has been established and a summer programme has been introduced for youth between the ages of 18 to 25 years of age.

Through its activities in Canaries itself, the Club had started to impact positively on the adjacent communities of Anse-le-Verde and Belvedere. Its efforts cut across a wide range of activities and it has been instrumental in promoting sports and positive recreational activities among youth of the area.

Another interesting development agency along the western side of the island, is the Soufriere Regional Development Foundation. It was formed in 1993, and has as its objective the fostering of the social and cultural development of the region, consistent with the aspirations of people, and without damaging their cultural and natural resources. It promotes projects in the area, and is self-financing from managing the Sulphur Springs and the jetty in Soufriere. The Foundation was a major participant in the process to have the Pitons declared a World Heritage Site in 2005. The management of the Sulphur Springs for which the Soufriere Regional Development Foundation is responsible has to be seen in the context of its presence next to a World Heritage Site.

Its board consists of persons drawn from a range of organisations in the area. Its contribution is largely in the touristic development of the area and in the management of the resources of the area to that end. It provides employment directly and indirectly to people of the town in the management of the most important resource – the Sulphur Springs, which attract a large number of visitors.

It rates itself as excellent and has been an inspiration to organisations like the Laborie Foundation, and comparable agencies contemplated for Dennery and Micoud. The Soufriere Regional Development Foundation has demonstrated what a community based organisation can perform in an entrepreneurial endeavour that redounds to the credit of the people of the area. Having demonstrated how the presence of the Sulphur Springs can be exploited in a sustainable way for the population, it was well placed to identify the potential of the Pitons, for which was once proposed by a foreign investor, a ‘development’ with hotel, tram cars etc under private sector control.

11.2.3.3 General Educational Development

The Ministry of Education is, of course, the main agent of transformation in respect of the educational development of the country. St. Lucia has witnessed an explosive growth in its educational system. Expansion has taken place at all levels, and there is reasonable articulation among the various parts of the educational system. In the last five to ten years, the concern has been with

the expansion of the system at the base, i.e., Early Childhood Education, and with the achievement of universal secondary enrolment.

In respect of the first – Early Childhood Education – educational authorities are fully seized of the need to ensure that all children are exposed to the early stimulation that can be achieved in an effective Pre-School system. There is, however, some degree of overlap between the role performed by the Ministry of Education in respect of Pre-Schools and that discharged by the Ministry of Social Transformation in respect of day care centres.

There were about 1,500-1,600 children in day-care centres in 2005/06, according to the records of the Ministry of Social Transformation. Meanwhile there were over 4000 children in pre-schools. At both levels, parents are expected to pay, and while there is a fair presence of government run day care centres, the private sector dominates the provision of pre-school exposure. There is a strong sentiment that there is need for regularisation of the roles of the two Ministries in the interest of parents and their children.

One program initiated by the Ministry to increase access to children from birth to three years of age who do not have access to any formal early childhood education is through the Roving Care Programme. The Roving Care Programme (RCP) is an informal early childhood education programme that seeks to increase early

stimulation for children and parenting education for parents. Caregivers work in the home communities making regular visits to families with children in the target group. During home visits caregivers involve children in play activities that support their development of motor, perceptual, emotional and cognitive skills, and they offer tips to parents about how best to promote children's health, hygiene and safety.

The program targets low income communities of Bruce Ville, Boisdien, Anse la Raye and Augier, and is funded by international and local agencies. International donors include the Bernard Veer Leer Foundation, the Caribbean Support Initiative and the United Nations Children Fund.

The Ministry of Education has as another top priority the fulfillment of the challenge of universal secondary education: this is seen as the basis for creating a competitive country in the twenty first century. It is expected that the country would move from the provision of places to 87 percent of the children in the cohort in 2005 to 100 percent in the coming academic year, that is, by September 2006. This is a general provision, which is consistent with the objective of ensuring that the upcoming generation of St. Lucians can function effectively in the knowledge economy of the early 21st century and the Ministry is also looking to introduce other forms of certification which includes competency based CVQs (Caribbean Vocational Qualification). It is a moot point though, whether the Ministry has been successful in its attempt to widen

educational opportunity by the attainment of universal secondary education which is geared to increasing access to secondary education, there were various changes. The Vieux-Fort Technical Institute was converted to the Vieux-Fort Secondary school, the Rock Hall Senior primary school was disestablished, the Grande Riviere Senior Primary was upgraded to the Grande Riviere Secondary school, and two new schools were built in the name of the Marigot Secondary and the Gros-Islet Secondary. There were also increased spaces created in a few schools leading to a more integrated secondary school programme.

Moreover, there is concern within the Ministry that to the extent that its efficacy and efficiency are judged by the performance of students on such examinations as the CXC, the results have been varying which is consistent with regional trends and at times not very encouraging. This may well mean that poorer children may not be receiving the intended benefits of the widening of the provision of secondary education, thus rendering them poorly equipped to face the challenges of the knowledge economy of the 21st century. Universal secondary education conforms to the principle of human resource development. However, it is the quality of the delivery system – the commitment to teaching and learning – that would determine the eventual outcome.

11.2.3.4 Adult and Continuing Education

What is equally critical in the development of the country will be the kind of institutional structures that are put in place

to allow those who might not have had an opportunity in their school age careers to get the level of education and training adequate to their participating in the economy of St. Lucia which has to upgrade to ensure sustainable foreign exchange earning capacity in the emerging dispensation. There are a few organisations whose work addresses this challenge.

The National Enrichment and Learning Unit This is the successor organisation to the Adult Literacy Programme. It is a department of the Ministry of Education, and targets adults with a range of courses that comprise technical and vocational training and as well programmes for enrichment and personal development of the individual. These are all configured in the National Enrichment and Literacy Programme (NELP). Many of the latter are community based, and can be seen in the demands that have been made on the programme in recent times for such courses as the Care of the Elderly, and Parenting. Some courses relate directly to the world of work – Electrical Installation, Plumbing, Carpentry and Cake Baking and Decoration. The delivery infrastructure consists of the schools throughout the island. It does seek novel approaches of engaging the target population.

The lessons of the adult education are that one must get people to commit to the course, and the materials for running it, must be available in the quantum required. While the approach of the programme is excellent in terms of its perspective of radical transformation, the organisers may

do well to borrow from another programme developed in St. Lucia, namely, the Centre for Adolescent Rehabilitation and Education (CARE) which concentrates its attention on the psychological frame of reference of participants long before any initiative is taken in respect of the preparation of the skill set and formal knowledge acquisition of participants. Many young people who exit the school system have been reduced to seeing little meaning in the programmes that they have been through in the formal educational system. In giving them a second chance the issue of meaning has to be addressed if they are to exploit fully the opportunity for training and educational upgrading.

11.2.3.5 Skills Training

The concept of the National Skills Development Centre was developed in 1997/98. There are now four of such institutions at Marc, Choiseul, Bexon and Castries. Usually, the trainee spends three days with the agency and the rest of the period with a firm or agency elsewhere over some six months. Most are placed with firms in the private sector. The centres have not yet become involved in the training of workers in the labour market.

The centres were developed to provide a wide range of skills training to young people 18 to 25 years of age. The skills are presumably acquired on-the-job in the attachment that the trainee has with a firm or institution where the particular skill is employed. The Government pays 50 percent of the stipend of the trainee up to a limit of \$400 per month, and the firm or

organisation pays the rest. In effect then, the programme seeks to provide some entry level skills to young people who may not have worked before. On the other hand, persons in other age groups are not excluded from the programmes.

The regular programme of the National Skills Development Centres lasts six months. Some number of trainees might be retained by their firms at the end of the six month period. The following are the fields offered - cosmetology, electrics, culinary skills, bartending, masonry, auto-mechanics, photography, telemarketing, plumbing, and carpentry. There is also an occasional in-house training programme for people 16-60. The last such programme was conducted in 2004, and was funded with resources from the EU.

11.2.3.6 Housing Development

The housing of the population is one of the most challenging problems faced by countries in the Caribbean, and has been at the centre of socio-economic strategy since the Second World War. Indeed, the first major thrust in this regard came with the recommendations of the Moyne Commission. The first public sector initiative in housing in St. Lucia dates back to this period.

The present administration on acceding to Government, sought to rationalise the number of structures that had developed around the provision of housing in the country. It established two agencies – the National Housing Corporation and the Programme for the Rationalisation of

Unplanned Developments (PROUD). Loan financing was secured in 2001 from the CDB to assist in this programme.

The fundamental objective of PROUD is to either relocate squatters where their abode is unsuitable for habitation or to upgrade the location by the provision of basic amenities such as roads, drains, pipe-borne water and electricity. Fiscal incentives have also been introduced to encourage the private sector to participate in the building of homes for lower income earners (homes costing less than \$90,000) and to encourage first time home ownership by tax allowances. There was also a provision for a Low Income Housing Grant Facility through which the Government would give grant support in respect of homes of less than a certain quantum, to a low income dweller. However, the funding for this facility was funds from the European Union: the facility had to be suspended in 2005 because of non-availability of resources from the EU.

The need for housing is acute especially among lower income groups in the context of the rapid urbanization that has taken place in the last ten years, partly a result of the rural-urban drift in response to the decline in the banana industry. This has put considerable strain on the infrastructure – social and physical – resulting in overcrowding and indiscriminate squatting in the Castries Basin and surrounding communities. The Government has earmarked a number of communities for redevelopment through PROUD: it will purchase the lands occupied by squatters

from the owners in a phased approach at redevelopment. Listed communities are:

- Faux a Chaux
- Bananes
- Bagatelle
- Cedars
- Morne Du Don
- Marchand
- George Ville

PROUD is an ambitious project and has contributed by regularizing ownership of lands for a number of poorer households. However, it does not seem to have contained the growth of squatting, partly because of a number of difficulties: the rapid rate of inflow from the rural areas to Castries, in particular, lack of expertise, the novelty of the programme and the legal and administrative challenges involved in implementing it, the lack of a land bank on the part of the Government which constrains its ability to take forthright action in the identification of locations for relocation of squatters and in its proceeding to implement the necessary steps.²² Moreover, PROUD is following after initiatives which have not been altogether successful in the past – Conway and Roseau.

There has been some increase in housing starts and in new homes constructed, but it is not possible to establish how much of this is due to the direct intervention of the Government and its policies and

²² According to one informant, Lands under the jurisdiction of the Crown account for less than 30 percent of lands outside of the forest reserve of the country.

programmes in respect of housing development.

11.2.3.7 Utilities

The provision of basic utility services is a necessary though not a sufficient requirement for economic and social development. Given the size of the country and its population, these cannot escape being natural monopolies and thus in need of regulatory control to ensure that the population is not exploited by the providers. The country is still in the process of developing a regulatory regime, in every other area but telecommunications which has been open to competition in respect of cellular services. There is a National Telecommunications Regulatory Commission which is linked to a regional regulator for the OECS countries – ECTEL. Cell phone penetration is considered high such that the most remote residents are no longer cut off from telephone services. Even in the remote community of Bouton, residents have cell phone access.

The programme of electrification has been effective enough to bring electricity within the physical reach of most households in the country. It can be argued, according to officials at the electricity company LUCELEC, that electrification is almost universal. Officials at the Ministry of Public Utilities estimate that penetration could have reached 90 percent in 2004, and remote communities like Bouton and Des Barras have access to electricity. Once a house has been inspected and found to be habitable, the owners are entitled to be supplied with electricity. The challenge for poorer

homeowners is adjustment to the rates in the face of the upward shift in energy prices from which the Government cannot shield the citizen.

In respect of water, it was estimated by the authorities of the Ministry of Public Utilities, that just under 80 percent of households have access to potable water supplied from a public source. Through the BNTF and PRF, lines have been laid to many communities that did not have access in the past. However, the laying of lines does not give any guarantee of supply. There are, apparently, areas of the country that have suffered chronic water shortage. On the matter of the sewage disposal, only a small percentage of the households are connected to the public sewage system. This creates a vicious cycle. Connection charges are high and rates are deemed to be prohibitive. Small customer base militates against the achievement of economies of scale which in turn can help bring the price of service into a more acceptable range.

11.2.3.8 Cooperative Development

While the formal cooperative movement was established in the immediate post World War II period, economic and social cooperation among the people date back to the culture that they retained from their African past. One such institution is the sou sou, that has its replica in esusu, a rotating credit arrangement that is still practiced in Nigeria, and in Haiti which has more African retentions than most other countries in the Caribbean.

Folk systems of cooperation found official recognition by recasting themselves in the context of the structures established after emancipation. The first such structure was the Friendly Society which was borrowed from nineteenth century Britain. This had declined in importance by mid twentieth century. There may be only one such organisation that has survived into the twenty first century, mainly because it has reformed itself into a credit union.

The Cooperative Department is responsible for cooperative development and for regulating the sector in St. Lucia. With the coming of integrated supervision of the financial sector, there are major changes in the offing, not all of which are propitious to the growth of people's sector institutions like credit unions, created according to the principles of the Rochdale pioneers. Increasingly, the Eastern Caribbean Central Bank is expected to intervene to set standards for the administration of credit on the credit union side. At the same time, the credit union movement has to face the onslaught of banks that are no longer just banks but rather umbrella financial services organisations that can provide a range of services to their clients.

There has been variable growth within the cooperative movement. There are 46 registered co-operatives distributed as seen in Table 11.1.

TABLE 11.1: CO-OPERATIVE ORGANISATIONS BY TYPE

| Type of Organisation | No. |
|-----------------------------|-----|
| Credit Unions | 18 |
| Transport Cooperatives | 5 |
| Fishermen Cooperatives | 9 |
| Agricultural Cooperatives | 11 |
| Consumers' Cooperative | 1 |
| Arts and Craft Co-operative | 1 |
| School Cooperative | 1 |

The agricultural cooperatives have tended to wither except where they have become credit unions per se as is the case of the National Farmers and General Workers Co-operative Credit Union. Five of the agricultural cooperatives are dormant, but only two of the credit unions.

While the capital base of the credit unions has grown in recent years, it is recognised that their survival depends on amalgamation and consolidation. Their principles of association still make them attractive to their members, in that they have some level of influence on their own economic affairs, and they still retain a level of flexibility that may not be available to their members were they to seek credit from the commercial banks. Total assets of the cooperative sector stood at \$202m in 2003, the last date for which the Department had information. Of this, \$194m was held in the Credit Union sector of the movement, or 96 percent of the assets of the movement.

One interesting factor in the evolution of the cooperative sector in the last seven to eight years is that while there has been every

effort made to move the credit union movement in the direction of compliance with the Basel Accord on integrated supervision, there does not seem to have been as much effort exerted in using the cooperative movement as a transformational force especially for the farming community and the small business sector, which could otherwise be the bedrock for sustainable economic development. In spite of the fact that the Government had proposed the development of private sector and cooperative arrangements to manage the shift in the banana industry and in diversified agriculture to more market-led approaches, there is little evidence that the Cooperative Department was seen as a fulcrum of change in assisting the agricultural cooperatives in becoming effective change agents for the farming community.

11.3 PREVENTIVE FUNCTION

Preventive programmes help members of society from succumbing to patterns of behaviour or to problems that would leave them highly vulnerable. The decline into criminal activity in some communities posed a challenge to personnel engaged in community development. There is some reservation about interventions in communities where there are violent gangs, and gang warfare is endemic, and where:

"Fellas live on crime."

There seems generally to be fewer outside interventions in such communities.

A limited number of other preventive interventions are discussed hereunder.

11.3.1 PRIMARY HEALTH CARE

The country boasts of the primary health care system anchored around 32 health centres distributed across the island such that no community is more than three miles from a facility.

11.3.2 SUBSTANCE ABUSE

St. Lucians have fallen prey to newer forms of drug abuse in addition to alcoholism. As a complement to Turning Point which concentrates on rehabilitation, there is the Substance Abuse and Advisory Council Secretariat which engages in advocacy and seeks to promote wide awareness of the risks of drug abuse. However, it is reduced to a staff of one. Its efficacy is limited given that it is not well endowed with other resources either.

While there is concern to mount a full-blown publicity programme on drug abuse, the resources available allow only for a 'whispering programme' to date. It seeks to work closely with the schools, but has to face up to the reality of the high level of prevalence in the society in respect to the use of marijuana, which is now well entrenched in the subculture of the society and to the fact that even primary school children are aware of this as a major source of income for their parents.

The organisation, Turning Point Rehabilitation Centre, is the only known agency in St. Lucia involved in rehabilitation of users of illegal drugs such as cocaine and marijuana. It was established in 1988. Its services are not free. The organisation finds itself in an invidious situation. While there are just twenty beds available at this centre, they are not all taken, since most of those who need its services cannot pay the cost. Those who can pay, elect to go abroad, since Turning Point has become stigmatized in the society. The gender ratio tends to be 60/40, percentage males to females. The average length of stay is six weeks and clients range in age from teenage (secondary school students) to mature individuals in their 60s. Referrals may come from the courts, schools or doctors. The agency admits that some of its clients have had to repeat the programme.

11.3.3 HIV/AIDS

The first case of HIV/AIDS was reported in 1985. By 1987, a Unit was established as part of the Health Education Division. This went into desuetude for a while but was revived in 2002 with the political directorate giving clear signals that the country needed to mount a public campaign to encourage behaviour change among the population. With the support of loan and grant funding, and on the basis of a national strategic plan, a National Council was established to coordinate the country's approach to the problem.

The political commitment of the Government is established with the

presence of the Prime Minister as the Chairman of the Council. The message of the Council is simple as 'A, B, C':

- Abstain
- Be faithful or
- Condomize

Even though the Catholic Church still maintains a strong position against artificial methods of birth control, the Council has been successful in ensuring the participation of the Roman Catholics. The Council has not been unmindful of two negative factors that contribute to the spread of HIV/AIDS: the increase in drug use and in prostitution has contributed to the spread of the disease in the country. There is no longer naïveté at the fact that with the expansion of the tourism sector, there could be an accompanying increase in the number of commercial sex workers, especially in the context of the unemployment problems that the country has experienced.

The Council has been successful in increasing the level of voluntary testing and has programmes of counseling in place. It has ensured the availability of condoms especially on festive occasions and at popular locations for outdoor entertainment such as 'fish fries' and roast pork open air at Gros Islet and other communities that have copied the Gros Islet model. There are now regular distribution points to guarantee condoms to all those who may need them. Moreover, its very colourful and even its risqué posters are eye-catching and serve to warn the population of the dangers of unprotected sex.

11.3.4 ENVIRONMENTAL PROTECTION

There are two important institutional responses that relate to the protection of the environment and add to the preventive functions. The first has come about in response to the collapse of a number of homes in the Black Mallet area. With the increase of unplanned settlements on the hillsides of Castries, many live on slopes that have become unstable. MoSSaiC - Management of Slope Stability in Communities - in association with the Poverty Reduction Fund has piloted solutions for improved drainage in residential zones prone to slope instability, as a result of excessive density of housing on the slopes.

