

# **SOCIAL PROTECTION AND POVERTY REDUCTION IN THE CARIBBEAN: EXAMINING POLICY AND PRACTICE**

## **ST. LUCIA COUNTRY REVIEW**

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### **SUBMITTED BY COUNTRY CONSULTANT:**

Aldrie Henry-Lee Ph.D.  
Research Fellow  
Sir Arthur Lewis Institute of Social and Economic Studies (SALISES)  
Mona Campus  
Kingston 7  
University of the West Indies  
Jamaica, West Indies

Phone: (876) 927-1020/ (876) 927-1234  
Fax: (876) 927-2409  
Email: [aldrie.henrylee@uwimona.edu.jm](mailto:aldrie.henrylee@uwimona.edu.jm)

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## **GLOSSARY OF ACRONYMS**

<b>BNTF</b>	<b>Basic Needs Trust Fund</b>
<b>CARICOM</b>	<b>Caribbean Community and Common Market</b>
<b>CDB</b>	<b>Caribbean Development Bank</b>
<b>CDF</b>	<b>Cultural Development Foundation</b>
<b>CSME</b>	<b>Caribbean Single Market and Economy</b>
<b>CXC</b>	<b>Caribbean Examinations Council</b>
<b>EC</b>	<b>European Commission</b>
<b>ECCB</b>	<b>Eastern Caribbean Central Bank</b>
<b>ERSO</b>	<b>Economic Recovery Support Operation</b>
<b>EPA</b>	<b>European Partnership Agreement</b>
<b>EU</b>	<b>European Union</b>
<b>FTAA</b>	<b>Free Trade Area of the Americas</b>
<b>ILO</b>	<b>International Labour Organization</b>
<b>MDG</b>	<b>Millennium Development Goal</b>
<b>NCA</b>	<b>National Conservation Authority</b>
<b>NEC</b>	<b>National Economic Council</b>
<b>NIC</b>	<b>National Insurance Corporation</b>
<b>NSDC</b>	<b>National Skills Development Center</b>
<b>NDC</b>	<b>National Development Corporation</b>
<b>NELP</b>	<b>National Enrichment Learning Programme</b>
<b>NFCCU</b>	<b>National Farmers Co-operative Credit Union</b>
<b>NEMO</b>	<b>National Emergency Management Office</b>
<b>NGO</b>	<b>Non-governmental Organization</b>

<b>NRDF</b>	<b>National Research and Development Foundation</b>
<b>LUSAVE</b>	<b>St. Lucia Save the Children Fund</b>
<b>OECS</b>	<b>Organization of Eastern Caribbean States</b>
<b>OPSR</b>	<b>Office of Private Sector Relations</b>
<b>PAHO</b>	<b>Pan American Health Organization</b>
<b>PRF</b>	<b>Poverty Reduction Fund</b>
<b>PROUD</b>	<b>Programme of the Regulation of Unplanned Development</b>
<b>SEDU</b>	<b>Small Enterprise Development Unit</b>
<b>SFA</b>	<b>Special Framework for Assistance</b>
<b>SLHTP</b>	<b>St. Lucia Heritage Tourism Programme</b>
<b>SLREP</b>	<b>St. Lucia Rural Enterprise Project</b>
<b>STEP</b>	<b>Short-Term Employment Programme</b>
<b>STABEX</b>	<b>Commodity Stabilization Fund (Asia, Pacific and Caribbean Countries)</b>
<b>TWG</b>	<b>Technical Working Group</b>
<b>UN</b>	<b>United Nations</b>
<b>UNICEF</b>	<b>United Nations Children 's Fund</b>
<b>UNESCO</b>	<b>United Nations Educational, Scientific and Cultural Organization</b>
<b>UNFPA</b>	<b>United Nations Population Fund</b>
<b>WFP</b>	<b>World Food Programme</b>
<b>WTO</b>	<b>World Trade Organization</b>
<b>XCD</b>	<b>Eastern Caribbean Dollar</b>
<b>YAP</b>	<b>Youth Apprenticeship Programme</b>

## GLOSSARY OF TERMS

**Social protection** includes all interventions from public, private, voluntary organizations and informal networks to support individuals, families, households and communities in their efforts to prevent, manage and overcome a defined set of risks and vulnerabilities.

**Vulnerability** refers to proneness to damage from external forces.<sup>1</sup>

- ❑ **Economic Vulnerability:** refers to risks faced from exogenous shocks to systems of production, distribution and consumption.
- ❑ **Environmental Vulnerability:** refers to the risk of damage to natural eco-systems.<sup>2</sup>
- ❑ **Social Vulnerability:** reflects "...the degree to which societies or socio-economic groups are affected by stresses and hazards, whether brought about by external forces or intrinsic factors (internal or external) that negatively impact the social cohesion of a country"<sup>3</sup>

**Governance** is generally used to describe "different aspects of social organization and the institutional framework within which social and economic activities are performed" (Osmani 2002:121). International agencies such as the UNDP and the World Bank define governance as the manner in which the resources of a state are managed for the development of the citizens (World Bank 1992; UNDP 2002).

A **Risk** is a chance of experiencing negative consequences of an event. It speaks to the level of exposure to loss, danger or mishap. Risk results from the combination of two factors: hazard and vulnerability. A *Hazard* is a threat. Hazards are events (e.g. storm), biological entities (e.g. bacteria), or physical agents (e.g. heat). Hazards have the potential to cause damage. Hazards cause disasters only when they affect human life, property and other activities. *Vulnerability* is a condition. Vulnerability is predisposition. It applies to individuals, groups of individuals or communities, but it can be used also when referring to structures, etc. The poorer the person, the more that person is predisposed to suffer damage when a negative event occurs. Vulnerability is about susceptibility and resilience. Susceptibility is the fact of being exposed. Resilience is a capacity to adjust and recover.<sup>4</sup>

- **Covariant risks** can be regional or international (e.g. macroeconomic shocks).
- **Idiosyncratic risks** occur at the micro level and usually affect a portion of the population. (E.g. illness, widowhood).

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<sup>1</sup>UNDP 2000 in [www.sidsnet.org/docshare/other/20031104114454\\_Building\\_Resilience\\_to\\_Social\\_Vulnerability.ppt](http://www.sidsnet.org/docshare/other/20031104114454_Building_Resilience_to_Social_Vulnerability.ppt) June 29, 2004.

<sup>2</sup>UNDP 2000 in <www.sidsnet.org/docshare/other/20031104114454\_Building\_Resilience\_to\_Social\_Vulnerability.ppt> June 29, 2004.

<sup>3</sup>UNDP 2000 in <www.sidsnet.org/docshare/other/20031104114454\_Building\_Resilience\_to\_Social\_Vulnerability.ppt> June 29, 2004.

<sup>4</sup><<http://www.who.int/disasters/repo/5525.pdf>> June 29, 2004.

**Macroeconomic Volatility:** refers to the extent to which economic activity fluctuates from period to period. Macroeconomic Volatility may be measured by the standard deviation of the growth rates of income and private consumption.<sup>5</sup>

**Social Safety Net** programmes ensure that various segments of the population have reasonable access to minimal income and basic social services in the event of diverse contingencies such as involuntary unemployment, old age or sudden economic crisis.<sup>6</sup>

**Public poverty** is the State's inability to provide adequate basic essential services to its people.

**Private Poverty/poor** is the individual's or household's inability to consume/live at a minimum-level acceptable standard in the society. Currently definitions of private poverty embrace the more socio-cultural aspects of survival and today, most discussions of poverty include one or more of the following; income or consumption, human under- development, social exclusion, ill-being, (lack of) capability and functioning, vulnerability, livelihood un-sustainability, lack of basic needs and relative deprivation (Maxwell, 1999).

**Social Insurance** is social security that is financed by contributions and based on the insurance principle, that is, individuals or households protect themselves against risk by combining to pool resources with a larger number of similarly exposed individuals.<sup>7</sup>

**Social Assistance** encompasses all the public actions that are designed to transfer resources to groups deemed to be eligible due to deprivation.

**The Sustainability Index** is linked to the concept of sustainable economic development so that economies that have a lower sustainability index value are less likely to have sustainable development. Declining levels of sustainability are indicated by a lower value for the sustainability index (and higher values with improving levels of sustainability). According to the OECS Development Report 2002, the index of sustainability is calculated on the basis of sub-indices showing each country's attainment in the following spheres:

- Real changes in health and education expenditure;
- Level of food poverty;
- Changes in the grade level pass rates for CXC English and mathematics;
- Level of crime;
- Housing conditions (access to potable/improved water);
- Population stability;
- Gross capital formation as a percent of GDP;
- Changes in productivity;
- The level of savings as a percent of GDP;
- Credit efficiency.

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<sup>5</sup> Source: Caribbean Economic Overview 2002: Macroeconomic Volatility, Household Vulnerability, and Institutional and Policy Responses. p.20

<sup>6</sup> <<http://www.un.org/documents/ecosoc/docs/2000/e2000-13.pdf>> June 29, 2004.

<sup>7</sup> United Nations ,Economic and Social Council (13-23 February 2001) p.4

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## A REVIEW OF SOCIAL PROTECTION IN ST. LUCIA

### EXECUTIVE SUMMARY

#### 1. INTRODUCTION

This study forms part of a joint research initiative to review social protection in the Caribbean. The countries involved in this initiative are St. Lucia, Grenada and Belize. The research on Grenada and Belize was financed by the Caribbean Development Bank and this study on St. Lucia is supported with funds from the European Union. This Caribbean research project is the result of collaboration among the development partners: UK's Department for International Development (DFID), the European Commission (EC) and the Caribbean Development Bank (CDB). Previous studies on social protection have been completed for Dominica and Jamaica.

The researchers involved in this initiative agreed on a common methodological approach and analytical framework. These three studies will inform the formulation of a Caribbean Framework for Social Protection. Drawing on several models of social protection (e.g. that of the United Nations Economic and Social Council and the Risk Management model by the World Bank and that of DFID), the researchers approached the issue of social protection as strategies that involved risk reduction or prevention, mitigation and risk coping.

The agreed definition of social protection used in the three studies is: *“all interventions from public, private, voluntary organizations and informal networks to support individuals, families, households and communities in their efforts to prevent, manage and overcome a defined set of risks and vulnerabilities.”* A **risk** is a chance/probability of experiencing negative consequences of an event. **Vulnerability** refers to proneness to damage from external forces.

Seven key areas of social protection identified by the researchers were:

1. Macroeconomic management
2. Labour markets
3. Social insurance
4. Social assistance, social services, health and education
5. Micro and area-based schemes
6. Natural hazards and environmental protection
7. Participatory governance.

The main objectives of the study were to:

1. Identify the risks and vulnerabilities that affect the St. Lucian population.
2. Determine the nature and scope of social protection in St. Lucia.
3. Determine whether the current provision of social protection adequately addresses the risks and vulnerabilities present in the country.
4. Determine the effectiveness and the efficiency of existing social protection programmes.
5. Define an appropriate framework for the provision of social protection in St. Lucia.

The research methodology involved quantitative and qualitative data collection. The quantitative research included the statistical analysis of the 1995 poverty assessment for St. Lucia and the analysis of census data by officials of the St. Lucia Statistical Department. The qualitative research involved elite interviews, focus group discussions, site visits and community meetings. Previous studies, policy documents and other secondary data also informed the research. The research was guided and supervised by a Technical Working Group (TWG) chaired by the Deputy Permanent Secretary of the Ministry of Social Transformation. The members of the TWG included key representatives from various ministries and agencies.

A review of social protection is important because the identification of risks informs the formulation of strategies to prevent, mitigate, manage and overcome these risks. If a country does not deal with its risks, its vulnerability levels will increase and sustainable economic growth and human development will be illusive. As the international developmental agenda promotes a “rights-based” approach to sustainable development, equitable access to good quality social protection instruments is seen as a right of all citizens in any country. This study is important as St. Lucia attempts to find its place in an increasingly globalizing world that demands competitive competencies that can only be developed in a local environment that promotes equitable access to social goods and promotes equal opportunities for all.

## **2. THE ST. LUCIAN CONTEXT**

St. Lucia, a small Caribbean island of 160,986 persons and a member of the Organization of Eastern Caribbean States, is located between Martinique and St. Vincent. This developing country of 616 square miles is vulnerable to external shocks such as natural disasters, international economic and political changes. The country is particularly vulnerable given a globalization index of 0.66 (1999) that is higher than the CARICOM average of 0.53. This index estimates the level of integration of a country into the global economy. St. Lucia’s foreign exchange earnings accrue primarily from agriculture and tourism and with a significant contribution from goods and services. In the last 10 years, the provision of services has increased from 20percent to 35percent of GDP. In 2003, the rate of growth of real GDP was 3.7 compared to 0.4 in 2002. This fluctuation itself indicates volatility.