Community management has been vital to the solution, and through their involvement and participation, not only can voluntary labour be mobilized, but the community can exercise appropriate vigilance along with best practice in protecting their precincts. In other words, private benefit reinforces, and is reinforced by public benefit, as a result of public education on drainage, and run-off from the roofs of homes.

Another interesting initiative has been the work of the Forestry Department among some communities on the hillsides of St. Lucia. With the decline of the banana industry, lands on hill slopes that were previously under banana agriculture have been abandoned thereby creating an environmental risk, in addition to putting in jeopardy the watershed of the country. The

Department has been successful in mobilizing a number of poorer communities to engage in agro-forestry which, in addition to producing commercial supplies of such products as mauby, can create the environment for eco-tourism.

11.3.4.1 Solid Waste Management

The St Lucia Solid Waste Management Authority was established in 1996, by an Act of Parliament (Act No. 20 of 1996). The Act gives the Authority the mission to 'enhance St. Lucia's environmental integrity and the health of her people through the provision and management of an integrated system for public education and awareness and for the collection, treatment, recycling and disposal of solid and hazardous waste management.' The Authority is responsible for waste collection and disposal and the management of the country's landfills. All aspects of collection and disposal of solid waste are privatized, with garbage being collected twice weekly except in Castries and Soufriere where the garbage is collected daily. In low resource hillside communities and unplanned communities where house to house collection is not possible due to limited access, the Authority has developed a collection system comprised of communal bins which are emptied on a weekly basis. The Authority also collaborates with communities through the conduct of public education programmes, community and children's workshops and by engaging in clean up drives.

11.3.4.2 Public Health

Public health is the responsibility of the City, Town and Village Councils which are in charge of the cleaning of streets and drains, while the Environmental Health Department regulates the public health and undertakes food and water inspection services and limited vector control for rodents and mosquitoes.

11.4 REMEDIAL FOCUS

Institutions with a remedial focus seek to limit dysfunctional behaviours and to correct for damage that they cause. There are a few organisations in the public and NGO sector involved in providing remedial support to the population in so far as they assist members of society who find themselves trapped in conditions that are difficult to escape on their own. Much store has to be set on the presence of institutions that allow an individual to overcome social ills and to be restored to patterns of existence that are regarded as more socially accepted, or psychologically rewarding. Usually, agencies that direct their attention to this area of social life, have to be equipped to treat with the psychological condition of the vulnerable. There are a number of institutions in St. Lucia that contribute in this regard.

11.4.1 YOUTH AT RISK

One such agency is the Upton Gardens Girls' Centre, which has been in existence since 1979. It is a day care rehabilitation centre catering for girls 12 to 15 years of age, but girls up to age 18 have been

accommodated at the centre. They may suffer from some level of dysfunctionality: they may have been abused or neglected, or may be depressed for a variety of reasons, or be members of dysfunctional families. They can be referred by parents, relatives, teachers, social workers, or health workers: however, they are not wards of the court.

The Centre which receives most of its financing from the Government has in the more recent past, accommodated just about 20 girls at anyone time and admits that with that level of enrolment, it is barely touching the surface relative to the number that need the support of such an organisation. The Centre attempts to provide the girls with an academic programme geared to their completing their educational objectives, and a technical programme that allows them to acquire skills needed for the labour market.

In this latter regard, it collaborates with the National Skills Development Centre. Some of its past charges have gone on to become very successful women in business and even in academia. It has surely helped poorer girls to get on track in leading stable lives after suffering terrible ordeals in their earliest years. By and large, it can be argued that intervention has been a signal success, but the numbers involved are small.

In respect of boys, there exists the Boys' Training Centre, which has been in existence for some 45 years now. It falls under the jurisdiction of the Ministry of Home Affairs, and in charge is an Officer of the Police Service. Some of the inmates are young offenders but most have been placed

there for care and protection, because they have been abandoned or neglected. Those who are admitted as offenders would have committed for drugs, fighting and for house breaking.

They range in age from 10 to 17 years and usually leave before they reach the age of 18. There were 28 boys resident in the latter half of 2005, but there have been as many as 40 inmates on occasion.

There are qualified instructors attached to the Centre providing training in woodworking, agriculture, Auto Mechanics, and hotel related training: the training is geared to assist the residents to secure early employment on their being discharged. The Supervisor seeks out employment opportunities for the residents to allow them an easier entrée into civilian life. While its financing is the responsibility of the Ministry of Home Affairs, the Centre does get occasional assistance from the Private Sector, and, from time to time, has got support from the BNTF.

There is programme in group therapy, and the institution also provides some amount of remedial education. A number of pastors support the institution by providing moral and spiritual leadership to the residents. The Supervisor recognises the critical importance of separating inmates under care from those who are in conflict with the law. Unfortunately, the institution has attracted stigma because of its presumed correctional function, and it is a challenge for the boys to rise above it.

While there are ex-residents that have gone on to lead productive and fruitful lives, the conditions at the Centre are well below par and uninspiring, and even depressing, and are not likely to assist in the upliftment of the residents who may have to spend some time there before reaching the age of 18.

One of the more successful initiatives with a remedial and developmental thrust is the programme run by CARE which was established in 1993, by the Roman Catholics and caters for youth from all over the country. The programme has grown substantially over the years and is targeted at deprived or disadvantaged adolescents, male and female, between the ages of 15 and 19, most of whom have been excluded from the Secondary School System. The majority of the youths in CARE are teenagers on the 'block', teenage parents, unemployed youth, secondary school drop-outs, and primary school leavers who failed to secure a place at the entrance examination to secondary school.

The programme is patterned after the SERVOL model that was developed in Trinidad and Tobago, initially targeting at the youth of such difficult districts as Laventille. CARE seeks to provide a holistic experience to young people with education that is self-empowering, allowing them to learn to believe in themselves and to select paths that are fulfilling and consistent with the highest values of the society.

Its core programme consists of two phases, each one year in duration. The first year is devoted to raising self-esteem and self-

confidence and the second to specific skills for income generation. The first year that seeks to develop the whole person through the SPICES approach – spiritually, physically, intellectually, creatively, emotionally and socially – is regarded as the bedrock of the programme. There is a range of skills in which students can be trained and invariably, they have little difficulty in finding worthwhile employment. There are now five centres at which students can access the programme – Castries, Vigie, Anse-la-Raye, Gros Islet and Soufriere, and in the academic year 2005/06, there were some 300 students enrolled, 60 percent of whom were boys.

Funding comes from a number of sources including fees paid by students, the local private sector and the Government which makes a substantial contribution to the organisation. By all reports, CARE has been a very successful programme, and can be regarded as equally successful as a developmental agency as it has been at its remedial function.

11.5 SUPPORTIVE AGENCIES

Historically, the majority of organisations and institutions in the Caribbean that treat the problems of poverty have been supportive in their orientation. These range from the faith-based organisations which have been around for more than a century: indeed, some of the earliest initiatives and structures emerged in the post-Emancipation period, out of the vestry of the religious groups that came to the Caribbean. Over the years, they have been

joined by new agencies from within St. Lucia and those spawned by the international NGOs, in addition to the formal structures established by the Government itself. Some of the most important in this area have been identified hereunder.

11.5.1 FAMILY SERVICES

Since the immediate post World Two period, following on the recommendations of the Moyne Commission, old age pensions and public assistance for certain categories of persons have been part of the landscape in the official provision of support to the poor in the Commonwealth Caribbean for over fifty years. Indeed, public assistance is still defined as ‘poor relief’ or ‘pauper’s allowance’ in some jurisdictions, a hang-over from the early 20th century post-Victorian designation.

The Human and Family Services Department of the Ministry of Health, Human Services, Family Affairs and Gender is the agency responsible in St. Lucia. There were 2,577 persons in receipt of some form of assistance in July 2005, and there was a waiting list of 203 applicants. Many of the cases of public assistance relate to women who have been abandoned with one or more children by their mates. A total of \$262,198 was expended on the poor monthly. Monthly allowances are paid as follows:

- One person - \$85
- Two persons - \$125
- Three persons - \$165
- Four persons - \$200

- Five persons - \$250
- Six persons or more - \$263

The allocation to a six person household is less than the monthly poverty line for an adult. This is not the only assistance that may be available to poorer households. In the case of households with children at school, there is support from the Education and School Assistance Fund, which is underwritten by PRF. There is other support in the form of eye-glasses, and dental services at public institutions, and in the case of catastrophic illness – for example, HIV/AIDS, there are resources that are made available for this. The Department also encourages those on public assistance to seek employment and there are cases of persons graduating out of the programme of public assistance.

A worrying trend noted by the Department is that of children being abandoned by their mothers who go off to Martinique to engage in prostitution. There are attitudinal issues to be dealt with as well. The single largest number of recipients is in Vieux Fort, and there seems to be a residual entitlement mentality there that dates back to the presence of the Americans at the base there.

The Mothers and Fathers Organisation was formed in 1983, by a number of parents who thought that it would be a good idea for them to meet from time to time to examine issues of parenting in St. Lucia. There are now over seventy such groups across the islands, and they attempt to provide a wide range of support in the communities in which they operate. In addition to matters

relating to the bringing up of children, they provide support to persons faced with disaster or distress, help for the sick, hampers for the poor, and lunches for needy children, and have even built homes for the destitute.

In some communities, they have been able to mount summer programmes with organised activities for children and young people. Internal migration has created problems especially among the youth in some communities, and the Mothers and Fathers have sought to contribute to mitigating some of the difficulties created. Besides serving their communities, the Mothers and Fathers provide recreational support for their members, and would organise outings and trips within the island and excursions abroad.

It is not clear that the Mothers and Fathers Organisation has been able to attract a younger age cohort than those who were involved in its establishment, and it may be reduced to being a mutual support organisation for a passing generation that occasionally can go beyond its own membership to support activity in the wider community. By September of 2005, 163 of its members had passed on. There is now an element of the friendly society focus in the work that it does.

11.5.2 THE ELDERLY

While the Mothers and Fathers Organisation may not be as effective as it once was in working with parents, it does provide bonds of solidarity for mature and

elderly people in St. Lucia, which is evidently an ageing society in need of organisations that address the concerns of the elderly. With the increasing decline of the extended family, and given high levels of out-migration, the Mothers and Fathers Organisation may already have shifted its emphasis from parenting issues to being a solidarity agency for the elderly.

Very specifically oriented to the elderly is the work of HELPAGE St. Lucia, which collaborates with organisations that are involved with older people in the development process. HELPAGE advocates against the social isolation of the elderly, assists with income support and access to health care. In St. Lucia, it has distinguished itself by running an adult day care centre in Choiseul that is income generating, through vegetable production, at the centre itself. It has succeeded in the development of the St. Lucia Council for Older Persons which is a network of some 24 clubs, including the Blind Welfare Association, the Mothers and Fathers, and the Pensioners Association.

Marion Home is another agency providing direct services to the elderly. It currently accommodates 66 residents and has a staff of 35 persons. It is one of the longer established homes for the elderly in St. Lucia and has been in operation since 1945. It receives a small grant from the Ministry of Health but depends mainly on charitable support. Residents are expected to pay and the lowest charge is \$320 per month: rates vary on the basis of the kind of accommodation that is taken: private rooms are more expensive.

Of much longer standing is the Senior Citizens Home at Malgretoute in Soufriere which started operations in 1902. Its services are free, and it is funded mainly by the Ministry of Health, under whose portfolio resides the provision of public assistance and relief. Residents are admitted on the basis of a means test conducted by the Department of Human and Family Services. However, the accommodation is very dilapidated and it is earmarked for demolition. In its most recent budget, the Government announced its intention of constructing a new home at Eau Piquant, Vieux Fort, with the first year of construction costs coming largely from the sale of the lands at Malgretoute. The new facility is expected to house 150 persons.

Another support programme that has been available to the elderly is the Home Repair Programme, which was introduced in 2000. Over the period 2000/01 to 2003/04, a total of 171 senior citizens benefited from the programme by way of the rebuilding or repair of their homes. These are largely elderly persons who have no relatives living with them, or who have been abandoned by their next of kin: this is symptomatic of two social phenomena – the ageing taking place among the population and the high levels of emigration that the country has experienced.

11.5.3 THE EDUCATION SYSTEM AND SUPPORT TO FAMILIES

The fact of universal provision of education at the primary level and its approximation

at the secondary level, does not guarantee equitable access. Lack of clothing and of school books militates against school attendance. The inability to supply meals can prompt parents not to send their children to school some days of the week. The assistance of the World Food Programme created a source of support for a School Feeding Programme in St. Lucia starting in 1984. This was in response to research by the Caribbean Food and Nutrition Institute that showed that there was severe under-nutrition in the Infant and Pre-School levels in the country.

The programme came to an end in December 1997, and it became immediately obvious that there was need to restore it: STABEX assistance came to the rescue over the period 1998-1999. Since then, there has been a lunch programme in place, funded by the Government of St. Lucia through the Ministry of Education. The current programme caters for just over 6000 students in some 72 primary schools in the country. Students are expected to pay \$1.00 per day, but clear criteria have been put in place to allow principals and teachers to identify needy or disadvantaged students who are allowed to receive meals free of charge.

Most recent data of the Ministry of Education for 2004/05 show that while on average 25 percent of children across the country benefit from the School Feeding Programme, there is considerable variation across the eight educational districts into which the country is divided: the range spans from 9 percent in District 2, to 41

percent in District 4. At the primary and pre-school level, the range is even wider: Bouton Combined, which is the smallest school in the country, provides for 100 percent of the children, while there are some schools at which there is no school feeding programme. There is no school feeding programme at Vieux-Fort Primary to which many pupils from the Mangue would go to school, nor at Soufriere Primary which is the nearest school to Baron's Drive. Some 26 percent of pupils at the Saltibus Combined had access: this is the school attended by the children of Park Estate, one of the poorest communities in St. Lucia.

According to data compiled by the Ministry of Education, 85 percent of the children at Des Barras Combined benefited from the School Feeding Programme in 2004/05. In the last term of 2005/06, according to the Principal of the school, there were 40 students enrolled at the school and all but six could not pay and did not pay for their meals. It is not clear at the time of writing whether there had been any drastic policy change between the two years, to suggest that conditions at Des Barras would have been different over the two year period.

The Ministry provided bursaries for 5.0 percent of students at public and private primary schools in the academic year 2004/05. However, again there was a wide range – from none at the RC Boys Primary and 0.8 percent in Forestierre Combined and 2.6 percent in Bouton Combined, to 7.1 percent in Soufriere Primary, 8.7 percent in Vieux-Fort Infant, 16.0 percent in Rockhall

Senior, and 21.7 percent in Grande Riviere Senior Primary.

At the Saltibus Combined School where the children of Park Estate go to school, and where 4.2 percent of students were in receipt of bursaries, the principal reported on a drop-out problem with parents being unable to support their children at school. Although unemployment levels among the youth population has been very high, mirroring the generally high unemployment that the country has experienced up until recently, the opportunity cost of attendance remained high for children of poorer households. Data compiled by the Ministry of Education for the period 1995/96 to 2003/04 show that generally there has been a downward trend in the number of drop-outs. However, the number of males dropping out was more than twice that of females and tended to be more volatile, possibly reflecting changes in economic conditions, and occurred mainly in Grades 8 and 9.

There is no school feeding at the secondary school. The Principal at the Babonneau Secondary School reported that there was a measure of informal support provided to students who seemed in difficult circumstances. At Vide Bouteille Secondary School, there was evidence of students coming to school hungry. Indeed, not only is there evidence of differential quality among secondary schools that may reflect class differences, but there is also differential capabilities across households in taking advantage of the opportunity of free secondary education.

A most recent initiative has been the Textbook Rental Programme (TRP), introduced in September 2005. It seeks to cater for 30 percent of students in Forms 1, 2 and 3 in public primary and secondary schools in St. Lucia, and is expected to replace the bursary system eventually. During the first phase of the programme, through a means test, it will cater for disadvantaged students. The means test attempts to identify those students who face economically challenged circumstances, because of conditions of their parents or guardians.

Beneficiaries are required to pay an annual rental fee of \$175 per annum, but this can be waived where the school based committee that conducts the assessment concludes that the student lives in extremely challenging economic circumstances. The programme provides the prescribed texts for the class, but not reference texts such as atlases and dictionaries. There is as yet no detailed statistical data on the operation of this programme.

Another phenomenon within the secondary school system that might be dictated by economic conditions relates to the practice of girls having 'boyfriends', who take responsibility for their up-keep. Principals may be in the invidious situation of knowing of such situations but having some ambivalence over reporting it, lest this leads to the withdrawal of the girls from the school, because parents, usually a single mother, cannot afford to provide for private costs of school attendance of their

daughters. While there may be a system of bursaries in place, the quantum may be inadequate to the needs of the poorer students.

There well may be a complementary response to difficult circumstances among male secondary students. The Principal of the Babonneau Secondary School recognised that there is a problem of gangs in the area and also that some of the gangs might be engaged in drug-running. It is not unknown for male students to be engaged in the sale of marijuana: one student of Vide Bouteille was arrested for possession of marijuana. Students sometimes succumb to participating in gangs, and may well be 'representing' their gangs in the sale of drugs in the school and elsewhere. There are a number of unknowns here, and while this allows for speculation, there are tell-tale signs of problems in the secondary school system that can be attributed to the economic circumstances of the students.

11.5.4 FAMILY IN CRISIS

The Crisis Centre provides support mainly to women in situations of domestic violence and unemployment. It was established in 1988 and receives most of its funding from the Government but there is also support from UNIFEM by way of capacity building, and a number of private sector firms in St. Lucia. On average, it serves about 75 clients in a year. It collaborates with other agencies in seeking employment for women, assistance for their children of school going age, legal aid and Police protection, where necessary for the women.

11.5.5 UNIVERSAL HEALTH CARE

The Government has announced the phased introduction of universal health care. In the last budget speech, the Minister of Finance outlined the plan to launch this programme through a pilot project. This will focus on the free treatment of persons with diabetes and persons with diabetes accompanied by high blood pressure. There is to be comprehensive care for ambulatory patients with anti-diabetes and anti-high blood pressure medications provided free of charge. Diabetes is the leading cause of death in St. Lucia and, according to the Minister, 20 percent of persons over 40 years of age suffer with diabetes: more critically, it is estimated that about half of those afflicted do not know that they are diabetic.

There exists the St. Lucia Diabetes and Hypertensive Association, whose advocacy in respect of these two debilitating life style diseases could have contributed to the recent initiative of the Government. The association has been in sustained existence since 1989 and receives a contribution from the Government, in part through the secondment of a nurse from the Ministry of Health. The association previously attempted some cost recovery for the services that it provided. With the announced provision of drugs to all those afflicted, there is clearly the intention to subsidize fully the work of the association.