In economic terms, St. Lucia is a middle-income country with a per capita income of US\$3,946 and an HDI index of 0.775. Its social indicators are fairly reasonable with a life expectancy rate of 70 years, an infant mortality rate of 17 per 1000 and a net primary school enrollment rate of 91percent. The percentage of houses that depend on public standpipes has decreased from 28.3percent in 1991 to 8.5percent in 2001. A recent publication by the Ministry of Social Transformation indicates that progress towards the fulfillment of the Millennium Development Goals (MDGS) has been made in access to universal primary education, gender equality and environmental sustainability.

### **3. IDENTIFICATION OF THE RISKS AND VULNERABILITIES THAT AFFECT THE ST. LUCIAN POPULATION**

#### *Macroeconomic vulnerability*

Due to its size, location and openness, St. Lucia is exposed to a variety of risks. St. Lucia is affected by the changes in the international markets as evident in the decline in agriculture in recent years. The recent World Bank Caribbean Economic Overview 2002 revealed that in spite of a decline in the level of volatility, in the 1990s, St. Lucia had the highest level of GDP growth volatility (6.54) among the Caribbean countries. As mentioned before, with a high globalization index as high as 0.66, St. Lucia is extremely vulnerable to changes in the international markets. The island's vulnerability is expected to increase if it is not adequately prepared for competition arising from conditionalities of the Caribbean Single Market and Economy (CSME), World Trade Organization (WTO), Free Trade Area of the Americas (FTAA) and European Partnership Agreements (EPAS). The weak linkages between industries were also revealed in this study. Insufficient economic links between tourism, fishing and craft were highlighted.

#### *Labour market risks and social insurance*

In St. Lucia's 2004-2005 budget presentation, the Prime Minister asserted that "*next to crime, the most pernicious social affliction facing the nation is unemployment*". The unemployment rate stood at 20.4 per cent in 2002 with youth unemployment being a major concern. Persons in the age group 15-24 accounted for 50percent of the total unemployed in 2001. This is one of the highest rates of youth unemployment in the OECS. St. Lucia's vulnerability to external shocks is a key factor in understanding labour market risks. The dramatic events of September 11 2001, led to the temporary closure of major hotels.

Unemployed persons are at risk of poverty and need social protection. Those employed must be adequately insured in the event of loss of jobs. Those who are marginally or seasonally employed must also be protected. The issue of "decent wages" advocated repeatedly by the International Labour Market (ILO) becomes relevant as inadequate wages and poverty are linked. Having a job in St. Lucia is no guarantee against poverty because the poverty assessment data revealed that 57.6 percent of the poorest 20percent of the St. Lucian population are employed.

Labour market issues are intricately linked with the human development issues. Those unemployed for long periods are usually unskilled with limited or poor quality education. This group is extremely vulnerable in the labour market. Further, they belong to larger households with more children and few income earners.

Another group at risk in the labour market is those persons in the informal sector. Workers in this sector are usually without insurance and access to social protection instruments. In 2000, the proportion of informal workers in the labour market stood at 30.5percent. Vulnerable groups, e.g. street vendors, the fishers, the ex-farmers and the labourers have limited access to social insurance.

Persons accessing credit to start up or expand a small business face major risks. Qualitative data collected in this study showed that unless increased access to markets is gained, small businesses collapse and loans are not paid.

*Natural hazards*

The island, because of its location, is very prone to natural and environmental risks. Hurricanes, storms, heavy rains, landslides and flooding have resulted in extensive damage. The impact of Hurricane Allen (1980) was tremendous. The island's main industry at the time (bananas) was devastated: 88percent of crops had snapped stems while 12percent of crops were uprooted. Banana farmers were without an income for approximately nine months. Coastal and marine habitat degradation is also a natural hazard. Furthermore, the reality of global climatic changing conditions exacerbates the risks associated with natural hazards and environmental factors in St. Lucia.

*Poverty and vulnerability*

Poverty is a major risk. The poorer a household or individual is, the less the capacity to seize opportunities for self-improvement and for overcoming external shocks. In 1995, 25percent of individuals and 18.7percent of households were estimated to have a consumption level of less than the EC\$156.37 monthly poverty line. The percentage of individuals and households whose consumption level was inadequate to cover their dietary requirements was 5.3 percent and 7.1 percent, respectively. Those who lived in the rural areas and households with larger families were more likely to be poor. The poorest 20percent of the population had higher proportions of family members with only primary level education and no education. There is also the phenomenon of the "working poor". They are concentrated in agriculture and in manufacturing. The poor involved in the agricultural sector, particularly the banana industry, face the risk of loss of income resulting from a declining banana industry. A stagnated manufacturing sector is also a cause for concern among the urban poor employed in this sector. Low educational attainment is associated with poverty. Low-level education increases an individual's vulnerability to external shocks.

From the 2001 census data provided by the Department of Statistics it was found that children aged less than 15 years and the elderly, 60 years and older are particularly vulnerable. Children had the highest levels of vulnerability with 27.1 percent of their group experiencing poverty.

Estimates of vulnerability (using non-income indicators) were calculated for St. Lucia using the 1995 data set. Vulnerability was measured by using an equivalent line of 125percent of the poverty line. Vulnerability levels for households and individuals are 28.2 per cent and 36.3 percent respectively. It was found that in St. Lucia:

- 22.3 percent of households did not have any adult employed. Over 52 percent had less than one adult employed.
- Dependency ratios are high with 26.5 percent of households having one person of working age employed to every two not of working age.
- About 37 percent of the adults have never passed any examination. Approximately 6percent of school age individuals do not attend any school.
- Approximately 56 per cent of the households in St. Lucia have houses with either poor quality outer walls or inadequate toilet facilities.

- ❑ Just over 30percent of households have less than 4 out of the 9 durable goods identified as possible buffers against unforeseen misfortunes.

Using the 1995 poverty data set, probit (regression) analyses were carried out to find out what factors would increase the probability of becoming vulnerable. The results revealed that:

- There is a strong correlation between household size and composition and vulnerability.
- Having an extra member in a household increases the probability of an individual becoming vulnerable by 7.3 per cent. Not surprisingly, having fewer dependents per adult of working age reduces vulnerability by 2 per cent for the household.
- Being employed reduces vulnerability by 8.4percent while possession of an extra durable good in the household also reduces vulnerability by 7.9percent.
- Social insurance and health insurance have a positive effect in the reduction of vulnerability in the household.
- Public assistance does not contribute to a reduction in vulnerability and this may be due to its small value.

Some groups at risk identified by the quantitative and qualitative data from the study are:

- ❖ Children
- ❖ Single mothers
- ❖ The youth
- ❖ The Poor
- ❖ The Small business persons (e.g. craft persons, vendors)
- ❖ The elderly
- ❖ The disabled
- ❖ The farmers
- ❖ The ex-farmers
- ❖ HIV/AIDS victims

#### *Human development risks in a life cycle context*

Some risks are age specific.<sup>8</sup> These risks have implications for survival and the ability to avoid or break the cycle of poverty. Among the early childhood (0-4 years) age group, 38.9percent are poor and 8.5percent are vulnerable. Low birth weight, low enrollment rates at school and child neglect are associated with that age group. At the school age group (5-15 years), 29.5percent are poor and 12.3percent are vulnerable. Main risks associated with this group are poor attendance and high dropout rates. Of those sitting the Common Entrance Exams in 2003, only 60percent were assigned to secondary schools. Among the working age group (16-60 years), the main risks are unemployment, inadequate access to education and low levels of education. The unemployment rate was 20.4percent in 2002. 37percent of adults have not passed any examination. Among the elderly (60 years and over), the risks identified are low/no income, poor

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<sup>8</sup> Age groups set so as to compare with Grenada and Belize reports.

health, unemployment, social isolation and limited access to health insurance. Among this group, 20.8percent are in poverty and 13percent are vulnerable.

Other human development risks not associated with age are: HIV/AIDS, disability and crime. HIV/AIDS impacts negatively on the productivity levels of the labour force and also places an additional burden on the health sector. There has been a rapid increase in the number of cases in spite of efforts to control the spread of the disease. There are now 417 cases of confirmed HIV, 212 of which have developed AIDS. The prevalence rate is almost 1percent. Women account for the almost 48 per cent of the cases and about one-fifth of the cases have occurred among the youth under 25 years. The Prime Minister in his 2004 budget speech identified the children living with HIV/AIDS as a group at risk.

The disabled have been identified as a vulnerable group. Approximately 6percent of all St. Lucians have at least one disability.

St. Lucia is not free of crime. In fact, homicide accounted for 26.8percent of all external causes of death and 2.6percent of all deaths for the period 1998-2002.

#### *Participatory governance*

The Westminster model that is practised in St. Lucia has its inherent risks. Some of the respondents in the qualitative research mentioned some of these risks. They include:

- The threat posed by regime change to the practice of neutrality and political impartiality of the civil service
- High levels of conflict due to political cleavages caused by a highly politicized civil society
- The use of public office for personal gain
- High levels of political patronage.

If not properly handled, they can cause inequity in the distribution of benefits.

#### **4. THE NATURE AND SCOPE OF SOCIAL PROTECTION IN ST. LUCIA**

There are several social protection instruments provided by the government, non-governmental organizations and development partners. The EU is among the largest foreign aid donors in St. Lucia, contributing millions of dollars into various programmes under the Cotonou Agreement with African, Caribbean and Pacific (ACP) countries. It is estimated that about one third of the resources spent on social protection in St. Lucia is provided by donor agencies. Development partners play a major role in social protection and support several initiatives that aim to provide more equitable access to social services in St. Lucia. Informal networks and community-based organizations form the back of social protection as many individuals and households depend on their services to survive.



At the policy level, there are several policies and programmes in place that target vulnerable groups in St. Lucia. Each ministry provides social protection programmes. There is a legislative framework that supports social protection. Pieces of legislation include The Public Assistance Act of 1967, The National Insurance Act No. 10 of 1978, The Education Act No. 41 of 1999, The Children and Young persons Act No.11 of 1972, The Domestic Violence Act (Summary Proceedings) Act No.7 of 1996, The Attachment of Earnings (Maintenance) Act. No.17 of 1996 and Affiliation Ordinance No.33 of 1955.

In all seven social protection areas under review, the government has provided social protection instruments. The question remains, *to what extent have these instruments improved the country's ability to prevent, manage and overcome risks?* The review found that there is commitment by the government to social protection, evident in their policies and programmes. In fact, the Prime Minister's 2004 budget speech with its emphasis on "youth at risk" seems like a prelude to this study. The study, however, found that in general, a *risk management model of social protection is not currently being pursued*. Programmes are generally developed in response to a social problem and the "prevention side" of social protection is weak. More emphasis is being placed on the "mitigation" and "coping" strategies. Social protection is reactive rather than preemptive. There is not currently a holistic view of social protection, and an integrated approach to the delivery of social protection is lacking. Targeting and coverage of social protection programmes need improvement for effective impact.

Some of the main social protection instruments by area are discussed below.

#### *Macro economic management*

The Ministry of Finance headed by the Prime Minister is responsible for economic and development planning. The government lauds itself for having managed the September 11 crisis in such a manner that the tourism industry was not too negatively affected and the country was able to realize a growth rate of 3.7percent in the face of many external shocks. There is a Programme Planning and Budgeting System, which has been set to allocate financial resources efficiently. The Office of Private Sector Relations provides grants to encourage new initiatives in the private sector. The Office also assists non-governmental organizations in the entrepreneurial function. The Prime Minister mentioned many new initiatives which he hopes will stimulate growth in the tourism industry, e.g. institutions that finance hotel construction (especially before the Cricket World Cup of 2007) will be exempted a percentage of the quantum of their investment for tax purposes. The banks, the Chamber of Commerce and credit unions provide economic stimulation. The National Research and Development Foundation (NRDF) provides credit and counseling for small businesspersons. The St. Lucia Hotel and Tourism Association represents the interests of the tourism sector. The donor agencies have played a major role in the provision of economic protection in this area. The European Union, for example, has, less than four Special Framework for Assistance (SFA) initiatives, allocated EC\$20.9m to agricultural diversification.

#### *Labour market*

A Labour Code has been drafted. The Ministry of Labour Relations, Public Service and Cooperatives, the Ministry of Education, Human Resource Development, Youth and Sports, the National Insurance Corporation and the Ministry of Social Transformation are major players in

the mitigation of labour market risks in St. Lucia. Some major social protection instruments e.g. the National Enrichment Learning Programme (NELP) and the National Skills Development Centre (NSDC) provide skills training, that improves access to the labour market. The Ministry of Social Transformation, through the National Conservation Authority, co-ordinates and regulates the Short Term Employment Programme (STEP) which benefits approximately 2000 persons every year. Two new initiatives are to come on stream- the Youth Enterprise Development Fund and Youth Apprenticeship Programme (YAP).