11.5.6 PERSONS WITH DISABILITIES (PWDs)

The oversight of the needs of PWDs is exercised by the National Council of and for Persons with Disabilities. This organisation has been in existence since 1981. It serves as an umbrella for a number of organisations, including the St. Lucia Blind Welfare Association, the St. Lucia Association for Retarded Children and the St. Lucia Society for the Deaf.

Its mission is to promote policies, programmes and practices for individuals with disabilities, to improve the quality of life for the disabled community, and to achieve equality, independence and self-sufficiency. The Government of St. Lucia does provide a subvention to the organisation. In the more recent past, the Government has made steps to improve provision of Special Education in St. Lucia, by expanding facilities geographically to Vieux Fort and to Soufriere. There are now four Special Education Centres.

According to the Statistical Digest prepared by the Ministry of Education, Human Resource Development, Youth and Sports, enrolment has grown marginally from 175 students in 1994/95 to 238 students by 2004/05, that is, over the eleven year period. There were 25,009 students in primary schools in 2004/05. Thus, enrolment in the Special Centres represented just about 1.0 percent of the cohort of primary school going age. There would have been no cause for alarm if it was the well accepted practice for primary schools to be user-friendly in respect of PWDs. Unfortunately, this does not seem to have been the tradition in St. Lucia.

Thus, in spite of the more recent initiatives by the Ministry and the Government as a whole, the plight of the PWDs, in the thinking of the National Council, has hardly been touched, because of old, new and emerging issues that create obstacles to the full enjoyment of rights by PWDs. There are still instances where schools refuse to admit paraplegic children, and there are still health centres that cannot be visited by PWDs because they have not been adapted to accommodate them. More resources will be required if the five concepts that are at the heart of announced policy are to be observed – equalization of opportunities, prevention, rehabilitation, support, and development. A considerable shift in thinking is necessary for PWDs to attain equalization of opportunity.

11.6 SUMMARY

Generally then, there is a wide array of institutions in St. Lucia that minister unto the general population and to poorer people, in particular. Most of them are state operated, and the thrust of their operations is to provide universal services. Tables 11.2 and 11.3 provide some provisional assessment on their efficacy and the degree to which certain at-risk groups are served: the grades from 1 to 5 represent increasing levels of efficiency or effectiveness.

While these formal structures exist, there are some areas of the country which are not well served, and there are some at-risk groups whose needs are not well served: Des Barras could record the seventeen state

and non-state agencies operating there, Belle Vue over twenty, but Anse-le-Verde three, and Park Estate, four.

Even though many of these are within the state structure, cooperation at the level of the community has been limited, with the result that some poorer communities could attest to the presence of a number of organisations, while others would affirm

their absence. Thus, the existing institutional structure in its operation, creates differential effects in respect of poverty reduction and alleviation. The institutional structures in place would need to be much better resourced and their efforts better integrated, to treat with the multi-dimensional nature of poverty and its presence in all areas of St. Lucia.

TABLE 11.2: ASSESSMENT OF INSTITUTIONAL EFFICACY AND EXISTENCE SINCE 1995

| Name of Organisation | Present from 1995 | Developmental | Preventive | Remedial | Supportive |
|--|-------------------|---------------|------------|----------|------------|
| 1. Health Division: Ministry of Health | Yes | | 4 | | |
| 2. Ministry of Social Transformation: Community Services | Yes | 4 | 3 | | |
| 3. Department of Cooperatives | Yes | 4 | | | |
| 4. Ministry of Agriculture – Head of Planning Division | Yes | 3 | 3 | | |
| 5. Budget Division, Ministry of Finance | Yes | 3 | | | |
| 6. Basic Needs Trust Fund | Yes | 4 | | | |
| 7. National Skills Development Centre | No | 3 | | | |
| 8. Ministry of Education | Yes | 4 | | 3 | 3 |
| 9. Poverty Reduction Fund | No | 4 | | | 3 |
| 10. Welfare Services – Ministry of Health | Yes | | | | 3 |
| 11. Local Government Division, Ministry of Social Transformation | Yes | 3 | | | |
| 12. Forestry Division | Yes | 4 | 4 | | |
| 13. Boys' Training Centre | Yes | 3 | | 2 | |
| 14. Crown Lands Division | Yes | 3 | | | |
| 15. Land Registry Department | Yes | | 3 | | |
| 16. Housing Department | Yes | 4 | | | 3 |
| 17. PROUD | No | 4 | | | 3 |
| 18. Ministry of Public Utilities | Yes | 3 | | | |
| 19. Ministry of Agriculture | Yes | 3 | | | |
| 20. HIV/AIDS Unit | No | | 5 | | |
| 21. Hotel and Tourism Association | Yes | 3 | | | |

| Name of Organisation | Present from 1995 | Developmental | Preventive | Remedial | Supportive |
|---|-------------------|---------------|------------|----------|------------|
| 22. Ministry of Youth and Sport | Yes | | 3 | | |
| 23. Economic Planning Unit, Ministry of Finance | Yes | 3 | | | |
| 24. Faux a Chaux Community Leaders | No | 3 | | | |
| 25. Canaries Community Club | Yes | 4 | | | |
| 26. Laborie Development Planning Committee | Yes | 5 | | | |
| 27. Laborie Credit Union | Yes | 4 | | | |
| 28. Citizens' Welfare Division | Yes | | | | 3 |
| 29. National Conservation Authority | No | | | | |
| 30. Solid Waste Management Authority | No | | 3 | | |
| 31. Environmental Health Department | Yes | | 3 | | |
| 32. National Enrichment and Learning Unit | No | 4 | | 4 | |
| 33. Diabetes Association, Heart and Other Special Interest Group in Health and Wellness | Yes | | 4 | | 5 |
| 34. Substance Abuse Prevention | No | | 3 | 3 | |
| 35. National Insurance | Yes | 5 | | | 5 |
| 36. St. Lucia Farmers Association | Yes | 3 | | | |
| 37. Electricity Company | Yes | 4 | | | |
| 38. Labour Department | Yes | 3 | | | |
| 39. Upton Girls Centre | Yes | 5 | | 5 | |
| 40. Ministry of Planning | Yes | | | | |
| 41. HelpAge International | No | | | | 4 |
| 42. St. Lucia Banana Corporation | Yes | 4 | | | |
| 43. Soufriere Regional Development Foundation | Yes | 5 | | | |
| 44. St. Lucia Chamber of Commerce | Yes | 3 | | | |
| 45. St. Lucia Employers Federation | Yes | 3 | | | |
| 46. St. Lucia Gaming Authority | No | 3 | | | |
| 47. St. Lucia Marketing Board | Yes | 3 | | | |
| 48. Eastern Caribbean Financial Services – Bank of St. Lucia | Yes | 3 | | | |
| 49. Southern Development Corporation | No | 3 | | | |
| 50. Saltibus Combined Primary School | Yes | 4 | | | 3 |
| 51. Babonneau Secondary School | No | 4 | | | 3 |

| Name of Organisation | Present from 1995 | Developmental | Preventive | Remedial | Supportive |
|--|-------------------|---------------|------------|----------|------------|
| 52. Des Barras Primary School | Yes | 4 | | | 4 |
| 53. Vide Bouteille Secondary School | No | 3 | | | 3 |
| 54. St. Lucia Workers' Credit Union | Yes | 4 | | | |
| 55. Mothers and Fathers | Yes | | 3 | | 3 |
| 56. Crisis Centre | Yes | | | | 4 |
| 57. National Council For Persons with Disabilities | No | 3 | | | 4 |
| 58. Bouton Primary School | Yes | 4 | | | 4 |

TABLE 11.3: AT-RISK GROUPS, TYPE OF SERVICE AND SELECTED PROVIDERS

| At-Risk Group | Developmental | Preventive | Remedial | Supportive |
|---|--|---------------------------------|--|--|
| Ex-banana Farmers | <ul style="list-style-type: none"> • PRF • BNTF • St. Lucia Marketing Board | | | |
| Women in Crisis | | | Crisis Centre | <ul style="list-style-type: none"> • Crisis Centre • Citizens Welfare Division |
| Single Women with children and unemployed | | | | <ul style="list-style-type: none"> • Citizens Welfare Division |
| Abused or Abandoned Children | | | | <ul style="list-style-type: none"> • Citizens Welfare Division |
| Youth (Female) | Upton Girls Centre | | Upton Girls Centre | |
| Youth (Male) | Boys Training Centre | | Boys Training Centre | |
| Youth | <ul style="list-style-type: none"> • CARE • National Skills Development Centre | | <ul style="list-style-type: none"> • CARE • National Skills Development Centre | |
| Victims of Substance Abuse | | Substance Abuse Prevention Unit | | |
| Victims of Chronic Diseases | | | | Diabetes, Heart and Other Association |
| Elderly | | | | <ul style="list-style-type: none"> • HELPAGE International • Citizens' Welfare Division • Mothers and Fathers |
| Persons with Disabilities | | | | National Council For Persons with Disabilities |
| Adults in need of Educational Upgrading | National Enrichment and Learning Unit | | | |



**PART IV:
REDUCING POVERTY IN ST LUCIA**

CHAPTER TWELVE: COPING WITH POVERTY

The level of poverty discovered in St. Lucia at the end of 2005 and in the first quarter of 2006 stems from a number of inter-related factors – economic, social and socio-psychological. The finding of 28.8 percent of the population in poverty may surprise policy makers, especially against the backdrop of policies and programmes which have been pro-poor in their formal structure, and which were informed by the Poverty Assessment Exercise of 1995. The country is committed to the achievement of the MDGs, and it is useful to assess the degree to which it has advanced and where there are gaps to be closed. But the GOSL and the population have aspirations that go beyond the MDGs. This section seeks to examine the multi-dimensional nature of poverty, based on the results derived from the various components of the study, in identifies the implications for policy for the country as it faces the challenges of the early 21st century.

12.1 MANAGING THE MACRO-ECONOMICS OF STRUCTURAL ADJUSTMENT

The major challenge for the country in the late 1990s and the first half of the present decade has been the restructuring of its economy in the wake of evolving external trade conditions. It is the viability of the foreign exchange earning sectors in small open economies that determines their

economic fortunes at any point in time. St. Lucia entered the decade of the 1990s with promise based on the performance of its banana industry, tourism and light manufacturing, which, in the political circles of the time, were regarded as a ‘tripod’ that had contributed to diversification and to equitable development of the country.

Two legs of the tripod were badly damaged by changes in the external trading regime. The country was ill-prepared for this. The poverty assessment exercise of 1995 was conducted at the first stage of the adjustment. At that time, the warning signals were already evident in respect of banana exports and the export-oriented light manufacturing sector, and assembly operations. The remaining years of the decade of the 1990s and the first half of the present decade were to witness a precipitous decline in banana production, and exports of light manufacturing for extra-regional markets virtually disappeared.

In spite of the efforts at the diversification of the export sector, the country has become more reliant on tourism for foreign exchange earnings. In turn, the sector has had to face competition from the wider Caribbean and elsewhere, and the Government has had to work assiduously in redefining the sector to avoid its

becoming mature, so as to prevent the tarnishing of the up-market image that the country has sought to portray in its tourism product. Moreover, in the midst of slow growth and of further decline in its vital agricultural sector, there would have been caution at the official level in undertaking any fiscal reform. Macro-economic management in St. Lucia has had to be conducted in the throes of a structural adjustment, the likes of which have not been experienced in the living memory of large sections of the population.

The Poverty Assessment Report of 1995 identified a number of initiatives for the Government:

- Reorganization of the Tax Regime
- Resuscitation and expansion of key economic sectors
- Expansion of the physical infrastructure
- Development of human resources
- Improvement of the social infrastructure and of the social safety net
- Empowerment of communities and the promotion of consensus among the social partners.

Much of this was premised on the availability of resources raised through fiscal measures or derived from developmental assistance from international partners. In the absence of draconian economic measures (which often lead to disastrous results), rapid economic growth is a necessary condition for the generation of healthy fiscal surpluses for the Government which can then be used for

transformation of the economy, with as little pain as possible. The economic realities of St. Lucia have not been propitious to the creation of major surpluses for the Government.

The analysis conducted above suggests that the demands of structural adjustment might have been seriously underestimated by GOSL and its international partners. Clearly, with hindsight, it is now obvious that its key foreign exchange earning sectors faced major hurdles in the face of the changes taking place in the world economy. The impact of globalization had started to make itself felt across Caribbean economies as the protection that was accorded to the primary products of the area was being quickly removed, in some cases under scheduled timetables decided by its partners – the European Union in respect of bananas – and in other cases in response to decisions of the WTO, the result of which afforded the country less time and room for adjustment.

In 1997, there were at least 3000 banana farmers who earned their livelihoods from bananas; for decades. The industry had been the backbone of the agricultural sector contributing income and employment to a wide swathe of the rural sector. The industry had evolved a structure of production and distribution – farm to market- which had been effective in providing product to the external markets with a well-oiled infrastructure of extension officers, along with research, let alone a structured marketing system, albeit under the control of GEEST.

The new dispensation required the disestablishment of the Banana Association which was, by then heavily indebted. It was expected that private sector oriented companies or cooperative structures would have emerged to work with the farming community that could adjust and measure up to the new demands made on the sector in the light of the more demanding competitive conditions. In other words, a reduced number of farmers would have remained in the industry and would have had the services of their own companies or cooperatives or other private sector operatives that would have emerged to provide support to them in their seeking to compete with Central American and other producers in the European market.

At the same time, the diversification thrust of the agricultural planning authorities was expected to provide new opportunities for the farmers withdrawing from bananas, but with their moving almost seamlessly into alternative productive endeavours in agriculture. Thus, lands that had become marginal to bananas would have been deployed to new agricultural pursuits, and would have continued to provide income and employment to the farmers who had made the switch.

There are a number of assumptions and premises that the approach suggested. These can be summarized as follows:

- The remaining banana farmers would have limited themselves to the best land for bananas, and with the exit of marginal operations, some farmers would have sold their

plots to those remaining such that more efficient sized operations could have emerged, affording the industry the kind of acreages on which economies of scale could start to be realized;

- The research and development activity and other services that were part and parcel of the banana industry would have reemerged albeit within the context of the new more decidedly profit-oriented structure of banana marketing firms and cooperatives;
- The new diversified agriculture was going to have reasonably secure markets such that farmers who had made the switch would have witnessed only a short period hiatus in their flow of income and would have had in place all the technical support necessary for them to produce for competitive markets whether domestic or foreign;
- The support system would have been equal to the task whether or not it was under the umbrella of the state or the private sector, in providing the new diversified farming operations with tech-packs and marketing consistent with the standards and the prices that reigned on the market: the tech-packs would have covered the considerable range of produce into which farmers were to be encouraged to adopt, including cut flowers, tree-crop agriculture, and short crops, targeted at the development of a supply chain to

the hotel industry and the supermarkets in St. Lucia or to markets abroad; and

- The state machinery was well geared to supply information and where necessary support, by way of focused and selective interventions in the market place, where this seemed necessary.

There is nothing that suggests that these conditions were fulfilled. The discussions with the authorities in agriculture and among other agencies do not provide any evidence that these requirements were secured. The net result is that the changes that were wrought on the agricultural sector did not provide conditions conducive to creating confidence among the farming community. The decline witnessed in banana production and in the supply of alternative produce, was in large measure due to these factors.

When the effect of serious weather episodes and other natural disasters are added, it is not surprising that there has been such a high rural-urban migration and such widespread abandonment of agricultural land on the island. Once thriving agricultural communities have been abandoned. The lower rate of increase in population and, in some areas, the secular decline in the size of the population, attest to the underlying weakness of the agricultural sector that had been the mainstay of many communities in the country. This is reflected in the poverty map of St. Lucia.

In the PPA, people in the rural communities all seemed unanimous in the view that the rural population had been rendered impoverished by the changes that took place in the banana industry. There was little in place that allowed them hope.

The Poverty Reduction Fund (PRF) heralded the major thrust of the Government to develop a range of interventions all geared to attacking some of the root causes of poverty, at the same time that the Government sought to provide alleviation to those whose social and economic condition merited assistance from the state. Funding for the PRF came from the international community, including the World Bank and the EU.

The administration of the programme was placed in the hands of trained professionals and the Board overseeing its administration was given latitude not normally accorded to public sector agencies. Thus, the PRF could respond quickly to requests of NGOs, CBOs and other agencies,. It was not the responsibility of the PRF to implement programmes, but rather to contribute to existing structures on the ground, following the analysis of requests and the identification of the degree to which funding from the PRF could make a difference in improving the economic and social condition of poorer people.

The PRF contributed in the following ways:

- Capacity building and community organizational building
- Community training programmes

- Community health promotion, education, training and life skills development
- Environmental sensitization, education and conservation
- Early childhood education, protection and development
- Maintenance of community facilities

As important as this was, there was little by way of provision for the directly productive sectors, to stimulate expansion, thereby contributing to employment and output growth, and to foreign exchange earnings.

12.2 PRIVATE SECTOR ORIENTATION

The dissolution of the St. Lucia Banana Growers Association (SLBGA) and its replacement by the St. Lucia Banana Corporation (SLBC) marked the shift in policy thinking, and acceptance on the part of the Government, that directly productive activities should be led by the private sector. This non-interventionist stance meant that the adjustment process in bananas and, as well in the diversification of agriculture would be determined by the operation of market forces for the most part. It is a moot point whether the reorganization of an agricultural sector built on monocultural production could be accomplished in short order without substantial state support and transition funding.

The monocultural sector comprised of banana production with over 3000 small farmers was expected to graduate quickly to

efficient subsectors in agriculture worked by the remaining efficient banana producers, and efficient producers of all the other agricultural products and produce, which ex-banana farmers would have been expected to enter. This has to be seen against the requirements for tradable sectors in open markets of the early 21st century. The fiscal resources for such an undertaking did not exist.

In respect of other sectors – tourism, other services and manufacturing, the Government, not unexpectedly, limited its role to providing a facilitative environment in the hope that the foreign and domestic entrepreneurs would identify and develop opportunities. The establishment of a special office in the State Sector to relate to the private sector was expected to signal the willingness of the Government to foster the growth of the private sector.

12.3 RELIANCE ON INTERNATIONAL PARTNERS

The analysis of the fiscal operations earlier in this report has pointed to the heavy reliance of the Government, over the period, on external support, illustrated in the annual budget. In the absence of a capacity to generate surpluses from the tax system, the Government has been forced to seek funding from donors and through loans for most of the capital expenditure. Thus, much of its development expenditure has been restricted to those programmes that could secure the approval of these external funders.