### *Social insurance*

This area of social insurance is the responsibility of the National Insurance Corporation. The National Insurance Corporation Act (2000) that governs and regulates national insurance provision in St. Lucia was established to protect those who are of “insurable capacity.” A total of 10percent of insurable earnings is made on behalf of each employee; 5percent is deducted from the employee’s wages or salary and matched by 5percent from the employer. Conditions determining a person’s ‘insurable capacity’ include:

- Age (must be between 16 and 60 years old);
- Engagement in insurable employment;
- Registration as prescribed under the Act;
- Adherence to conditions concerning residence in St. Lucia;
- Employment outside St. Lucia under the prescribed conditions of the Act.

Benefits to be obtained include cover costs related to sickness, invalidity, maternity, hospitalization and medical treatment, survivors, retirement, funeral and employment injury. There are several private companies that offer insurance but these are not always accessible to the low-income groups.

### *Social assistance, social services, health and education*

The three major governmental bodies involved in the provision of protection in this area are as follows: Ministry of Social Transformation/Culture, Local Government and Ecclesiastical Affairs; Ministry of Health, Human Services, Family Affairs and Gender Relations and Ministry of Education, Human Resource Development, Youth and Sports. Some major social protection programmes in the Ministry of Social Transformation include the Poverty Reduction Fund (PRF), the Basic Needs Trust Fund (BNTF), the James Belgrave Micro Enterprise Development Limited (BELFUND), the National Conservation Authority, and the Cultural Development Foundation. This Ministry is also responsible for the provision of daycare services. The Ministry of Education provides a school-feeding programme. Its Human Resource Unit provides scholarships to deserving students desirous of university level education overseas. This ministry also provides the Student Welfare Assistance Programme as well as bursary assistance at the tertiary level. The National Skills Development Center (NSDC) and the National Enrichment Learning Programme (NELP) also contribute to human development.

The Ministry of Health, Human Services, Family Affairs and Gender Relations provides social assistance in St. Lucia. The number of persons receiving social assistance totaled 2848 in 2003. The Prime Minister in his 2004 budget speech revealed that the allocation to children living with or in households with HIV/AIDS would be EC\$250 monthly instead of the regular public assistance of EC\$60. In every district there are community-based organizations that provide

assistance to the vulnerable. Churches and foundations such as, the St. Vincent De Paul Center, the National Council of and for Older Persons, the National Youth Council, the National Council for the Disabled, the Blind Welfare Association and the National Consumers Association are some of the major non-governmental organizations which offer social protection in that area.

#### *Environmental/natural hazards*

The National Emergency Management Office (NEMO) within the Office of the Prime Minister is in charge of managing natural and environmental risks. NEMO's mission is to develop, test and implement adequate measures to protect the population of St. Lucia from the physical, social, environmental and economic effects of both natural and man-made disasters. Its responsibility is to ensure the efficient functioning of preparedness, prevention, mitigation and response actions. The Disaster Preparedness and Response Act states that the Prime Minister must serve as ExOfficio Chairman of the Committee. The National Conservation Authority conserves the country's natural scenery and manages the beaches and protected areas. Non-governmental organizations also assist in times of disasters.

#### *Micro and area-based schemes*

The Small Enterprise Development Unit (SEDU) and The James Belgrave Micro Enterprise Development Limited (BELfund) are among the major government agencies that provide assistance to small businesses. The National Research and Development Foundation also provides counseling, credit and training in small enterprise. Credit unions and cooperatives also play a major role in this social protection area.

#### *Participatory governance*

The PRF and BNTF utilize participatory methods in their poverty reduction strategies. These participatory methods are designed to empower individuals and communities. Individuals and communities are encouraged to conceptualize, implement, monitor and evaluate projects. The community development officers from the Ministry of Social Transformation play a key role in community development. There are several citizens' associations and clubs, which serve the interests of their communities. Most development partners encourage the use of participatory methodologies to ensure community empowerment.

## **5. THE ADEQUACY OF THE CURRENT PROVISION OF SOCIAL PROTECTION (MATCHING SOCIAL PROTECTION INSTRUMENTS TO RISK AND VULNERABILITY)**

The study examined the adequacy of the present social protection system to prevent, manage and overcome the risks identified. Generally, the present social protection instruments are inadequate for effective risk management. Table 1 summarizes the risks and adequacy of current social protection programmes. Their adequacy has been assessed based on their ability to prevent, mitigate and cope with risks.

**Macroeconomic environment:** There is high risk in this area. The openness of the economy and its dependency on international markets renders the country very vulnerable. The adequacy of the current social protection instruments remains **low**, as the current economic structures are not prepared for the increased competitiveness from the CSME, FTAA, and WTO. CARICOM has itself recognized that some of the Caribbean countries may not be ready for the CSME and is considering setting up a Regional Development Fund to facilitate the necessary structural changes.

**Labour market:** The adequacy of the present social protection instruments is **low** and St. Lucia is not prepared for the increasing challenges in the global economy. Unemployment (especially youth unemployment) remains a serious problem. The main asset that St. Lucia has is its human resource. However, there is still a large proportion of the population that is without certification. The quality of education, the access to education beyond the secondary school system remains elusive for many. The informal sector has grown and there is inadequate provision for these workers. Access to decent employment is an issue as about 57percent of the poorest 20percent of the population are employed but that has not liberated them from their economic deprivation. Short-term employment is not enough to break the poverty cycle and skills training programmes need to be reviewed to meet the needs of the global market. Continuous upgrading of skills also needs to become a part of the culture. The current social instruments cannot compensate for the competitiveness of labour from outside the country that will be able to move more freely. How to attract and keep trained personnel remains a challenge. For small businesses, unless access to markets is procured, their businesses face closure.

**Social insurance:** The present social protection instruments focus on the employed and access to social insurance remains inadequate for those in the informal sector. The National Insurance Corporation faces a major financing challenge resulting from falling birth rates, the increasing size of the pensioner population, increasing life expectancy and the relative decrease in the number of contributors. High levels of chronic poverty and rising longevity increase the dependency ratio. A smaller proportion of the population is being asked to finance social security in the country. The adequacy of the social instruments in this area is **low to medium**.

**Human development:** St. Lucia's greatest asset is its people. Unlike Trinidad and Jamaica, which can depend on oil or bauxite respectively, the future of St. Lucia will be determined by the quality of its human capital. There are high risks in this area. Consequently, the country must invest heavily in education and health. Given the new initiatives put forward by the Prime Minister in his budget speech (and coupled with existing programmes), the provision of social protection instruments in this area is **medium**. The disabled, the elderly, persons living with HIV/AIDS (PLWA), children living with HIV and the unemployed youth and the residents in the

rural areas are particularly vulnerable. Improved access to social protection instruments for these groups is of paramount importance.