Some of this funding was earmarked for structural reorganization in agriculture. However, the conditions for its provision and the timeliness were not conducive to rapid response which would have been a necessary hallmark of a programme designed for banana farmers, whose small scale operations made them reliant on a regular flow of income from their farm operations. There were enough references in annual budgets to the fact that the programmes could not be implemented because of the non-receipt of funding from the EU and from other sources that were promised.

It should be noted that there tends to be a substantial divide between what donors and lenders deem to be important and what may be critical to borrowing countries. In a recent review of poverty reduction strategies of the World Bank, its own Operations Evaluation Department has noted that while the Bank has improved the focus on poverty, it has given inadequate attention to growth policies:

Most PRSPs to date have not considered the full range of policy actions required for growth and poverty reduction. They focus largely on public expenditures. And within the realm of public expenditures, they pay more attention to health, education, and other social programmes than to the poverty reduction potential of spending in other areas such as infrastructure and rural development.²³

It is unlikely that the Government of St. Lucia would have been permitted the

luxury of seeking to develop and apply an industrial policy orientation, having regard to the prevailing ideological bent of the donors, which were going to be the main source of resources.

12.4 MANAGING THE SOCIAL FALL-OUT OF ADJUSTMENT

There has been a major social fall-out from the decline in the key sectors of the economy of St. Lucia. Although it is only since the last census that the country has started collecting quarterly data on unemployment, there is enough evidence to suggest that the high rates recorded predated the data collection initiatives. As banana farmers went out of production, the demand for labour from the sector fell.

Nor was there anything in place to take up the slack. Meanwhile, the decline of manufacturing exports had already hurt Vieux Fort, the location of the earlier expansion of manufacturing industry. The decline of the southern part of the island deepened with the reverses in agriculture. This explains the flight to the north of the island and to such urban concentrations as the Mangue in Vieux Fort and to Faux a Chau, Conway and Wilton's Yard in Castries.

Internal migration has its complement in external migration. Small numbers went to the neighbouring Caribbean, including to Martinique. St. Lucians would have continued to add to the trek to North America that the entire region has experienced over the last fifty years.

²³ The World Bank, *The Poverty Reduction Strategy Initiative: An Independent Evaluation of the World Bank's Support Through 2003*, World Bank, Washington D.C., 2004.

12.5 NEW REWARDS SYSTEM

There has emerged an underground economy as well as an informal sector, as large numbers of workers seek to organize a living in the face of challenges in formal sector employment. Peddling of marijuana and now of cocaine has become an established activity mainly among young men, while some women have resorted to prostitution. Marijuana production has become an element of 'crop substitution' among sections of the rural community. This underground economy is linked to the regional and international underground economy, which links South America to the North Atlantic through Caribbean transshipment sites, of which St. Lucia is one.

The sector offers high incomes to a few who are undaunted by the risks. It has also contributed to the emergence of violent gangs, some well armed with weapons secured from, and for, the narcotics trade. To young men trapped in both rural and urban poverty, it represents an opportunity for high material rewards, that can be achieved from being daring, and demotes substantially other avenues for economic mobility founded on effort in the educational system followed by participation in the formal economy.

12.6 THE IMPACT ON THE FAMILY

At the household level, in addition to the estimated poverty among certain groups, the PPA has established that there has been evidence of break-down in the family, of

abandonment of children, of children growing up on the streets, of single mothers deserted by their mates and in destitute circumstances, or having to prostitute themselves to find food for their children, of *parent-less* families, and generally of an increase in vulnerability among certain groups of children, the elderly, and women.

The phenomenon of women being trapped with having children in the hope of securing support for themselves and children from earlier liaisons is being reinforced by the limitations of the labour market. There is evidence of the three generational household usually of grandmother as head of household and of dependent daughter and her children on the way to repeating a cycle of poverty. Where grand-children resided with their grand-parent as head of household, they were more likely to be poor.

A segmented labour market generating employment at a slower rate than the rate of increase in labour market entrants consigned many households to poverty, and in particular female headed households. While there was more recent evidence of an improvement in the employment situation, with jobs emerging in construction with the Cricket World Cup preparations and some infrastructure projects, these would hardly impact on the female single-headed households: even if the employment was pro-poor in absorbing unskilled and low level workers, males were the ones securing jobs in this male-dominated sector.

Although there has been the expansion of educational opportunity through universal primary education and approaching universal secondary education, large numbers of children could not derive the full benefits, because of their coming from homes that could not complement the educational process. They could not afford the school books and the establishment of a book rental system at the secondary level had not protected the poorest of students from not having the required texts for their classes. This seriously compromises their educational advancement.

There are attendant problems putting some youth at risk. Notwithstanding initiatives on the part of the Ministry of Labour, which is responsible to youth programmes, there are youth whose needs are not fully served. The society has overcome some of the hurdles in ensuring the continued participation in education of teenage mothers, although the facilities are limited to the Upton Girls Centre, which is very effective, but could accommodate only a small number of girls. Moreover, there are other situations of girls in abusive situations who do not have access to assistance. The facilities for boys in need of care leave a lot to be desired, and existing arrangements may actually lead to stigmatization and to their succumbing to anti-social behaviour.

The sub-cultural norms associated with poverty stricken conditions have created behaviour patterns that were not conducive to good family life and to the inculcation of values positive to the development of the society. Unemployment, underemployment

and low income have trapped large sections of the society in poverty and in hopelessness.

The denuding of extended family networks through internal and external migration has led to the abandonment of the elderly in both rural and urban communities and poverty stricken conditions for some of them, including some on state welfare schemes. The rapid decline of banana agriculture has left many an ex-banana farmer without the personal resources to deal with old age, in spite of the fact that in the hey-day of the industry they might have acquired some of the material comforts of middle income status.

12.7 UNDER-SKILLED WORK-FORCE

In spite of the rapid expansion of educational opportunity, the work-force of St. Lucia is still poorly equipped for the requirements of the knowledge economy of the 21st century. The vast majority do not have educational certificates at the secondary level that are required for building the flexible work-force needed to treat with a changing global economy in which the competitiveness of a country is determined by the human resource stock and its capacity to rise to technological and scientific shifts.

The failure in respect of the banana industry and in developing a farming community that could quickly adapt to new demands of competition is illustrative of the challenge the country faces. Moreover, lacking the skills and knowledge base, the work-force is

not immediately attractive to cutting edge firms seeking higher quality labour in the international market and producing for the world.

The country had mounted a few useful initiatives to correct for the deficiency in skills. Adult education had been revamped. However, participation of the target population has been indifferent for the most part, but there are a few signs that some are prepared to go the distance in self-upgrading. There is clearly a need to address the psychological orientation of the participants and would-be participants to inculcate a yearning for learning, and a commitment to life-long education and self-upgrading. The one programme that has developed the appropriate strategy is CARE which is limited to a selected group of youth at risk, and is a fee-paying. There is also the Upton programme for girls in special circumstances, but which points to the importance of psychological support.

12.8 HEALTH

The reach of primary health care has been universal and the vast majority of the population has access to public facilities well distributed across the country. There is a divide in the services and use thereof between the poor and the non-poor. The latter are less likely to use public facilities and, instead to seek the care of private providers. St. Lucia, like other parts of the Commonwealth Caribbean, suffers the problem of emigration of doctors and nurses and this has meant that there is not

the requisite personnel in terms of numbers to supply services at the public health care facilities, thus creating long wait for service on the part of the public.

While there is poverty, estimated indigence is low and while there are households, according to the results of the PPA, that claim to have nutrition and eating challenges, there did not seem to be widespread problems of under-nutrition among children: there are however, pockets of children at risk, especially in some of the rural communities. The poor elderly, and more so those who are not in receipt of public assistance, may be hard-pressed in respect of their securing balanced meals. School feeding does not reach all children in need, and it is non-existent at the secondary level, with the result that there are students of poor homes who go to school hungry.

There remain other problems in the society. There does not seem to be a deep commitment to breast-feeding. While the incidence of communicable diseases has fallen generally, and there seems to be an effective public programme to attack the most recent challenge created by the HIV/AIDS pandemic, chronic disease has been on the increase. Diabetes and high blood pressure are particularly high, and there seems to be a lack of awareness among the population of the need for change in life styles to combat these diseases. The Government has introduced free drugs to assist those with these chronic diseases, but the preventive measures are not as well publicized.

12.9 HOUSING

The rapid shift that has taken place in the geographic distribution of the population has led to a number of unplanned settlements especially in urban and sub-urban Castries. Some of these settlements have expanded on the hillsides, without regard to the impact of concentrated building on slopes. There have been disasters with the slippage of entire settlements down the slope. Also, the high concentration of population has strained infrastructure of the area, let alone contributing to deplorable housing accommodation and to the attendant social problems.

The Government has responded with a number of initiatives. Assistance is being given to the elderly who have not been able to maintain their homes. Poorer citizens are being assisted with special grants, and the Government has sought to develop programmes for lower and middle income groups. Much of the funding has to come from external sources, which puts Government budgeting in this regard at the mercy of funding agencies. Resources have not been available in terms of the quantum necessary and with the speed of disbursement with the result that it has not been possible to slow the growth of slums.

12.10 COMMUNITY DEVELOPMENT AND SOCIAL WELFARE

There are just a few CBOs and NGOs engaged in community development. Local government is still of the appointive nature.

There are a few cases of CBOs which have been very effective in mobilizing local resources. Given the absence of such initiatives across the country as have taken place in Canaries, Laborie and Soufriere, much depends on the role of the Community Development Division. While there exists a complement of well-trained staff, there is generally a lack of resources in terms of personnel, finance and other requirements to treat with the problems created by rapid urbanization and social change in the society.

Moreover, there is poor coordination with agencies responsible for other areas of social and economic life. The type of intervention needed in such communities as the Mangue or Faux a Chaux may be well understood by the Community Development personnel in the Ministry of Social Transformation, but seldom are they involved in the coordination of the other support needed. The challenge of creating hope among those residents of rural communities of Balca or Park Estate who have not joined the rural urban drift, may be different, but requires focused interventions that have not been evident in the provision of community development services.

There exists a formal structure for social protection for citizens who need supportive care by way of public assistance and old age pensions. However, there still exist perspectives that date back to the middle of the last century. There does not seem to have emerged the recognition that in modern society that there are those, who, in addition to the elderly and to persons with

serious disability, will not be able to provide for themselves through the labour market. Terms such as ‘pauper’ and ‘poor relief’ are in regular usage, with all their earlier connotations, both on the part of the recipients and of some providers.

In the absence of unemployment insurance in a society that has long departed from subsistence systems and in which employment and participation in the monetized economy is the source of all income, high unemployment as has been experienced by St. Lucia is bound to create serious hardship among the population. Thus, the alleviation of poverty in the short-run depends on the capacity of the state to respond speedily to such situations. The fiscal reality of the late 1990s and in the first decade of the 21st century has not allowed the Government to be expansive in this area.

The PRF would have assisted certain specific groups of poor by way of social assistance, but its programmes were not generalized to all those in need. Moreover,

the official programme of the Ministry of Health, while receiving increased budgetary allocations, has not been designed to universalize help to all those in need. Thus, there is a waiting list and some number of the vulnerable may spend a considerable period on the waiting list even after assessed as being in need of assistance. In addition, there does not seem to have been a policy position to relate the quantum of assistance directly to a poverty line or to the costs of providing an appropriate basket to the poor, with the increase in the cost of living.

12.11 PERFORMANCE ON THE MDGS

St. Lucia had adopted pro-poor approaches at the official level even before the enunciation of the MDGs. It was the first country in the Eastern Caribbean to seek the assistance of the CDB in the conduct of a poverty assessment exercise. The following table summarizes the situation on the basis of data collected from this study, and from other data.

TABLE 12.1: MILLENNIUM DEVELOPMENT GOALS PERFORMANCE

| Goal 1. Eradicate Extreme Poverty And Hunger | |
|---|---|
| Target 1 Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day | Indicators Proportion of population below \$1 (1993 PPP) per day; Poverty gap ratio (incidence x depth of poverty); Share of poorest quintile in national consumption |
| Target 2 Halve, between 1990 and 2015, the proportion of people who suffer from hunger | Indicators Prevalence of underweight children under five years of age; Proportion of population below minimum level of dietary energy consumption |
| Status: The results of the current poverty study suggest that poverty has increased from 25.1 percent of individuals in 1995 to 28.8 percent in 2005. However, indigence has dropped substantially from 7.1 percent to 1.6 percent of individuals. The indigence line was EC\$3.40 or US\$1.27 per day in 2005. The index of inequality – the Gini coefficient - was estimated to be 0.42 in 2005, lower than the result for the 1995 SLC, 0.5 (the lower the Gini, the lower is the level of inequality); however, while the decline in the Gini was considerable, inequality is still high - the poorest 20% enjoy just 5.7% of the expenditures compared to the almost 50% | |

enjoyed by the richest 20%. The poverty gap and FGT index in 1995 were 8.6 and 4.4 respectively, compared to 9.0 and 4.1 in 2005.

Goal 2. Achieve universal primary education

| | |
|---|--|
| Target 3 Ensure that, by 2015, children everywhere (boys and girls) will be able to complete a full course of primary schooling | Indicators Net enrolment ratio in primary education; Proportion of pupils starting grade 1 who reach grade 5; Literacy rate of 15-24 year-olds |
|---|--|

Status:

St Lucia has long achieved universal primary education and is well on the way to achieving universal secondary education; by 2006 secondary level places will be offered to 100% of students who sit the common entrance examination.

Goal 3. Promote gender equality and empower women

| | |
|---|---|
| Target 4 Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015 | Indicators Ratio of girls to boys in primary, secondary and tertiary education; Share of women in wage employment in the non-agricultural sector; Proportion of seats held by women in national parliament. |
|---|---|

Status:

The establishment of a Gender Relations Department has significantly influenced the promotion of gender equality in St Lucia; there is evidence of female parliamentarians, and a number of women serve in the upper levels of the teaching and public service.

Goal 4. Reduce child mortality

| | |
|---|--|
| Target 5 Reduce by two thirds, between 1990 and 2015, the under-five mortality rate | Indicators Under-five mortality rate; Infant mortality rate; Proportion of 1 year-old children immunized against measles |
|---|--|

Status

Widespread immunization programmes have achieved 100% coverage for immunization against measles for some time: the UNDP reported 98% coverage as early as 2002. The Survey results suggest similar coverage.

Goal 5. Improve Maternal Health

| | |
|--|--|
| Target 6 Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio | Indicators Maternal mortality ratio; Proportion of births attended by skilled health personnel |
|--|--|

Status

Primary health care is well institutionalized with relative ease of access to 32 health centres dispersed across the island. Ante-natal services are readily available to women. While \$100 is charged as an admittance fee, no one is denied access to hospital for delivery of babies. The vast majority of births are attended by skilled health personnel.

| Goal 6. Combat HIV/AIDS, malaria and other diseases | |
|---|---|
| Target 7 Have halted by 2015 and begun to reverse the spread of HIV/AIDS | Indicators HIV prevalence among pregnant women aged 15-24 years |
| Target 8 Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases | Indicators Prevalence and death rates associated with malaria; Prevalence Proportion of tuberculosis cases detected and cured under DOTS and death rates associated with tuberculosis; |
| Status Malaria is no longer endemic to St Lucia; all other communicable diseases generally are under control due to widespread infant immunization programmes. However, the prevalence rates of lifestyle diseases are notably high - diabetes, high blood pressure, heart disease, cancer; Information on the prevalence of HIV/AIDS was not forthcoming from the study. | |
| Goal 7. Ensure environmental sustainability | |
| Target 9 Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources | Indicators Proportion of land area covered by forest; Ratio of area protected to maintain biological diversity to surface area; Carbon dioxide emissions per capita and consumption of ozone-depleting CFCs |
| Target 10 Halve, by 2015, the proportion of people without sustainable access to safe drinking water and sanitation | Indicators Proportion of population with sustainable access to an improved water source, urban and rural |
| Target 11 By 2020, to have achieved a significant improvement in the lives of slum dwellers | Indicators Proportion of households with access to secure tenure |
| Status Reforestation, coastal and marine conservation programmes are being addressed, but resources are limited. In 2002 the UNDP estimated that 98% of the population had access to improved water resources. The survey shows that there are areas that receive intermittent supply on a weekly basis. | |
| Goal 8. Develop a global partnership for development | |
| Targets 12-18: Summary Indicators Official development assistance; Market access; Debt sustainability; Youth unemployment rate; access to affordable essential drugs; telephone lines and cellular subscribers per 100 population; computers in use per 100 population and Internet users per 100 population | |
| Status St Lucia is signatory to a number of cooperation agreements. Development Aid Assistance accounts for a significant proportion of its development budget, and is relied on heavily for the expansion of capacity, and for the PSIP. | |

12.12 MACRO-POLICY FORMULATION AND ECONOMIC MANAGEMENT

12.12.1 ASSUMPTIONS AND BACKGROUND

The GOSL is expected, within a parliamentary democracy, to:

- Manage the structural adjustment of the economy as it is transformed into a competitive industrial structure, capable of generating foreign exchange needed for its sustainable development;
- ensure that the proceeds of growth and development are equitably distributed throughout the country;
- create surpluses for economic and social infrastructural investment;
- facilitate a policy environment conducive to private, domestic and foreign investment;
- ensure an adequate safety-net for the vulnerable;
- maintain a peaceable industrial relations climate conducive to the fullest participation of the citizenry in the realization of their potential.

The growth of the economy of St. Lucia in recent years has been modest. The adjustment to the restructuring of the banana industry has been painful. The country lacks the mechanisms for trade adjustment and the enormity of the task of assisting marginal banana farmers to

withdraw from bananas and to embrace alternative crops all of which have different technical and infrastructural requirements has stretched the institutional resources of the country. Moreover, because of the fiscal impact of adjustment, the Government has lacked resources generated from internal sources to support the adjustment necessary.

Not only has the cost been large in terms of shrunken output as banana production fell, but alternative agriculture has not kicked in to compensate. Fallen incomes in the rural sector precipitated a flight from the country-side and added to the parts of the country that had remained in economic stagnation. As agricultural exports declined, the country became even more reliant on tourism services. Export-oriented manufacturing based mainly in Vieux Fort failed to revive and what remained of the sector was geared mainly to domestic and sub-regional markets and thus at constant threat from trade liberalization. The attempt to expand into off-shore financial services and gaming was stalled by challenges from OECD countries. There was some success in the diversification of the tourism product with the expansion of events tourism (e.g., the Jazz Festival), and eco-tourism. However, the attempt to increase the participation of chains in the highest end of the market was set back by the withdrawal of the Marriott Group.

12.12.2 SUMMARY FINDINGS

| Issue | Agency | Mechanisms | Results/Situational Analyses/Effects |
|--|--|---|---|
| Macro-Economic Management | Central Government, through the Ministry of Finance | Provision of stable policy environment to promote private sector growth in key sectors | <ul style="list-style-type: none"> ▪ Major challenge of trade adjustment for which the society was ill-prepared ▪ Challenging macro-economic conditions, with rise in debt ratios. ▪ Reasonable control of recurrent expenditure and in growth in size of public service. ▪ Some attempt at linkage between tourism and agriculture and supermarkets and agriculture, with organised initiatives with some limited success. ▪ Limited provision by the State for SMEs and in creating opportunity for deepening participation of St. Lucians in expansion of the economy. ▪ Improved relationship between Government and Private Sector. |
| Macro-Economic Management | Central Government, through the Ministry of Finance | Maintenance of balance between Government Revenue and Government Expenditure. | <ul style="list-style-type: none"> ▪ Government Revenue inadequate in face of expenditure requirements. ▪ Slow change in tax system to sources more elastic in terms of revenue yield in response to increases in income. ▪ Commitment of the Government to the application of the Common External Tariff of CARICOM |
| | | Provision of resources to develop infrastructure and expand productive base. | <ul style="list-style-type: none"> ▪ Some investment undertaken in human resource development. ▪ Heavy reliance on external funding for expansion of infrastructure and other development expenditure, including laying base for agricultural diversification |
| | | Development and maintenance of tax structure to ensure equity without undermining efficiency of tax collection. | <ul style="list-style-type: none"> ▪ Government Revenue heavily dependent on indirect taxes. ▪ Tax structure likely to have inherent inequity. |
| Promotion of Development & Transformation | <p>Central Government</p> <p>Laborie Development Foundation</p> <p>Soufriere Regional Development Foundation</p> | Facilitation of key sectors | <ul style="list-style-type: none"> ▪ Non-interventionist stance in respect of banana agriculture and other agriculture on the part of the Government, not necessarily conducive to agricultural transformation and to retention of agriculture as a viable tradable sector. ▪ Expansion and Diversification of Tourism Sector, with events tourism and ecotourism. ▪ Export-oriented light manufacturing and processing effectively wiped out, except for activities geared to domestic and sub-regional market. ▪ New thrust to create presence in off-shore financial and other services slowed by challenge from OECD countries. ▪ Fiscal constraint restricting industrial policy to what could secure donor support ▪ Community organizations identifying production possibilities and fostering initiatives yielding income generating opportunities – linseed in Laborie, and Praslin, tour-guiding in Soufriere, out-door entertainment in Anse-la-Raye |

12.12.3 IMPLICATIONS FOR POLICY

The Government has attempted to pursue tight fiscal management in recognition of the fact that its revenue base would not grow quickly under conditions of the slow pace of economic growth as the country undertook trade adjustment. By and large, the Government planned its budget with anticipation of funding for capital from external sources. However, the application for and the reporting requirements on, such funding proved very onerous with the result that substantial allocations expected from the EU were not forthcoming in time to meet the needs of farmers seeking to switch to non-banana agriculture or to undertake other measures required for their upgrading within bananas. Meanwhile, the requirements by way of development funds are substantial and, dwarf the funding capabilities of the Government and the country at the present time.

The Government will need to explore the reorganization of its tax base to allow for more of the development funds to be raised from domestic sources. In other words, it has to improve its tax effort. In the last budget, it was announced that the issue of VAT is a matter for research. There is a special urgency in this regard, since the requirements of the Common External Tariff of CARICOM would result in the reduction of tariffs. VAT could contribute to the tax base, but requires the establishment of a substantial infrastructure in the tax office. In addition there is a host of administrative and political hurdles to resolve in the implementation of a VAT: for

example, compliance of the private sector and the general public cannot be automatically guaranteed. In the short to medium term, the Government may have to continue to rely on the support of the international community to meet its need for development funds.

The CDB has had a long history of developing funding among the countries of the Commonwealth Caribbean and has developed the institutional capability to afford, perhaps, a more rapid on-lending of funds, and provision of grants than other agencies. It may be useful if it were to play a greater role in the provision of funds to St. Lucia and if it were used as the channel for loans and grants deriving from other sources. It has secured high rating by international rating agencies for its operations, and generally, is well respected among the administrations in the Region, not least by the Government of St. Lucia.

The need for strengthening the existing tradable sector, and, the same time, the pursuit of a strategy for diversification will remain a major imperative. Firstly, the remaining banana industry needs to be shored up with focused and targeted support for the private sector operations and cooperatives, which have replaced the SLBGA. In the final analysis, the strategy must be to ensure that even though restored in private sector mode, the services available to banana farmers are effective in ensuring their competitiveness in the international market place. There is need to recognize that the industrial organization comprised of small-scale banana farmers

has to be supported in respect of the other stages of production and distribution such that high quality produce arrives at the market place with a cost structure that allows the farmer to remain viable.

There still remains the need for institutional inputs. These relate to the management of the orderly withdrawal of those farmers who are unable to continue, and their transfer to alternative agricultural pursuits. Implicit in this suggestion is the need for another type of institutional arrangement, which would assist in land administration. Land is in relatively short supply in St. Lucia. Agricultural planning has to be premised on coherent land use planning, with rigid application of rules in respect of land use. The matter of the sale, lease or other arrangements for transfer of land has to be facilitated by the State, so that farmers who desire to withdraw can easily dispose of their lands to farmers willing to stay in the industry.

In present market conditions, it is perhaps impractical to allow best lands for the growing of bananas to be allocated to mixed agriculture and vice versa. Moreover, given the topography of the country, the public interest dictates some level of participation of the state in the protection of the land resources of the country for sustainable use by generations to come. While protection of the rights and freedoms of the individual in respect of property has to be respected, there is a major public good component in land use in St. Lucia that would dictate state intervention to prevent erosion and potential degradation of land through improper exploitation.

The diversification of agriculture into a range of non-banana produce requires that there be effective support systems in place, for production, distribution and marketing of such produce. Thus, for every type of produce that farmers are encouraged to adopt, there is need for tech-packs, fully developed and made friendly to farmers such that they can quickly adopt the necessary production techniques most capable of producing high yields, and at the same time with their being supported with extension services that assist in the control of any pests, diseases or other challenge that are the perennial imponderables in agricultural production.

The promotion of forward linkages to tourism and to the super-market distribution system has been attempted and while there is a lot still to be done, there have been enough examples of success to elevate the approach to a firm strategy to be supported by the Ministry of Agriculture. The high import content of food supplied to the tourism sector and to the super-market industry, has had at least one positive benefit. The standards in fruit and vegetable presentation have been upgraded as the domestic farming community has become more attuned to the needs of the market place. This has complemented what has become standard in the banana market.

The upgrading of the farming community is an important corollary of diversification of agriculture and of the reorganization of banana agriculture for a more competitive market. At the end of the day, a viable

agriculture, whether with bananas or with non-banana produce, has the potential to provide employment that is sustainable and can be rewarding to those sections of the population that would prefer to remain in the rural areas of the island. The country cannot ignore such possibilities.

In the area of tourism, the Government has sought to encourage the entrée of the luxury chains in the interest of bench-marking the country as an up-market destination. It has also explored the possibilities offered by eco-tourism. There is need for more aggressive support for domestic small and medium-sized operators. With the appropriate orientation, this can be the basis for niche markets and for the entrée of more St. Lucians into the industry, providing direct employment for themselves and workers in smaller establishments.

Institutional infrastructure by way of regulation and standard setting would be necessary as well as special training, including by the arrangement of study and familiarizing tours abroad for the small scale sector. The efforts of such institutions like the Laborie Development Foundation and the Soufriere Regional Development Foundation need to be complemented with appropriate support from the Government. There is evidence that other communities are stirring and developing entertainment with a view to income generation. The efforts of Anse-la-Raye and others in this regard can make a contribution to the entertainment arts as a defining characteristic of the St. Lucia tourism product. Facilitating such activities may

prove to be more effective than what has been accomplished with the Special Development Areas Legislation of 1998 which provided fiscal incentives to firms establishing operations in Vieux Fort, Anse-la-Raye, Canaries and North Micoud.

Collaboration with the private sector seems well institutionalized through the Office of Private Sector Relations, and this augurs well for the future. However, there does not seem to exist a well-functioning tripartite framework. The trade union movement does not seem to have a position of solidarity, possibly the result of internal conflicts. There is need for collaboration and discussions with the social partners as the economy is reorganized to deal with the changing realities.

12.13 MOBILISING RESOURCES FOR DOMESTIC BUSINESSES

12.13.1 ASSUMPTIONS

- Access to credit allows some of those in lower socio-economic category to create their own means of poverty reduction.
- Availability of credit will afford the opportunity to St. Lucians of fuller participation in the productive sector of their country.
- The entry of St. Lucians into key industries requires facilitation, given their lack of preparation.
- Institutions that facilitate the mobilization of financial resources from among the population can contribute to increasing the supply of capital for productive purposes.

12.13.2 SUMMARY FINDINGS

| Issue | Agency | Mechanisms | Results/Situational Analyses/Effects |
|--|--|---|--|
| Mobilization of Funds and Provision of Credit | <ul style="list-style-type: none"> ▪ NIC ▪ Bank of St. Lucia -Development Bank ▪ SEDU ▪ OPSR ▪ James Belgrave Fund ▪ Youth Enterprise Development Fund ▪ Laborie Credit Union ▪ St. Lucia Workers Credit Union ▪ St. Lucia Farmers Credit Union ▪ Chambers of Commerce | <ul style="list-style-type: none"> ▪ Mobilization of Funds through Social Security Programme ▪ Development Loans to businesses ▪ Maintaining portfolio of credit for SMEs ▪ Promoting St. Lucian entrepreneurship in Tourism and other sectors ▪ Loans to SMEs and micro-enterprises | <ul style="list-style-type: none"> ▪ Limited credit available to St. Lucians from outside banking system. ▪ Banking system not facilitative of private sector involvement of St. Lucians. ▪ Development arm of Bank of St. Lucia being reorganized currently, and too recent to have impacted. ▪ Need for business support systems including training in addition to facilitative credit arrangements. ▪ National Insurance Corporation sensitive to role as catalyst in provision of credit to non-traditional areas through banking system, and prepared to use sensitive but arms-length and market-related approaches to influence the supply of credit to the productive sector. ▪ James Belgrave Fund providing for micro-enterprises ▪ Tax credits to commercial banks lending to agriculture introduced in most recent budget |

The Government of St. Lucia has sought to provide an environment facilitative of private sector growth in the reorganization of the economy. There are a number of institutions through which it has sought to impact micro-enterprise development and SMEs. These include the James Belgrave Fund, SEDU, and the Youth Enterprise Development Fund. The attempt to recognize the varying requirements of the population might have led to an expansion in the number of organizations and some degree of overlap. However, the evidence is that the Government has sought to expand the supply of credit to the domestic private sector, in a generalized thrust at development, without necessarily seeking to provide much direction by way of industrial policy. There have been successes by way of business development, but the level of expansion has not been adequate to eradicate the severe structural unemployment that the country has experienced in recent years.

A significant player in the mobilization of resources has been the National Insurance Corporation. In 2003, it was estimated to exercise control of over 15 percent of the money supply in the country. The fundamental working principle is to influence development by providing funds to particular institutions for on-lending to businesses and the general public in such areas as housing, industry, tourism, agriculture, education and employment stimulation. In recent years, it has exercised its influence through such institutions as the Urban Development Corporation and the St. Lucia Housing Authority, the St. Lucia

Mortgage Finance Company, NRDF, and the St. Lucia Development Bank. It could be argued that the NIC has helped correct for conservative policies of the domestic banking system, which finances a wide range of consumer credit that contribute to the expansion of imports with far less impact on capacity expansion.

12.13.3 IMPLICATIONS FOR POLICY

While there is much to be argued for eschewing the picking of winners, the Government has to provide some framework for industrial policy and planning that would improve the coherence among the myriad of initiatives being taken in the stimulation of business. This would ensure the efficient use of financial resources, and would assist such an agency like NIC in the better deployment of resources and in areas most likely to contribute to the expansion of the economy. Apart from measures for the diversification of the economy beyond agriculture and tourism and within agriculture and tourism, there have been steps to promote off-shore financial services, gaming and information and communications technology. There is clearly need for some greater focus in the promotion of tradable sector growth. This could be addressed in a comprehensive economic development plan: the recently prepared 'Toward an Integrated Economic Development Strategy,' provides a framework that can be adapted in the light of the findings of this poverty assessment exercise.²⁴

²⁴This plan focuses on tourism, agriculture, cultural industries, export-oriented manufacturing and information and

An untapped source of financial resources is the large St. Lucian community in the metropolitan economy. The development of appropriate instruments by the Eastern Caribbean Central Bank could lead to the mobilization of funds from abroad: creating mechanisms for bringing inshore resources under the control of St. Lucians, but currently lying off-shore. This should contribute to development by expanding the resource base and absorbing the unemployed. The ECCB would have to be interstitial in any effort to ‘in-shore’ resources from ‘off-shore’, and will need to be prepared to expand beyond its regulatory functions with selected development initiatives.

12.14 EXPANDING THE SOCIAL INFRASTRUCTURE

12.14.1 ASSUMPTIONS

- The development of the social infrastructure is a necessary condition for the attainment of economic and social transformation.
- Asset formation by way of expansion of the social infrastructure is long-lived and provides returns.
- A robust social infrastructure provides private and social benefits with the one reinforcing the other, and contributing to social integration and social equity.

communication technology as the drivers. There could be little quarrel with this selection, provided the supporting infrastructure of human resource development is premised on considerable flexibility to respond to shifts and changes in international economy.

| Issue | Agency | Mechanisms | Results/Situational Analyses/Effects |
|-----------------------|--|---|---|
| Housing | <ul style="list-style-type: none"> Ministry of Housing and PROUD | <ul style="list-style-type: none"> Subsidies to housing low income households | <ul style="list-style-type: none"> Rapid rural urban drift has led to overcrowding and squatting in certain communities Social disintegration, and spread of crime and violence and development of sub-culture subversive of main stream values |
| Community Development | <ul style="list-style-type: none"> Ministry of Social Transformation CBOs and NGOs operating across the various settlements in the country | <ul style="list-style-type: none"> Community interventions and community development Coordination of interventions in communities | <ul style="list-style-type: none"> Rapid urbanization has created anomie, social decay, decline in morals, breakdown in the family and emergence of subculture inimical to the social integration. Reasonably well trained complement of staff in Community Development, but lacking the resources for mounting the required initiatives. There are a few outstanding local initiatives in community development, but most communities lack CBOs capable of mobilizing them to treat with social problems. |

12.14.3 IMPLICATIONS FOR POLICY

The Government has spent heavily on education at the primary and secondary levels over the last twenty years. While there has been a general upgrading of the population in terms of the percentage of the work-force that have achieved certain levels of education, the advances have not been as significant as they might have, because of qualitative and other problems that have impacted school and student performance. The focus of investment in education tends to weigh heavily on the side of those currently in the school system. The challenge for St. Lucia is the upgrading of the entire work-force such that it could rise to the requirements of the 21st century in terms of technological and scientific literacy. There is need for culture change to

inculcate a commitment to life-long education among the population. The institutional demands for this shift in the structure of human resource development would need to be underpinned by social marketing among the prospective clients among the current work-force which dwarfs in number those who are in the school system.

Social marketing is also an ingredient in the development of programmes to induce behaviour change to arrest the incidence of chronic diseases, as well as the major communicable disease of the age – HIV/AIDS. In inducing behaviour change, both with regard to life long education and to health issues, in addition to the normal public education programmes, the authorities need to copy a page from the

more effective strategies in the marketing of consumer goods. The current project in HIV/AIDS seems a step in the right direction in complementing the provision of information to the public.

There is need for an emphasis on public education about the nature of these endogenous illnesses and the lifestyle changes that can reduce their incidence. This includes regular medical checkups. This in turn presumes access to good quality health care on the part of the poor. With regard to public education, it is important to understand that there are factors such as language, educational levels and social and economic marginalization that act as barriers to the transmission of messages from main stream institutions to those on the margins of the society. This means that these messages have to be multifaceted and creative. They will need to involve the media, the schools, the church and other community organizations.

The provision of housing for lower income groups poses a daunting task for the Government. On the one hand, there is need for effective physical planning in the context of a comprehensive development plan that would seek to ensure a more balanced spread of economic activity across the island. This could contribute to slowing the overly rapid rate of urbanization and concentration and apparent congestion in the Castries area and Gros Islet. The development of new growth poles could be promoted by some level of decentralization of public services. Some of this has happened with secondary schools and

health facilities, but there is much more that can be done. A more balanced settlement pattern could be attempted with full amenities for housing estates etc.

Secondly, there is need for an expansion of the programme of slum clearance. Policy and firm action are needed to ensure that relocation programmes are followed according to plans to avoid a repeat of such problems as have been encountered in Conway. The squatter regularization programme and the land titling programme seemed to have been successful: there is a high demand for land. Arrangements for first time owners and land titling demonstrate that, with the appropriate institutional mechanisms, there is considerable funding that can be mobilized from among the people themselves in the provision of this important social good. The mobilization of more funding for home construction may allow the country to sustain the present level of activity in the industry which has been stimulated by the preparations for the Cricket World Cup and by a number of infrastructural projects. Funding for construction in the final analysis ultimately will be determined by the level of dynamism in the economy and by the degree to which the tradable goods and services are yielding the foreign exchange earnings that are the life blood of small open economies.

There is need for a major thrust in Community Development, with the Ministry of Social Transformation engaged in coordinating the contributions of other line Ministries in the provision of support at

the community level. It is the Community Development Division that is best placed to determine and differentiate the needs of Des Barras and Bouton from those of the Mangue and Baron's Drive and in the coordination of the necessary interventions on the part of other service providers that would secure much larger gains from working with community institutions. In many respects, the Community Development Division has the task of assisting other social institutions in the re-socialization of large sections of the society.

12.15 CARE FOR THE VULNERABLE

12.15.1 ASSUMPTIONS

- The wider the social safety net, the greater the probability that households and individuals will receive necessary protection in the face of poverty or other types of vulnerability

There does exist a formal structure of social services provided by the Central Government. There is also additional support provided by the NIC, which has established a Foundation with the objective of providing financial support to a wide range of organizations and institutions in the country. Through the National Community Foundation, NIC provides funding for social protection of those in

need, and mobilizes funding from the domestic private sector. This allows a wide swathe of beneficiaries to receive support across the island.

There are also programmes in place for school feeding at the primary level. A book rental programme has been introduced and provides for exemptions of those who are unable to afford the rental fee. A bursary system also provided support but is being phased out in favour of a better targeted programme for assisting children in need of support as a complement to their attendance at school. There is no school-feeding at the secondary level. Transport is provided to students from some remote areas to permit for their attendance at secondary school. There are programmes for teenage mothers and for youths at risk.