**Natural hazards:** Given its location, the risks of natural disasters remain medium to high. Some environmental problems are linked to poverty. Environmental problems associated with coastal productivity and declining stocks of important species have increased due to factors such as land and sea pollution; the over-harvesting of living marine resources and physical damage to coastal and marine eco-systems. The ability of the current social protection instruments to manage and overcome risks in this area remains **low to medium**.

**Participatory governance:** Social protection instruments, e.g. the PRF and the BNTF, have improved the institutional capacity at the community level. The community development officers are instrumental in community development. Citizens, however, remain heavily dependent on the State and during the qualitative data collection; respondents revealed that despite the successes of the PRF and the BNTF, they are not fully integrated in the conceptualization, implementation, monitoring and evaluation of the programmes that target them. They feel alienated from the decision making process. Some have noted the political influences on the distribution of benefits. According to some respondents, the local government reform programme has been stalled. The adequacy of social protection instruments in this area remains **low to medium**.

<b>Table 1: Identified Risks and Adequacy of the state provided social protection instruments</b>					
<b>Social Protection Area</b>	<b>Main Risks and Level of Risk</b>	<b>Level of Risk Management</b>			<b>General level of adequacy of social protection instruments</b>
		<b>Prevention</b>	<b>Mitigation</b>	<b>Coping</b>	
<b>Macroeconomic Environment</b>	<p><b>High Risk</b></p> <p>Openness of economy (integration into the global economy is 0.64)</p> <p>Un-preparedness for the increased competition arising from CSME, FTAA, EPAs and WTO conditionalities</p> <p>High volatility with respect to major industries (agriculture and tourism)</p> <p>Weak linkage between tourism and the smaller industries e.g. fishing and craft</p>	<p><b>Low</b></p> <p>Low capacity to control international events</p>	<p><b>Low</b></p> <p>Not enough action taken to reduce the magnitude of potential risk (e.g. increase oil prices, rise in terrorism)</p>	<p><b>Medium</b></p> <p>In the last fiscal year, the economy grew, despite adverse external shocks. Much has been spent on agricultural diversification</p>	<p><b>Low</b></p> <p>Still too much dependency on tourism and agriculture</p>
<b>Labour Market</b>	<p><b>High Risk</b></p> <p>High unemployment</p> <p>High youth unemployment</p> <p>Lack of technical skills and educational qualifications</p> <p>No minimum wage</p> <p>Poor working conditions</p> <p>Low pay</p> <p>A large informal sector</p> <p>Inadequate access to markets</p>	<p><b>Low</b></p> <p>Not enough is being done to increase access to “good quality” education for all. Education increases access to the labour market and reduces labour market risks</p>	<p><b>Low</b></p> <p>Current social instruments do not provide enough job opportunities. The poor still do not have jobs with “decent wages” which would ensure the break from the cycle of poverty.</p>	<p><b>Medium</b></p> <p>The current social protection programmes need to ensure a more effective link between skills training and job placement. The new programmes announced by the PM should strengthen that link.</p>	<p><b>Low to Medium</b></p>

Social Protection Area	Main Risks and Level of Risk	Level of Risk Management			General level of adequacy of social protection instruments
		Prevention	Mitigation	Coping	
<b>Social Insurance</b>	<b>High</b> Smaller proportion of persons being asked to finance social security Informal sector workers have limited coverage	<b>Low</b> There is inadequate coverage of the population to prevent /reduce the risks associated with non-payment of health bills and no pension	<b>Low</b> Current programmes are inadequate to reduce the risks faced by the workers in the informal sector.	<b>Medium</b> NIC/government Recognize the gaps. For example, a pension is being set up for the vulnerable groups e.g. fishers, ex-farmers and farm labourers	<b>Low to medium</b>
<b>Human Development</b>	<b>Medium to High Risk</b> Low school attendance at the primary level Inadequate number of daycare services Lack of secondary school places Poor technification of post primary education Dysfunctional families Social exclusion of the elderly, the youth and the Disabled Low health insurance coverage HIV/AIDS	<b>Low</b> The preventive strategies for these risks are few. Social exclusion of vulnerable groups not given enough importance on the policy agenda.	<b>Medium</b> Currently, funding in HIV/AIDS programme has improved.	<b>Medium</b> The National Council of and for Older Persons and the National Council for the Disabled are receiving more assistance from the government and relevant policy documents are being drafted.	<b>Medium</b>
<b>Micro and Area-based Schemes</b>	<b>High</b> Limited access to credit by small entrepreneurs	<b>Low</b> Few instruments in place to prevent risks	<b>Low</b> Training and access to market for the products inadequate to reduce risks in the labour market.	<b>Low</b> Not enough future funding identified for the micro and area based schemes.	<b>Low</b>

Social Protection Area	Main Risks and Level of Risk	Level of Risk Management			General level of adequacy of social protection instruments
		Prevention	Mitigation	Coping	
<b>Natural Hazards</b>	<b>Medium to High</b> High Exposure to Natural disasters (hurricanes, storms, flooding, landslides) Land degradation Coastal and marine habitat degradation	<b>Low</b> Not enough in place to prevent land degradation and coastal and marine degradation	<b>Low</b> Some natural disasters are not preventable but much more can be done to reduce the risks associated with the natural disasters e.g. proper drainage, reduction in deforestation.	<b>Medium</b> NEMO does a good job with disaster preparedness by there is very little in place for any recovery programme should a disaster occur.	<b>Low to Medium</b>
<b>Participatory Governance</b>	<b>Medium</b> A highly politicized nation Enduring divisions between government and opposition Citizen's unclear concept of the role of his participation	<b>Low</b> Local government reform is too slow to improve the quality of governance in St .Lucia	<b>Low</b> Not enough agencies are informing citizens of their rights and many service providers still do not see the beneficiary as an equal partner in the provision of service.	<b>Medium</b> PRF, BNTF are attempting to cope with the issue of governance by improving institutional capacity in the communities. Community organizations generally do a good job.	<b>Low to Medium</b>



## **6. THE EFFECTIVENESS AND THE EFFICIENCY<sup>9</sup> OF EXISTING SOCIAL PROTECTION PROGRAMMES.**

Overall, the social protection expenditure<sup>10</sup> to GDP rose from 17.42percent of GDP in 2000 to 33.67percent in 2001, then to 40.20percent in 2002. This is very positive. However, some concern ought to be expressed about preliminary estimates for 2003 that show a major decline to 24.26percent.