The reach of all of the social protection measures may be wide, but not always in terms of geography and nature of target group. Women abandoned by the fathers of their children often face difficulty in securing support for themselves and their children: this has to be seen in the context of a segmented labour market and much higher unemployment rates for women than for men. In the final analysis, the quantum of resources available has not guaranteed against the deplorable living conditions to which some households in poorer communities have been subjected.

12.15.2 SUMMARY FINDINGS

| Issue | Agency | Mechanisms | Results/Situational Analyses/Effects |
|----------------------------------|---|--|---|
| Children | <ul style="list-style-type: none"> ▪ Ministry of Health ▪ Ministry of Social Transformation ▪ Private Sector | <ul style="list-style-type: none"> ▪ Day care services ▪ Early Childhood Education ▪ Adoption | <ul style="list-style-type: none"> ▪ Overlapping between departments in the provision of services. ▪ Adoption regulations recently updated. ▪ Lack of home-work centres and organized activities for non-school hours for children and youth especially in urban areas, creating conditions for delinquency |
| Persons with Disabilities | <ul style="list-style-type: none"> ▪ Ministry of Social Transformation | <ul style="list-style-type: none"> ▪ Provision of Assistance | <ul style="list-style-type: none"> ▪ Much needs to be done to improve sensitivity to the needs of persons with disabilities |
| Women in Crisis | <ul style="list-style-type: none"> ▪ Crisis Centre | <ul style="list-style-type: none"> ▪ Temporary care and protection | <ul style="list-style-type: none"> ▪ Violence against women on the increase |
| Day-care Services | <ul style="list-style-type: none"> ▪ Early Childhood Development Unit ▪ Private Sector | <ul style="list-style-type: none"> ▪ Day care and Pre-school | <ul style="list-style-type: none"> ▪ Early Childhood Development Unit very successful in the running of day care services and in oversight of private institutions involved in day care services ▪ Many children still not accessing programme |
| School Feeding | <ul style="list-style-type: none"> ▪ Ministry of Education | <ul style="list-style-type: none"> ▪ Provision of meals to children at selected primary schools. | <ul style="list-style-type: none"> ▪ Not all children in need, in receipt of service. |
| Youth at risk | <ul style="list-style-type: none"> ▪ Upton Girls Centre ▪ Boys Centre | <ul style="list-style-type: none"> ▪ Rehabilitation of youths in difficult circumstances | <ul style="list-style-type: none"> ▪ Boys in custodial care in same institution with boys in need of care |
| The Elderly | <ul style="list-style-type: none"> ▪ HelpAge ▪ A number of homes for the Elderly | <ul style="list-style-type: none"> ▪ Care for the elderly | <ul style="list-style-type: none"> ▪ Increase in number of elderly in need of care posing challenge to present arrangements. ▪ Ageing in the society, the decline in the role of the extended family and the denudation of the family from emigration will increase need for services for the elderly ▪ More institutional care and hospices needed. |

12.15.3 IMPLICATIONS FOR POLICY

The country has a range of programmes for social protection. However there is need for coordination having regard to the large numbers in need as a result of the social dislocation that has eventuated from the collapse of income in agriculture and other sectors, and from the rapid urbanization, in turn the result of a flight of large sections of the population in the south of the island to Castries and environs.

Households with children that are currently impoverished that do not have a history of chronic poverty require different types of intervention. Whereas aspects of the social safety net may have application in these cases they should not be of a long term nature. Emphasis should be placed instead on retooling skill sets of the income earners in these households or providing them with technical and financial support to move into other areas of agriculture or business.

With increasing participation of women in the labour market, there is need not only for day care services but as well evening care as many of them have to upgrade their education and training to escape poverty and from dependence on absent fathers. Programmes such as school feeding, transportation to school subsidy, uniforms, books and counseling on a regular basis for both adult(s) and children from trained social workers are necessary if their children are to escape from their inherited situation of deprivation. Given the background of these households there is a very strong case to be made for proactive social policy that intervenes with the objective of correcting for labour market participation, educational level, fertility,

and attitudinal features that conduce to the perpetuation of poverty across the generations. There is also the requirement for home-work centres and structured programmes especially to deal with the non-school time of the school age population, many of whom go unattended on evenings and even in the night. There are also the elderly who are being abandoned as social change undermines extended family relations.

Acute vulnerability has been evinced among some groups of women, children, the elderly and persons with disabilities. The fiscal limitations suggest the need for community and other forms of support as a supplement to the resources provided by the State.

12.16 SECURITY OF THE INDIVIDUAL

12.16.1 ASSUMPTIONS

- Personal security is an important ingredient in the quality of life of the citizen
- Any increase in violence and crime in a society detracts from the quality of life

The rule of law, a stable and transparent system in the administration of justice, the equal treatment of all before the law and the protection of the State accorded to all from unfair and illegal treatment are enshrined the Constitution of St. Lucia.

The growth of the international narcotics industry has not left St. Lucia unscathed. The country is targeted as transshipment point for narcotics destined for the North Atlantic. Moreover, the production of

marijuana has attracted some, and has much higher returns than the production of bananas and any of the other crops promoted by the Ministry of Agriculture.

With the expansion of the drugs trade, has come the increase in the availability of firearms, and their use both in gang related incidents and in the conduct of armed robberies and other crimes. St. Lucia, like the rest of the Caribbean has had to cope with the return of nationals deported from the United States and other countries, after serving sentences in those countries. Given the absence of any programme for their reintegration into the social life of St. Lucia, a country that some may not even know, having left in their childhood, the deportees fall easy victims to a life of crime.

The incidence of crime, as seen by the victims of crime, is higher in the Castries and Gros Islet areas, based on data collected in the SLC/HBS. The country has also had to treat with the threat of travel advisories, and there have also been crimes against visitors which tarnish the image of the country in its vital tourism sector.

12.16.2 IMPLICATIONS FOR POLICY

The Government has to invest heavily in crime detection and in making the country safe for all citizens, and visitors to the country. The costs of appropriate security are high, but the alternative to the country in terms of lost income from its tourism sector is higher. In addition to improved policing by way of personnel, there is need for modern security systems in the form of cameras, and real time systems providing information on the movement of vehicles along the main arterial roads and heavily

frequented locations. At the same time, the country has to invest in community services to reduce youth delinquency, and on the reform of prisoners, and their rehabilitation into civilian life. The policing of its waters is a necessary condition for arresting the flow of illegal narcotics and guns into the country. Effective policing is an investment. Experience in neighbouring countries demonstrates the long-term damage from the proliferation of illegal fire-arms.

12.17 CONCLUSION

St. Lucia has experienced the travails of adjustment of two of its export sectors. This has created hardship to a population and a country that has had limited experience in trade adjustment. Given the scale of the changes that have been necessary in the banana industry, elimination of marginal producers has created major social dislocation, firstly on rural communities, and with the flight to Castries and environs, excessive concentration and overcrowding, crime, and other forms of social decay.

The interplay of economic and social factors has impacted on the individual, the family, and the community. The observed poverty is one dimension of the economic and social crisis that the country has faced. The statistics generated by the SLC/HBS provide measurable indicators of the problems. Through the PPA, the people have voiced their distress, and the institutional analysis has exposed the weakness and deficiency of resources of the existing structures, in managing major economic and social transformation. In spite of a relatively rich mix of institutional structures, many citizens have not been spared the plight of poverty as the country adjusts to new international realities.

CHAPTER THIRTEEN: TOWARDS POVERTY REDUCTION

13.1 INTRODUCTION

The Poverty Assessment of 1995 was conducted apparently just at the start of the period of most precipitous decline in two of the main foreign exchange earners of St. Lucia. By the end of the decade, banana exports were 44 per cent in terms of the volume for 1995, and 39 per cent of the value. Clothing exports, a vital sub-sector in light manufacturing having regard to their contribution to the employment of women, were just 22 percent of the level of 1995, at the beginning of the new millennium. For an economy so highly specialized in its exports, the decline of two critical sectors at the same time, triggered an increase in poverty, unemployment and a fall in incomes in the farming community in particular. The economy of St. Lucia was reduced to greater dependence on the volatile tourism sector.

The Government initiated purposeful and targeted interventions mainly through the PRF, which was created as the primary agency for combating poverty, but also through the development of a pro-poor orientation in the range of institutions that deliver service to the community at large. The PRF was a recognizable vehicle for poverty reduction, among international partners, having regard to the assistance secured from the World Bank in its establishment. It was allowed considerable

flexibility in responding to requests from a wide array of organisations and institutions that could assist the poor directly, by way of capacity building, and community infrastructure development and, in the provision of basic transfers to deal with specific hardships. The most recent estimates of poverty suggest that the level has risen over the ten year period. However, the level of indigence seems to have fallen appreciably.

In the absence of the initiatives made by PRF over the period, and of a committed pro-poor official policy, the level of poverty might have risen higher. St. Lucia was initiated into trade adjustment without formal institutions for trade adjustment. Moreover, given the need to secure acceptance on the part of the international community for all its major policy measures, there was a strict adherence to market related approaches on the assumption that these would give the signals necessary for the private adjustments that the population, and, in this case, producing entities like firms in manufacturing and banana farmers were required to make to return to income and employment generating activities that could compete in the evolving globalized economy.

The foreign firms in export-oriented manufacturing adjusted by folding

operations and redirecting investments to more competitive locations in the circum-Caribbean: this process had already started with the coming into being of NAFTA. The banana farmers whose lands became too marginal to deliver viable income, were largely unable to cope with the transfer to alternative agriculture and while this was attempted, the experience was anything but encouraging of a possibility of returning them to the halcyon days of stable incomes that banana had produced for a few decades. The support mechanisms to manage new export and new production in agriculture might have been established in a formal sense, but hardly took on a role comparable to what had been exercised by the SLBGA and other agencies that underpinned the banana industry.

St Lucia witnessed massive rural-urban flight. Informal activity in the urban areas of the north-west of St. Lucia and occasional formal sector jobs in the emerging sectors around tourism offered greater hope than the surety of declining income in agriculture that could not find ready and attractive markets for its output, or required cycles of planting, reaping and income flows to which farmers were unaccustomed. The depopulation of the country-side and the rise of squatter settlements and crowded tenements in the urban areas generated new social problems or exacerbated those that already existed.

The decline in the moral fabric, the reduction in the influence of the extended family and community in the socialization process, and the rise of the underground

economy based on marijuana, and on the integration of St. Lucia into the transshipment of narcotics by the international cartels in South America, have all accompanied the economic shocks of the mid 1990s. Not only is measured poverty high, but vulnerability estimates suggest that almost half of the population could be vulnerable to economic shocks and could fall into poverty if there is any further precipitous decline in any of the foreign exchange earning sector.

Meanwhile, the GOSL in seeking to exercise fiscal rectitude finds itself strapped for resources. Restructuring its tax structure will take time, and much longer than is dictated by the need for urgent action to create income generating activity that is sustainable in competitive export oriented activities. There has been expectation of support from such sources as the EU in treating with the problems of trade adjustment. However, access to such resources that are formally committed by the EU involves a long lead time, much beyond the time that farmers could wait, faced with plummeting income, or their workers, faced with an assured unemployment. A number of critical projects of the GOSL have had to be put on hold for external financing, given that it has not been able to generate adequate revenues for its development needs.

Even with its restricted revenue base, GOSL did attempt to address the need for expanding social and other services especially for the poor. On the basis of such indicators as access to water, safer toilet

facilities, secondary education, electricity, and to post-school training, there have been advances on conditions that obtained in 1995. There would have been less public poverty in that regard. Sustainable income and employment have been the challenge, and reflect the difficulty of economic transformation of an economy that was based on a protected banana sector, and on the slim temporary advantage of trade rules like the Multi-fibre Agreement before it expired, and the CBI of the United States Government.

This is the context for redoubling of efforts at poverty reduction and poverty alleviation over the rest of the present decade. The initiatives outlined below represent a minimum programme for reducing poverty in the short to medium terms. They can be summarized as comprised of five main components:

1. The development of the people to be effective participants in the knowledge economy of the 21st century: beneficiation through the human assets;
2. The mobilization of financial resources from abroad and through the tax system to allow the country greater leverage in pursuing strategies better geared to the participation of nationals and regional entrepreneurship in the development of the place;
3. Coherent and systematic physical planning in the management of the land resources of the country, and consistently with the needs of

agriculture, industry, tourism, including eco-tourism and sustainable tourism, and housing: the beneficiation of the land assets, including through state involvement in real estate investment trusts;

4. The development of the safety net to provide social protection where necessary, with clear mechanisms to graduate those whose condition no longer justify protection;
5. The reorganization of Community Development to assist in social integration in the light of the challenges of rapid urbanization and rural depopulation.

The programme is premised on the assumption that the investment in human resources remains the key factor in the escape from poverty for the population of St. Lucia. While this has been recognised and has been accepted as a major recommendation from the poverty assessment of 1995, the challenge that this implies has not been fully addressed in the measures to date.

The maintenance of the effort at expansion of secondary level education and improvement across the education sector generally is a necessary task for the Ministry of Education in respect of the present cohort of students of school going age. However, as necessary is the upgrading of the existing work-force and those of working age who are potential labour force participants. Work-force upgrading through education and training

creates a massive clientele. It is their engagement in training and education that will be a major factor in the competitiveness of St. Lucia over the next few years. This lies at the centre stage in the programme of poverty reduction which should be comprised of the following:

- Investment in the work-force upgrade through education and training utilizing user-friendly approaches and with programmes designed to encourage participation and a yearning for learning among those who have already left the regular school system, including with the use of social marketing;
 - Special provisions to support the educational and training upgrading of mothers, and more so single mothers to improve labour market participation, such provisions to include day-care and evening care services;
 - Macro-economic adjustment supported by industrial policy, private sector cooperation, and reform of the tax system;
 - Renewed efforts at agricultural diversification with due recognition to the requirement vis-à-vis support systems, credit, marketing and training of farmers, including ex-banana farmers;
 - Coordination by the CDB of major donor support to St. Lucia to ensure timeliness in disbursements,
- especially with regard to trade adjustment initiatives;
- Social marketing of wellness to encourage changed behaviours to the management of health and control of incidence of chronic diseases, and of spread of HIV/AIDS;
 - Development of new nodes of growth through comprehensive physical planning, and with a view to reduce the rate of concentration in the north west of the island;
 - Upgrading of building codes, including in home construction, in the light of the greater frequency of hurricane and storm episodes in the Caribbean;
 - Redoubled efforts at squatter regularization and slum clearance;
 - Improved services in respect of land titling having regard to the scarcity of land and to the need for coherent arrangements for the promotion of agriculture, tourism and eco-tourism on the island;
 - Coordination through the Ministry of Social Transformation of the interventions undertaken by other Ministries at the community level and through encouragement of state and civil society collaboration at the community level, to avoid overlap and wasteful use of resources;

- Entrepreneurial development with special reference to promoting the involvement of St. Lucians in the expansion of the hotel and guest house plant through exquisite niche and boutique establishments owned and operated by them;
- Upgrading of public assistance – index linking – in keeping with estimates of the costs of living a healthy and decent life;
- Empowerment of the people through local government reform; and
- Mobilising resources under the control of St. Lucians abroad, through ‘inshoring’ their savings to domestic institutions geared to expand the productive base of the country, that is, ‘inshoring off-shore funds’ of St. Lucians abroad.

1. GENERAL WORK-FORCE UPGRADING

| Goal | Time Frame | Strategy | Purpose | Implementing Agency | Output | Methods of Verification & Monitoring |
|--|------------|---|---|--|--|---|
| Maximise training and upgrading of existing work force | I | <ul style="list-style-type: none"> • Use of secondary school infrastructure on evenings and other facilities to upgrade workers • Close counterparting by nationals of technical and professional persons on work-permits • Institutionalising of training and retraining programmes as normal activities for industrial and service sector development • Use of social marketing to encourage yearning for learning • Development and promotion of use of telecentres and novel approaches driven by ICT applications | Ensure that workers can graduate to higher level of skills and can make the country attractive as the location for higher income earning activities | Ministry of Education, Adult Education Division, Ministry of Labour, Trade Union Movement, Private Sector and CARE | Better trained workers among the population | Reports of Ministry of Education, Department of Labour. |
| Employment expansion and income growth | I | Close monitoring of labour requirements of firms | Provide up-to-date labour market information to guide career choice of new entrants and to reorient existing workers to new opportunities | Department of Labour | Compilation of regular information and statistics on absorption of labour by sector, through use of survey information or from key informant data from employers | Reports of Department of Labour |

Key: I - Immediate Priority; S - Short-term Priority; M - Medium-term Priority

2. SPECIAL PROVISIONS TO COMPLEMENT PARTICIPATION OF MOTHERS IN PROGRAMMES AT 1 ABOVE

| Goal | Time Frame | Strategy | Purpose | Implementing Agency | Output | Methods of Verification & Monitoring |
|--|------------|--|---|---|--|---|
| Promote training and upgrading of mothers with a view to improve labour market participation in competitive and rewarding employment | S | Provision to women of greater latitude in labour market participation and reduction of gender segmentation | In addition to upgrading this section of the work-force, strengthen the finances of households given the role played by women in it | Ministry of Industry, and Ministry of Education | Expanded number of persons with skills | Reports of Ministry of Industry and Ministry of Education |

3. MACRO-ECONOMIC ADJUSTMENT COMPLEMENTED BY INDUSTRIAL POLICY AND TAX REFORM

| Goal | Time Frame | Strategy | Purpose | Implementing Agency | Output | Methods of Verification & Monitoring |
|---|------------|--|---|---|---|--|
| Managed adjustment in face of trade changes | I | Application of industrial strategy consistent with sustainable development | <ul style="list-style-type: none"> Flexibility in responding to challenges of the international economy Take greater responsibility for finding own resources | Collaborative arrangement of Ministries of Finance and Trade and Industry | Expansion based on constant monitoring of competitiveness vis-à-vis the international economy | Reports of Ministry of Finance and of Trade and Industry |
| Tax reform | I | Increase in resources for infrastructure and social service provision | <ul style="list-style-type: none"> Improve self-reliance | Ministry of Finance | Better resource provision for economic and social infrastructure | Ministry of Finance |

4. AGRICULTURAL RESUSCITATION

| Goal | Time Frame | Strategy | Purpose | Implementing Agency | Output | Methods of Verification & Monitoring |
|--------------------------------------|------------|--|---|---|--|---|
| Restore faith in agricultural future | I | Provision of coordinated support system for selected agricultural output | Create employment and income growth, and foreign exchange in niche high value agriculture | Ministry of Agriculture in collaboration with private sector and farmer based organisations | Restoration of vitality in farming communities | Periodic reports of Ministry of Agriculture |