Total expenditure on social protection, in the Ministry of Education, increased by 2.63 percent over the period 2001/2 to 2002/3, and by 6.3 percent from 2000/1. The NELP programme however has experienced large amounts of growth over the period 2000 to 2002. It is a well-established fact that education is one of the most effective ways to advance social and economic well being. In this regard, St Lucia is taking some steps in the right direction. Furthermore, the Government of St Lucia proposes to spend \$28.85 million on education annually over the next two to five years and to offer St. Lucians a grant of up to 50percent of their education loans.<sup>11</sup> Over the period 2002 to 2003, enrolment in tertiary level programmes increased by 10percent. On the downside, enrolment in primary schools actually declined in the same period by 2.8percent, while enrolment in secondary schools also declined by 0.7percent. This enrollment may be due to demographic factors.

The Sustainability Index<sup>12</sup> for St Lucia in 1999 was 0.35, the lowest in all of the OECS countries. Indeed it is much lower than the overall Latin American and Caribbean value of 0.58. It is suggested in the OECS 2002 report that the low values for St Lucia may have been due to a lack of expenditure in key areas such as health and education.

The effectiveness of programmes is intricately linked to the delivery of social services. The Interim Poverty Reduction Strategy and Action Plan has elaborated on some of the institutional problems linked to the delivery of social services. This review of social protection programmes found that **the institutional framework for the efficient and effective delivery of social protection is weak**. There is little coordination of the delivery of social protection instruments. **The long-term developmental effects of social protection instruments are not holistically envisioned and planned for**. The end result is that there are misfits between the needs of the poor and the provision for them. Access to social protection programmes is not equitable. Persons in the rural areas, the disabled, the elderly and the poor are disadvantaged. Coverage and targeting of social protections programmes need to be improved. Some of the services are of poor quality.

Some institutional weaknesses pointed out by the respondents include:

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<sup>9</sup> Effectiveness and efficiency normally refer to the best use per dollar of expenditure for attaining a well-defined target. One may want to reduce unemployment by 2%. If 1.5% is obtained, this is satisfactory. If employment increases then this is not the best scenario. In both cases, one is assuming that there is causality between your expenditure and the results attained. In this study, data on targets for all programmes in all seven areas were not available and therefore only general conclusions can be made about the efficient use of expenditure.

<sup>10</sup> This takes into account the seven social protection areas under review.

<sup>11</sup> There is a ceiling on the amount that can be obtained.

<sup>12</sup> Sustainability is linked to the concept of sustainable economic development so that economies that have a lower sustainability index value are less likely to have sustainable development.

- Lack of sustained funding;
- The “red tape” and bureaucracy involved in accessing benefits;
- The very slow response of high-level officials to requests made by lower ranked officers;
- The lack of coordination between ministries and departments;
- Unclear roles and functions of officers and departments. This sometimes results in clients being sent from department to department to seek benefits;
- Long waiting periods to hear results of proposals submitted to access benefits;
- Lack of equipment to provide effective services. For example, the offices of the community development officers are poorly equipped and that affects their targeting and coverage negatively.

The relevance of some of the programmes was questioned. Some young persons wanted skills training that was more appropriate to the 21<sup>st</sup> century labour market realities and complained that some of the training offered did not equip them to obtain “decent paying jobs”. When the general “fit” of the social protection programmes was examined, it was concluded that more effort needed to be made to ensure that the livelihood systems of the persons accessing the benefits was examined. For example, those accessing loans for small business should be assisted in identifying markets for their products.

An analysis was done of five programmes to highlight *what works and what doesn't work* in the delivery of social protection. From the five cases we learned that what works is:

- Adequate targeting
- Removal of barriers to participation
- The development of a culture of employment
- Clearly set goals and objectives
- Linkages between the various social protection areas, e.g., education and labour

What does not work is:

- Counter -productive dependency
- Lack of creation of jobs for trained persons caused by the weak link between education and the labour market. The private sector needs to be more proactive.
- Poor targeting
- Inadequate coverage
- Lack of improvement in the quality of services provided
- Poor monitoring and evaluation

The social protection programmes will generally remain ineffective if there is not an integrated approach to development which sees risk management as the ultimate goal and if the institutional framework for the delivery of these programmes is not strengthened.

## **7. AN APPROPRIATE FRAMEWORK FOR THE PROVISION OF SOCIAL PROTECTION IN ST. LUCIA**

Based on the results of the reviews of social protection in the Caribbean, an appropriate framework for the delivery of social protection will be formulated. This section provides some proposed strategies, most of them specific to St. Lucia. *A risk management approach must be adopted to ensure effective social protection. The emphasis would be on preventive strategies to prevent or decrease risks.* Asset management and protection strategies would be striving to safeguard the gains made in economic and human development.

### **General Recommendations**

1. St. Lucia cannot successfully implement social protection programmes without the assistance of the region. The Caribbean region needs to view *risk management* as fundamental to its survival. When negotiating with the developed world, efforts must be made to put forward an integrated position. Programmes and policies which increase risks for these small developing countries should be avoided. The emphasis both regionally and nationally should be on effective risk prevention.
2. A Social Protection Strategy Paper detailing specific targets needs to be prepared which will provide a holistic approach and integrated mechanisms for the efficient and effective provision of social protection.
3. Although the strategy paper would propose more specific mechanisms, the findings from this review have revealed a desperate need for a coordinating body, which would coordinate the provision of social protection. It is recommended that a **Social Protection Council** with ministerial authority be set up. The Minister of Social Transformation would serve as chairperson in order to effectively manage the council. Only a chairperson at the ministerial level would effectively coordinate social protection programmes. Many studies have found that institutional weaknesses impede the effective delivery of services. Attempts have been made to solve these problems with committees but the success rate has been unimpressive because the chairpersons did not have adequate authority.
4. Social protection is intricately linked to other initiatives on the international agenda: e.g. the MDG goals, the goals from the 1995 Social Summit. One initiative which has not been fully implemented by the Caribbean region is the 20/20 vision (developed by UNICEF/UNDP), which advocates for 20percent of public expenditure and donor funds to be allocated to the basic social services – primary health, nutrition, family planning and rural sanitation. This would assist with the funding of social protection.
5. Linked to the issue of funding allocations is what must be the continued role of social assistance. The study found that the social assistance programmes need better coverage and targeting. To ensure that social protection programmes are “spring boards” (i.e. equip persons to break the cycle of poverty and better manage risks), more investment in health and education must be made. The low sustainability index for St. Lucia discussed earlier supports this conclusion.
6. Investment in education should ensure that “good quality relevant education” is the end-result.
7. Encourage development partners to invest in institutional capacity building to ensure effective delivery of social protection instruments.
8. Increase accountability of frontline persons who provide services by providing incentives for good quality service. A Charter of Services should be developed and prominently displayed. This would help ensure the right of persons accessing a service to expect