5. SOCIAL MARKETING OF WELLNESS

| Goal | Time Frame | Strategy | Purpose | Implementing Agency | Output | Methods of Verification & Monitoring |
|--|------------|---|---|--|--|---|
| Improve health status of the population including that of the poor | I | Inculcation of orientation to wellness through social marketing | <ul style="list-style-type: none"> ▪ Behaviour change ▪ Reduce incidence of chronic diseases and spread of HIV/AIDS | Ministry of Health and Ministry of Social Transformation | Healthier population, improved life expectancy, reduced need for secondary and tertiary care, and improved quality of life | Periodic reports of respective agencies |

6. DEVELOPMENT OF NEW NODES OF GROWTH

| Goal | Time Frame | Strategy | Purpose | Implementing Agency | Output | Methods of Verification & Monitoring |
|--------------------------------------|------------|--|---|--|---|--|
| Create balanced physical development | I | Exercise of systematic land use planning | Ensure better distribution of resources across island | Department responsible for Physical Planning | Better organised country and better land use, and elimination of excessive concentration and congestion in north west | Annual Reports of Physical Planning Department |

7. UPGRADING OF BUILDING CODES

| Goal | Time Frame | Strategy | Purpose | Implementing Agency | Output | Methods of Verification & Monitoring |
|--------------------------------------|------------|--|---|--|--|--|
| Provide for better built development | M | Improvement of regulatory framework in building construction, including in home construction | Protect built development to withstand hurricanes | Department responsible for Physical Planning | Better housing and built development and reduced losses from storms and hurricanes | Annual Reports of Physical Planning Department |

8. SQUATTER REGULARISATION AND SLUM CLEARANCE

| Goal | Time Frame | Strategy | Purpose | Implementing Agency | Output | Methods of Verification & Monitoring |
|------------------------------|------------|--|--------------------------------|--|---|--|
| Reduce unplanned development | I | Phased re-development of areas of mass concentration | Arrest social decay and blight | Department responsible for Physical Planning and Ministry of Housing and PROUD | Better quality accommodation for poorer communities | Annual Reports of Physical Planning Department, Ministry of Housing and PROUD. |

9. LAND TITLING

| Goal | Time Frame | Strategy | Purpose | Implementing Agency | Output | Methods of Verification & Monitoring |
|-----------------------------------|------------|---|--|---|---|---|
| Provide poorer people with assets | I | Development of user friendly mechanisms to speed administration of land | Ensure easier land administration and transfer of titles | Departments responsible for Crown Lands and Physical Planning | Upgraded land titling system will afford easier transfer among the population, and allow for consolidation of agricultural land | Annual Reports of Crown Lands Division and Physical Planning Department |

10. COORDINATION AND ENHANCEMENT OF COMMUNITY INTERVENTIONS

| Goal | Time Frame | Strategy | Purpose | Implementing Agency | Output | Methods of Verification & Monitoring |
|---|------------|---|---|---|---|---|
| Improve community interventions | I | Coordination of approaches of state and non-state agencies in community development | Ensure better distribution of resources across island | Ministry of Social Transformation to coordinate through the Department of Community Development | Better organised services to communities | Annual Reports of Department of Community Development |
| Resocialisation of communities, and improvement of social capital | M | Inculcation through social marketing and other approaches of responsible behaviours in respect of parenting, and in the socialization of children | Improve social integration | Ministry of Social Transformation, through Community Development, NGOs, CBOs and FBOs | Communities better equipped to provide quality living and capable of mobilizing social capital internally | Annual Reports of Department of Community Development |

11. ENTREPRENEURIAL DEVELOPMENT

| Goal | Time Frame | Strategy | Purpose | Implementing Agency | Output | Methods of Verification & Monitoring |
|---|------------|---|---|--|---|---------------------------------------|
| Deepen participation of St. Lucians in business life of the country | M | Use of financial resources of the country in building domestic entrepreneurship | Ensure better participation of all in the development of the country, and in the generation of wealth | Ministry of Finance, NIC, Credit Unions and other agencies for administering credit to SMEs, farmers and fishers | Improved equity and reduction in disparity in income and wealth | Annual Reports of Ministry of Finance |

12. INSHORING OF OFF-SHORE' RESOURCES HELD BY ST. LUCIANS ABROAD

| Goal | Time Frame | Strategy | Purpose | Implementing Agency | Output | Methods of Verification & Monitoring |
|--------------------------------|------------|---|--|--|------------------------------|---------------------------------------|
| Mobilize resources from abroad | M | Development of institutional structures to encourage savings from abroad to be used in development of St. Lucia | Increase the supply of financial resources in the development of the country | Ministry of Finance with agreement of ECCB | Expanded financial resources | Annual Reports of Ministry of Finance |

13. STRENGTHEN SOCIAL SAFETY NET

| Goal | Time Frame | Strategy | Purpose | Implementing Agency | Output | Methods of Verification & Monitoring |
|---------------------------|------------|---|---|--|---|--|
| Improve social safety net | I | Development of coordinated mechanisms to treat with all at-risk groups over the life cycle – children, youth, women and the elderly | Ensure that no sector of the society would fall into chronic poverty because of lack of resources and failure to plan for certain eventualities | Ministry of Health and Ministry of Social Transformation, in association with NGOs, and CBOs | Social Protection for the population in the face of social problems, risks and crises | Annual Reports of the Ministry of Health and Ministry of Social Transformation |

14. PROVIDE FOR DISASTER MANAGEMENT

| Goal | Time Frame | Strategy | Purpose | Implementing Agency | Output | Methods of Verification & Monitoring |
|--|------------|---|--|--|---|--|
| Improve capacity to manage natural disaster and other episodes | I | Development of coordinated mechanisms to treat with disaster management Provision of public shelters | Protect life and limb in the face of storms and hurricanes | Ministry of National Security, Health and Ministry of Social Transformation, | Protection of the population, and in particular of the poor, living in insecure shelter | Annual Reports of the Ministries of National Security, Health, and Social Transformation |

15. STRENGTHEN PUBLIC SECURITY

| Goal | Time Frame | Strategy | Purpose | Implementing Agency | Output | Methods of Verification & Monitoring |
|--------------|------------|---|---|-------------------------------|---|---|
| Reduce crime | I | Development of sophisticated security systems | Ensure better protection of the population from criminal elements | Ministry of National Security | More secure general public and better quality of life | Annual Reports of the Ministry of National Security |

16. IMPLEMENT LOCAL GOVERNMENT REFORM

| Goal | Time Frame | Strategy | Purpose | Implementing Agency | Output | Methods of Verification & Monitoring |
|--------------------|------------|---|---|-----------------------------------|---|---|
| Improve governance | I | Involvement of local representation in running affairs of communities | Ensure better representation of population in their local affairs | Ministry of Social Transformation | Improved participation of people in their own affairs | Annual Reports of the Ministry of Social Transformation |

17. REFORM COMMUNITY DEVELOPMENT

| Goal | Time Frame | Strategy | Purpose | Implementing Agency | Output | Methods of Verification & Monitoring |
|---|------------|---|--|-----------------------------------|--|---|
| Restructure approach to community development | I | Development of intervention strategies consistent with requirements of urban communities as distinct from rural communities | Ensure community development recognizes differential requirements in urban St. Lucia vis-à-vis its rural communities | Ministry of Social Transformation | Integrated communities in urban and rural areas of the country | Annual Reports of the Ministry of Social Transformation |

13.2 CREATING AND SUSTAINING A POVERTY REDUCTION PROCESS IN ST. LUCIA

Poverty reduction, reduced to its most elementary level, consists of measures that equip poorer people with the wherewithal to deal with their own condition, and/or provide them with the sustenance to stay out of poverty for longer or shorter periods by way of transfers. The first type of support, in so far as it builds capacity, is an investment in the poor. The second type may anticipate no real investment, but rather the provision of the quantum of consumption goods and services regarded as socially acceptable.

In the dynamic context of the economy and society of St. Lucia, some groups could be put at risk or fall into poverty as a result of the nature of its integration into the international economy. The banana experience has illustrated the vulnerability that is characteristic of a SIDS. The recommendations generated above attempt to provide a protective shield by the development of a work-force with the level of education and training that could respond to shifts and take early refuge in new initiatives as a sector or industry declines in competitiveness.

But in addition to the wider economic forces that derive from outside, there are the social dynamics and psychological make-up of individuals in households and communities that create the myriad results both below and above the poverty line. The interaction of these with the economic realities that

households face in managing in the monetised economy of St. Lucia has resulted in the high rates of poverty witnessed. Poverty reduction therefore has to treat with the management of the macro-economics of constant adjustment and with the factors that impact on individuals, households, and communities that lead some into poverty.

The requirements in treating with poverty, or poverty inducing conditions and social disintegration, are varied. On the one hand, there is need for community development that recognizes the decline in the role performed by the extended family and the community and its elders in the rural areas of the country. In the absence of effective community development, violent gangs have the opportunity of providing a sense of meaning to youth in conditions of anomie.

There are episodic factors like natural disaster. There are also health risks, some of which lie out of control of the individual, including the incidence of disability. There are gender roles in the society that put women at risk and, indirectly, the children that they may be responsible for at any point in time, having regard to the family structure of the country. Poverty reduction machinery has to be robust and to anticipate a range of risks. Some are more easily predictable, especially in respect of the age cycle.

Babies and children are exposed to certain risks in the first five years of life. The elderly are susceptible to certain diseases

with advancing age. Pregnant women likewise can be subject to health risks. Social structures and cultural practices create disadvantages. The present study has demonstrated the risks to women, the elderly, youth and babies and children, in addition to the differently-abled. All these need to be anticipated in poverty reduction programmes.

The experience that St. Lucia has built up over the last ten years in running pro-poor programmes equips it for a renewed thrust at poverty reduction in the emerging dispensation. There is need for coordination of the machinery of the state with the other interested actors. In addition to the work of the CDB with poverty reduction strategies, there has been technical support from such agencies like UNDP, with capacity building in the Ministry of Social Transformation. UNDP has mounted recent initiatives with special groups such as persons with disabilities and in select poor communities: likewise have the OECS Secretariat and the EU. There are other agencies committed to assisting – UNICEF being a notable case. There is need for coherence among all of these, possibly through the CDB.

There is need for a complementary coherence within St. Lucia itself. Poverty reduction is not the preserve only of the Ministry of Social Transformation. On the previous occasion, the NAT that was formed to provide for constant monitoring got disbanded soon after the completion of the report, as a result of the reorganisation of Ministries and Departments. It behooves the authorities on this occasion to institutionalise the NAT as part of the

required machinery of coordination, evaluation, monitoring and of mobilizing action in the face of the dynamic changes in poverty that would engulf one group in one time period and a different group in another.

In its structure, the NAT embraces a number of agencies. This is its forte: Ministries of Finance and Planning, Education, Agriculture, and Labour need to be in close collaboration with the Ministry of Social Transformation in the renewed effort at poverty reduction. The NAT is a useful framework for organizing this effort.

There is also the information base for poverty monitoring. There is a rich trove of information being generated by the Department of Statistics that would allow the NAT to continue to monitor and conduct research and provide evidence-based analyses on the dynamics of poverty and social conditions among the population. St. Lucia has experimented very successfully with the CWIQ. This can be easily institutionalized, in providing data on the effectiveness of measures being taken to reduce poverty, given that SLCs and HBSs are expensive and are not likely to be done except at intervals of several years.

In the short term, the country would have little recourse but to depend on the international community for assistance, while it reorganises its internal structures to generate income and foreign exchange earnings from which it can exact some of the resources needed for its own continued development as well as for administering to the poor. In the medium term, poverty

reduction will need to be based on industrial policy and industrial strategy. The upgrading of the work-force and the training of youth for the labour market address the supply side. There will be need for viable and competitive industry to absorb them: otherwise, they would face frustration of unemployment and underemployment.

What is also needed is a sensitivity on the part of international partners, to the fact that poor banana farmers cannot wait for fifteen months to be supplied with new seed or research results to embark on diversification. Other victims of trade

adjustment need programmes that are highly responsive to their condition. In the absence of support, some of the banana farmers have succumbed to their own perspectives of crop substitution, with resort marijuana production. They are being joined by others who, seeing little prospect of sustainable income from the existing formal sector, fall prey to the attraction of the underground economy. The impact of such choices will ultimately lead to problems in St. Lucia itself, but increasingly, these overflow beyond the boundary into the wider regional and international community.

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GLOSSARY OF TERMS

| WORD | MEANING |
|----------------------------|--|
| Absolute Poverty | The quantification of poverty involving the aggregation of its occurrence to a single statistic. The absolute measure of poverty is derived from the non-attainment of a criterion level of food and non-food expenditure. The former is usually set by way of nutritional requirements below which bodily health can be threatened, while the non-food is based on some minimum provision deemed to be socially acceptable. Had to read this twice |
| Anthropometric Assessments | These are derived from the health status of babies and children. This involves weight at birth of babies and the measurement by weight and height for age in the age group 0-5 years of age. The work of UNICEF has established the utility of such data in identifying the signals of serious poverty in a population. |
| Chronic Poor | Individuals and households that have been poor for more than one generation. |
| Developmental Institutions | Institutions that contribute to capacity building and equip individuals and/ or groups with the means to grow and expand. |
| Employment | A person is defined as employed if he/she did any work at all in the past week for at least one hour or was on vacation during that time. |
| High Dependency Ratio: | This is defined as less than one person of working age for every two persons not of working age in households for the entire population. Don't understand The percentage of households and the percentage of persons living in those households which qualify on this definition is reported. For all countries the working age was defined as persons over the age of 15 years, no upper limit was imposed on the data. |
| Indigence Line | This refers to certain basic nutritional requirements for survival. A basket of goods is selected in such a way as to maximise one's nutrient intake at the lowest possible cost. Households unable to meet the cost of obtaining this basket of food items are indigent. The market cost of the basic food basket (the critical poverty line) represents a lower limit of poverty and is the critical poverty line. |
| Informal Sector | The informal sector according to the International Labour Organisation includes very small-scale units producing and distributing goods and services, and consisting largely of independent, self-employed producers in urban areas of developing countries, some of whom also employ family labour and/or a few hired workers or apprentices; which operate with very little capital, or none at all; which utilize a low level of technology and skills; which therefore operate at a low level of productivity; and which generally provide very low and irregular incomes and highly unstable employment to those who work in it. They are informal in the sense that they are for the most part unregistered and unrecorded in official statistics; they tend to have little or no access to organized markets, to credit institutions, to formal education and training institutions, or to many public services and amenities; they are not recognised, supported or regulated by the government; they are often compelled by circumstances to operate outside the framework of the law, and even when they are registered and respect certain aspects of the law they are almost invariably beyond the pale of social protection, labour legislation and protective measures at the workplace. |
| Insufficient Employment | Basically this concept is defined as the percentage of households or persons in the population living in households where less than one in two adults is employed. There are several aspects to this definition; firstly an adult is defined for all applicable indicators as a person over the age of 15. In practical terms an employment rate for adults is generated for each household, if this rate is less than 50% then the household is said to have insufficient employment. |

| WORD | MEANING |
|---|---|
| Labour Force | The total labour force consists of persons who are economically active who supply labour for the production of goods and services during a specified period. It includes both the employed and the unemployed. |
| Low Adult Equivalent Per Capita Consumption | This is the percentage of the population which belongs to households or households with per capita adult equivalent expenditure less than the monetary value of the vulnerability line defined previously. |
| Low Asset Base | This is defined as the percentage of households or persons living in those households with less than four out of nine possible common durables. A common durable is a popular household appliance which typically allows the household to derive more than one year of service flow from its use. All durables owned by the households in a country is ranked and the nine most popular ones are determined. An aggregate of the number of the nine most common durables is generated for each household. If this number is less than three the household is deemed to have a low asset base. Common durables generally include but are not confined to the following, stove, refrigerator, television set, radio/stereo, vehicle, telephone, video, computer, electric iron, washing machine, etc. |
| Low Educational Attainment | This is defined as the percentage of the entire population which has not passed any academic examination. Typically this is derived by reporting the percentage of the population responding "None" to the standard question "What is the highest examination that(you) have passed?" in a frequency distribution of the population by the variable highest examination passed. This is strictly a characteristic which can only be defined for an individual and therefore no measure exists for the household. |
| Low per Capita Household Consumption | This is the percentage of the population which belongs to households or households with per capita expenditure less than the monetary value of the vulnerability line defined previously. |
| No Employment | This measure is defined as the percentage of households in the population where the total number of persons employed within the households is zero. The percentage of persons within households with no employed adults is the equivalent persons based measure for the population on this indicator. |
| No Schooling | This is a measure of truancy and is defined as the percentage of the school age population between 5 to 15 years of age who missed at least one day of schooling of the total available number of days of schooling last week. This is strictly a characteristic which can only be defined for individuals if school age and therefore no measure exist for the household. |
| Poverty | Poverty refers to any situation in which an individual, or group possesses less than some standard of living that has generally been defined as acceptable. This standard may be determined either on the basis of the material condition of other persons or groups in the society, or on the basis of a measure of the gap between what is possessed and some objective indicator of elementary human need. It is a complex of multiple deprivations. |
| Poverty Line | A monetary measure of the minimum consumption, in dollar terms, of goods and services that a household should obtain in order to ensure that its basic needs are adequately met. The poverty line, therefore, represents a minimum budget that a household should spend, over a defined period, if it is to meet its basic food and non-food requirements. |
| Poverty Headcount Index | This is the percentage of the population which lives in households whose adult equivalent per capita consumption falls below the poverty line. In other words it is a measure of the prevalence of poverty. Unlike per capita consumption which is measured at the household level as total household expenditure divided by the number of household members, adult equivalence measures the total number of equivalent adults in the household. In this case each person is assigned based on his/her age and sex a number equal to or less than one using the following scale. |

| WORD | MEANING | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|-------------------|--|--|-----------|------|--------|------|-------|-------|--------|-------|-------|--------|-------|-------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-----|-------|-------|
| | <p>The total number of equivalent adults is always less than or equal to the number of persons in the household.</p> <table border="1" data-bbox="532 285 1344 772"> <thead> <tr> <th colspan="3" data-bbox="532 285 1344 331">Adult Equivalence</th> </tr> <tr> <th data-bbox="532 331 808 384">Age Range</th> <th data-bbox="808 331 1073 384">Male</th> <th data-bbox="1073 331 1344 384">Female</th> </tr> </thead> <tbody> <tr> <td data-bbox="532 384 808 426">Less</td> <td data-bbox="808 384 1073 426">0.270</td> <td data-bbox="1073 384 1344 426">0.270</td> </tr> <tr> <td data-bbox="532 426 808 468">1 to 3</td> <td data-bbox="808 426 1073 468">0.468</td> <td data-bbox="1073 426 1344 468">0.436</td> </tr> <tr> <td data-bbox="532 468 808 510">4 to 6</td> <td data-bbox="808 468 1073 510">0.606</td> <td data-bbox="1073 468 1344 510">0.547</td> </tr> <tr> <td data-bbox="532 510 808 552">7 to 9</td> <td data-bbox="808 510 1073 552">0.697</td> <td data-bbox="1073 510 1344 552">0.614</td> </tr> <tr> <td data-bbox="532 552 808 594">10 to</td> <td data-bbox="808 552 1073 594">0.825</td> <td data-bbox="1073 552 1344 594">0.695</td> </tr> <tr> <td data-bbox="532 594 808 636">15 to</td> <td data-bbox="808 594 1073 636">0.915</td> <td data-bbox="1073 594 1344 636">0.737</td> </tr> <tr> <td data-bbox="532 636 808 678">19 to</td> <td data-bbox="808 636 1073 678">1.000</td> <td data-bbox="1073 636 1344 678">0.741</td> </tr> <tr> <td data-bbox="532 678 808 720">30 to</td> <td data-bbox="808 678 1073 720">0.966</td> <td data-bbox="1073 678 1344 720">0.727</td> </tr> <tr> <td data-bbox="532 720 808 772">61+</td> <td data-bbox="808 720 1073 772">0.773</td> <td data-bbox="1073 720 1344 772">0.618</td> </tr> </tbody> </table> | Adult Equivalence | | | Age Range | Male | Female | Less | 0.270 | 0.270 | 1 to 3 | 0.468 | 0.436 | 4 to 6 | 0.606 | 0.547 | 7 to 9 | 0.697 | 0.614 | 10 to | 0.825 | 0.695 | 15 to | 0.915 | 0.737 | 19 to | 1.000 | 0.741 | 30 to | 0.966 | 0.727 | 61+ | 0.773 | 0.618 |
| Adult Equivalence | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Age Range | Male | Female | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Less | 0.270 | 0.270 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 to 3 | 0.468 | 0.436 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 to 6 | 0.606 | 0.547 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 to 9 | 0.697 | 0.614 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10 to | 0.825 | 0.695 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 15 to | 0.915 | 0.737 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 19 to | 1.000 | 0.741 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 30 to | 0.966 | 0.727 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 61+ | 0.773 | 0.618 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Poverty Gap Index | <p>This is the mean proportionate distance across the whole population of the poor from the poverty line. It gives a good indication of depth of poverty since it is a function of the distances of the poor below the poverty line. The poverty gap represents the minimum cost of eliminating poverty using targeted transfers, in other words, if every person below the poverty line is given just enough money to get them above the poverty line the cost would be the total sum of these transfers.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Poverty Severity Index (Foster-Greer-Thorbecke P2 Index) or FGT2 | <p>This measure is defined as a weighting of the poverty gaps of the poor based on those poverty gaps. It is defined as:</p> $P_2 = \frac{1}{n} \sum_{i=1}^q \left[\frac{z - y_i}{z} \right]^2 = \text{mean of squared proportionate poverty gaps}$ <p><i>Z</i> is the monetary value of the poverty line. <i>q</i> is the total number of people who are poor. <i>N</i> is the size of the population. <i>y</i> is the per capita adult equivalent consumption expenditure. To be clear, this measure can be thought of as being composed of two components: an amount due to the poverty gap, and an amount due to the inequality amongst the poor. Expressed mathematically we have equation 6, where CV_p^2 denotes the squared coefficient of variation of consumption/income amongst the poor.</p> $P_2 = \frac{PG^2}{H} + \frac{(H - PG)^2}{H} * CV_p^2$ <p>Though this measure may be hard to interpret, it is able to effectively rank the distributions and indicate which is preferable.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Poor | <p>The poor are those in society who suffer disadvantage in regard to the possession of goods, or facilities deemed to be necessary according to some generally accepted social standard, or some fundamental physical need²⁵.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

²⁵ ²⁵ Dennis A. V. Brown, *Surveys of Living Conditions, Reported Health and Poverty in the Caribbean: SES, UWI, Mona, 2007* Forthcoming.

| WORD | MEANING |
|---------------------------|--|
| Poor Access to Safe Water | This is defined as the percentage of household or persons living in those households with no piped water. |
| Poor Quality Housing | This is defined as the percentage of households or persons living in those households where the toilet is a pit latrine or worse. Typically, this is the sum of the valid percent of households which report that they have a pit latrine, whether or not ventilated or no toilet facilities. |
| Preventative Institutions | These are institutions that perform functions that are preventative in nature; assist in the protection of individuals or groups from risks or vulnerabilities, and from succumbing to particular problems. |
| Quintile Distributions | This is the division of households in society into five groups. They provide useful data on conditions of households and individuals across the society, and not only on the poor. Such distributions allow insight into the changes that apply as one surveys the socio-economic pyramid and prompt hypotheses on the causative factors involved, and in revealing counter-intuitive findings. Therefore the first quintile refers to the lowest 20 percent of the distribution. Likewise, when reference is made to the highest quintile it is the top 20 percent of the quintile distribution which is being discussed. In the case of this report it refers to the distribution of per capita consumption expenditure. |
| Remedial Institutions | These are institutions that seek to restore individuals or groups to a state of wholesomeness following their having been subjected, or having succumbed to particular social challenges. |
| Relative Poverty | The estimation of poverty on the basis of comparison with what some other group or individual possesses. |
| Structural Poor | Individuals or households living below the poverty line, that have only recently come to experience impoverishment as a result of recent structural changes in the economy. |
| Supportive Institutions | These are institutions with a focus on the provision of assistance to those in need, without necessarily being concerned with their capacity to respond to social and economic challenges on their own. |
| Transient Poverty | Individuals and households that move into and out of poverty on a seasonal basis. |
| Unemployment | The unemployed are members of the economically active population who are without work but currently available for and actively seeking work, including people who have lost their jobs and those who have voluntarily left work. |
| Vulnerability Line | The vulnerability line is 125% of the poverty line; it measures the number of persons who are susceptible to becoming poor due to an unanticipated event such as a natural disaster or other economic shock. Persons who live in households with per capita consumption expenditure below the vulnerability line are said to be vulnerable. |
| Working Poor | Those who are employed and who belong to poor households are considered to be the working poor. The definition of the working poor involves two statistical units: the individual and the household. The individual is the basis for establishing the "working" and "not working" classification, while the household is the basis for establishing the "poor" and "not poor" socioeconomic classification. |

TECHNICAL APPENDIX TO CHAPTER 4

1. Constructing the poverty Line

The poverty line is constructed in two distinct stages: first there is the estimation of an indigence or food poverty line. Next the indigence line is adjusted upwards to account for non-food basic needs.

The concept of *indigence* is premised on the notion that every individual must satisfy certain basic nutritional requirements for survival. A basket of goods is selected in such a way as to maximise one's nutrient intake at the lowest possible cost. The market cost of the selected basket is then derived and the monetary value of purchasing the selected basket of basic food calculated. Households unable to meet the cost of obtaining this basket of food items are categorised as *critically poor*, or *indigent*.

The market cost of the basic food basket (the indigence line) represents a lower limit of poverty and is considered the critical poverty line. The minimum cost of obtaining the basic food requirement (2,400 kilocalories) is established using prices collected at the time of the SLC/HBS for various foods readily available at food distribution outlets.

Using software developed by the CFNI (Caribbean Food and Nutrition Institute) which estimates the nutritional and calorie content of all foods generally consumed in the Caribbean, *a priori*, a selection is made by the software of the basket of foods amounting to 2400 kilocalories, across

all the food groups, at the minimum cost. The cost associated with this “balanced” diet per day (which can also be expressed per month) is referred to as the indigence line. Households with per capita consumption below this line are deemed to be *indigent*.

The following table shows the composition of the basket of goods selected by the CFNI software and used in the estimation of the indigence and poverty lines for St. Lucia.

Next, an allowance is made for non-food basic needs consumption, by adjusting the indigence line upwards, to arrive at the poverty line. The method applied involves the ranking of the adult equivalent per capita total consumption (food and non-food) of each household in the sample and finding the average value of the non-food adult equivalent per capita consumption associated with the bottom two quintiles of the distribution.

Using the SLC/HBS data set, the percentage distribution of food and non-food in total expenditure among the poorest 40 percent of the population is calculated. This average value for non-food expenditure is added to the monetary value of the indigence line to derive the poverty line²⁶.

²⁶ In the World Bank approach to the construction of the poverty line, food requirements are derived based on nutritional requirements set by the indigence line, while non-food expenditures are set on the basis of a relative measure, namely, the average non-food expenditure of the poorest 40 percent of the population.

**FOOD BASKET FOR ESTIMATING INDIGENCE LINE FOR
ST. LUCIA**

| Item | Amount (oz) | Amount (gr) | Energy (Kcal) | Cost |
|---------------------------|-------------|---------------------|---------------|------|
| Counter Flour | 2.32 | 66 | 242.4 | .12 |
| Rice | 2.32 | 66 | 238.5 | .13 |
| Corn Meal | 2.32 | 66 | 239.1 | .26 |
| Green Banana | 2.97 | 84 | 59.2 | .09 |
| Fresh Breadfruit | 2.97 | 84 | 46.4 | .12 |
| Irish Potato/French Fries | 2.97 | 84 | 230.5 | .71 |
| Dark Brown Sugar | 2.27 | 64 | 240.0 | .11 |
| Coconut | 2.10 | 59 | 81.0 | .04 |
| Split Peas | 2.10 | 59 | 207.0 | .21 |
| Avocado Pear | .68 | 19 | 21.1 | .10 |
| Canned Corn | .68 | 19 | 12.6 | .14 |
| Melongene | .68 | 19 | 3.8 | .07 |
| Frozen Pea And Carrot | .68 | 19 | 10.5 | .21 |
| Ripe Banana | 2.23 | 63 | 39.3 | .13 |
| Tangerines | 2.23 | 63 | 21.5 | .09 |
| Grapefruit | 2.23 | 63 | 12.7 | .07 |
| Oranges | 2.23 | 63 | 22.6 | .13 |
| Beef Liver | 1.17 | 33 | 44.3 | .14 |
| Chicken Gizzard | 1.17 | 33 | 37.4 | .17 |
| Chicken Neck And Back | 1.17 | 33 | 26.0 | .08 |
| Pig Feet | 1.17 | 33 | 51.9 | .11 |
| Canned Mackerel | 1.17 | 33 | 60.5 | .23 |
| Beef Kidney | 1.17 | 33 | 41.0 | .20 |
| Jacks | 1.17 | 33 | 15.4 | .15 |
| Chicken Mature | 1.17 | 33 | 59.4 | .22 |
| Vegetable Shortening | .74 | 21 | 183.9 | .21 |
| Margarine | .74 | 21 | 152.1 | .20 |
| | | | 2,400 | 4.43 |
| Diet Composition | | | | |
| Water (G) = | 151.2 | Vitamin A (R.E.) = | 3341.7 | |
| Energy (Kcal) = | 2400.0 | Thiamin (Mg) = | 1.4 | |
| Protein (G) = | 79.0 | Riboflavin (Mg) = | 2.20 | |
| Fat (G) = | 79.6 | Niacin (Mg) = | 22.5 | |
| Carbohydrate (G) = | 348.4 | Vitamin C (Mg) = | 118.5 | |
| Fiber (G) = | 6.2 | Total Cost (\$) = | 4.43 | |
| Calcium (Mg) = | 290.6 | Total Amount (Lb) = | 2.80 | |
| Iron (Mg) = | 19.2 | Total Amount (Kg) = | 1.27 | |

2. Definitions of Vulnerability Indicators

- a. **Poverty Line:** A monetary measure of the minimum consumption, in dollar terms, of goods and services that a household should obtain in order to ensure that its basic needs are adequately met. The poverty line, therefore, represents a minimum budget that a household should spend, over a defined period, if it is to meet its basic food and non-food requirements.
- b. **Vulnerability Line:** The vulnerability line is 125% of the poverty line; it measures the number of persons who are susceptible to becoming poor due to an unanticipated event such as a natural disaster or other economic shock.
- c. **Poverty Head Count Index:** This is the percentage of the population which lives in households whose adult equivalent per capita consumption falls below the poverty line. Unlike per capita consumption which is measured at the household level as total household expenditure divided by the number of household members, adult equivalence measures the total number of equivalent adults in the household, in this case each person is assigned based on his/her age and sex a number equal to or less than one using the following scale. The total number of equivalent adults is always less than or equal to the number of persons in the household.

| Adult Equivalence | | |
|-------------------|-------|--------|
| Age Range | Male | Female |
| Less than 1 | 0.270 | 0.270 |
| 1 to 3 | 0.468 | 0.436 |
| 4 to 6 | 0.606 | 0.547 |
| 7 to 9 | 0.697 | 0.614 |
| 10 to 14 | 0.825 | 0.695 |
| 15 to 18 | 0.915 | 0.737 |
| 19 to 29 | 1.000 | 0.741 |
| 30 to 60 | 0.966 | 0.727 |
| 61+ | 0.773 | 0.618 |

d. **The Poverty Gap Index:** This is the mean proportionate distance across the whole population of the poor from the poverty line. Gives a good indication of depth of poverty since it is a function of the distances of the poor below the poverty line. The poverty gap represents the minimum cost of eliminating poverty using targeted transfers, in other words, if every person below the poverty line is given just enough money to get him or her above the poverty line the cost would be the total sum of these transfers.

e. **The Foster-Greer-Thorbecke P2 Index (“Poverty Severity Index”):** This measure is defined as a weighting of the poverty gaps of the poor based on those poverty gaps. It is defined as:

$$P_2 = \frac{1}{n} \sum_{i=1}^q \left[\frac{z - y_i}{z} \right]^2$$

= mean of squared proportionate poverty gaps

Where,

Z is the monetary value of the poverty line

q is the total number of people who are poor

N is the size of the population

y is the per capita adult equivalent consumption expenditure

To be clear, this measure can be thought of as being composed of two components: an amount due to the poverty gap, and an amount due to the inequality amongst the poor. Expressed mathematically we have equation 6, where CV_p^2 denotes the squared coefficient of variation of consumption/income amongst the poor.

$$P_2 = \frac{PG^2}{H} + \frac{(H - PG)^2}{H} * CV_p^2$$

While there are difficulties interpreting this measure, it is its ability to order distributions in a better way than alternative measures such as the Sen index that makes it useful, not the precise numbers obtained.

f. **Low per Capita Household Consumption:** This is the percentage of the population which belongs to households with per capita expenditure less than the monetary value of the vulnerability line defined previously.

- g. **Low Adult Equivalent Per Capita Consumption:** This is the percentage of the population which belongs to households with per capita adult equivalent expenditure less than the monetary value of the vulnerability line defined previously.
- h. **Low Educational Attainment:** This is defined as the percentage of the entire population which have not passed any academic examination. Typically this is derived by reporting the percentage of the population responding “None” to the standard question “What is the highest examination that ...(you) have passed?” in a frequency distribution of the population by the variable highest examination passed. This is strictly a characteristic which can only be defined for an individual and therefore no measure exists for the household.
- i. **No Schooling:** This is a measure of truancy and is defined as the percentage of the school age population between 5 to 15 years of age who missed at least one day of schooling of the total available number of days of schooling last week. This is strictly a characteristic which can only be defined for individuals of school age and therefore no measure exists for the household.
- j. **No Employment:** This measure is defined as the percentage of households in the population where the total number of persons employed within the households is zero. The percentage of persons within households with no employed adults is the equivalent persons based measure for the population on this indicator. A person is defined as employed if he/she did any work at all in the past week for at least one hour or was on vacation during that time. This is the standard ILO (International Labour Organization) definition of the employed.
- k. **Insufficient Employment:** Basically this concept is defined as the percentage of households or persons in the population living in households where less than one in two adults is employed. There are several aspects to this definition; firstly an adult is defined for all applicable indicators as a person over the age of 15. Secondly an employed person is defined according to the ILO definition stated previously. In practical terms an employment rate for adults is generated for each household, if this rate is less than 50% then the household is said to have insufficient employment.
- l. **High Dependency Ratio:** This is defined as less than one person of working age for every two persons not of working age in households for the entire population. The

percentage of households and the percentage of persons living in those households which qualify on this definition is reported. For all countries the working age was defined as persons over the age of 15 years, no upper limit was imposed on the data.

m. **Poor Access to Safe Water:** This is defined as the percentage of household or persons living in those households with no piped water. Typically, the sum of the valid percent on the “None”, “river” or “other” type of water source from a frequency distribution on the household question “*What is the MAIN source of your water supply?*” is reported. For Anguilla, St Kitts and Nevis, Antigua and Barbuda, BVI and the Bahamas the option of private catchment not piped is included as a safe water source since Wells and Cisterns are designed to generate treated accessible water generally whether or not the water is piped.

n. **Poor Quality Housing:** This is defined as the percentage of households or persons living in those households where the toilet is a pit latrine or worse. Typically, this is the sum of the valid percent of households which report that they have a pit latrine, whether or not ventilated or no toilet facilities.

o. **Low Asset Base:** This is defined as the percentage of households or persons living in those households with less than four out of nine possible common durables. A common durable is a popular household appliance which typically allows the household to derive more than one year of service flow from its use. All durables owned by the households in a country is ranked and the nine most popular ones are determined. An aggregate of the number of the nine most common durables is generated for each household. If this number exceeds three the household is not considered to have a low asset base, otherwise it is considered to have a low asset base. Common durables generally include but are not confined to the following, stove, refrigerator, television set, radio/stereo, vehicle, Telephone, Video, computer, electric iron, washing machine etc.

3. **Measuring Inequality - The Lorenz curve and the Gini Coefficient:** The Lorenz curve is used in economics to describe inequality in wealth amongst individuals in the population. The Lorenz curve is a function of the cumulative proportion of ordered individuals mapped onto the corresponding cumulative proportion of their wealth. If all individuals within the population have equal amounts of wealth, the Lorenz curve is a straight diagonal line, called the line of equality.

If there is any inequality in size, then the Lorenz curve falls below the line of equality. The total amount of inequality can be summarized by the Gini coefficient (also called the Gini ratio), which is the ratio between the area enclosed by the line of equality and the Lorenz curve OGB, and the total triangular area under the line of equality, OAB. The degree of asymmetry around the axis of symmetry is measured by the so-called Lorenz asymmetry coefficient.

The Gini coefficient (or Gini ratio) G is a summary statistic of the Lorenz curve and a measure of inequality in a population. The Gini coefficient is most

easily calculated from unordered size data as the "relative mean difference," i.e., the mean of the difference between every possible pair of individuals, divided by the mean size μ ,

$$G = \frac{\sum_{i=1}^n \sum_{j=1}^n |x_i - x_j|}{2n^2\mu}$$

The Gini coefficient ranges from a minimum value of zero, when all individuals have an equal amount of wealth, to a theoretical maximum of one in an infinite population in which every individual except one has wealth of zero.