- timely and good quality service at all times. It would provide an avenue for clients to lodge complaints if they receive poor services.
9. Information centers, which provide information on all protection programmes, should be established so that an individual can qualify for and access multiple benefits based. For example, a recipient of poor relief can automatically qualify for an exemption health card, when he applies for one.
  10. The establishment of a uniform data base with information on the beneficiaries of the social protection to facilitate data verification and automatic qualification of an applicant for multiple benefits.
  11. Given the lack of coordination among the non-governmental organizations, they can improve their developmental impact by networking. NGOs can form coalitions in order to lobby for effective social protection. For example, in regard to HIV/AIDS, the AIDS Action Foundation acts as an umbrella organization for NGOs, e.g., St. Lucia Planned Parenthood Association, Red Cross that are concerned with that issue.
  12. General improvement in coverage and targeting.

The specific recommendations by social protection area are presented in Table 2.

In conclusion, *unless social protection attains top priority on the development agenda, sustained economic and human development will not be achieved.*

**Table 2: Specific Recommendations**

<b>Priority and Social Protection Area</b>	<b>Objective</b>	<b>Short term (within 1 year)</b>	<b>Medium term (1-5 years)</b>	<b>Long Term (Over 5 years)</b>
<b>General policy framework</b>	Institutionalize local and regional approach to risk management.	Government Minister should be encouraged to examine the risks in their respective areas and set up strategies to prevent, mitigate and cope with them. Educate the relevant stakeholders on risk management.	Public education for the political actors (e.g. the members of the Opposition) to ensure the sustainability of the social protection strategies. Public education of public sector worker and members of civil society	Regional approach to risk management
<b>Expenditure on social protection</b>	Link social protection with the provision of access to basic social services	Implement the 20/20 initiative so that 20percent of public expenditure is spent on basic social services	Ensure rationalization in expenditure to ensure where possible that administrative costs do not far exceed the actual interventions	Sustained emphasis on health and education.
<b>Targeting</b>	Effective targeting	Establishment of common criteria for accessing the social protection programmes that target the poor. Improve Geographic targeting based on information from the poverty map and the information provided in the Special Development Areas Act. Establishment of an information bureau (a one stop shop) in all districts which can provide information on all social protection programmes.	Public education on the various social protection programmes on the radio, television and print	Use census and other data (from impact assessments) to inform targeting mechanisms Constant review of the vulnerable persons and groups at the community level One-to-one contact with vulnerable persons and groups.

<b>Priority and Social Protection Area</b>	<b>Objective</b>	<b>Short term (within 1 year)</b>	<b>Medium term (1-5 years)</b>	<b>Long Term (Over 5 years)</b>
<b>Information technology</b>	<p>To enhance the information base on the beneficiaries of social protection programmes</p> <p>To improve coordination in the delivery of social services</p> <p>To strengthen link between research and policy formulation and implementation</p>	<p>Development of database on beneficiaries starting with the poor relief.</p> <p>Ensure that information on those on poor relief is fed to the various social services e.g. data on recipients of poor relief will ensure that they receive health exemptions cards</p>	<p>Use data from the census to inform research</p>	<p>Ensure that all departments have on-line data on all beneficiaries.</p> <p>Ensure that providers/assessors can send information electronically and receive quick responses to their requests for assistance for their community members.</p>
<b>Institutional capacity building</b>	<p>Improve coordination among social protection instruments</p>	<p>Establish Social Protection Council</p>	<p>Clarification of roles and responsibilities e.g. services offered by the Family Court and Division of Human Services need to be clarified to the users</p> <p>Rationalization of services, determining priorities and concentrating available funding for maximum results.</p>	<p>Provide incentive system (not necessarily monetary) for agencies and persons who provide excellent quality services.</p> <p>Education of citizens of their rights as consumers.</p>

Priority and Social Protection Area	Objective	Short term (within 1 year)	Medium term (1-5 years)	Long Term (Over 5 years)
<p><b>Marco economic environment-ensuring St. Lucia's preparedness for the increased competition from CSME, FTAA, EPAs, WTO</b></p>	<p>Implement Regional approach to risk management And sustained Sound fiscal management</p>	<p>Review of legislation likely to affect CSME, FTAA entry. De-emphasizing banana production and laying plans for use of land now under bananas to other agricultural and non agricultural uses; Seminars for government and business leaders on meaning an implications of globalization for St Lucia; Ad campaign on importance of tourism sector and on matters like CSME, FTAA etc.; Training of the business sector to prepare them for the challenges ahead.</p>	<p>Development of other "short" crops on former banana plantations; Introduction of legislation facilitating entry into CSME, FTAA; Introduce measures (including building codes) to limit the effects of natural disasters. Make the necessary links between tourism and other small businesses e.g. craft and fishing. Agricultural Diversification Proper management of the Tourist Industry Debt Management</p>	<p>Sound macroeconomic management Sustained regional cooperation Implement the recommendations put forward by the National Economic Council in their first annual report.</p>

<b>Priority and Social Protection Area</b>	<b>Objective</b>	<b>Short term (within 1 year)</b>	<b>Medium term (1-5 years)</b>	<b>Long Term (Over 5 years)</b>
Labour market- <i>Educated and technologically equipped labour force</i>	Reduce youth unemployment. Reduce the percentage of persons with no certification. Improve quality of education at all levels.	Begin re-training of workers in banana industry. Review education system to make it more relevant to workplace. Organize campaign to prepare the population for alternatives to banana (other crops and tourism). Review the training provided by NSDC, review their targeting and coverage strategies to ensure that the marginalized, especially those in the Rural Areas are covered Make link between the skills training and the labour market. Seek to provide long-term employment for those who are trained. Skills training must be the type that attracts more “decent wages”	Implement Curriculum reform (introduction of foreign languages at primary level, inter alia); Implement adult literacy programmes; Implement computer literacy programmes in schools and in communities;	Develop entrepreneurial culture in schools
Social Insurance	Improve access to social insurance Make more concerted efforts to improve access to social insurance by persons in the informal sector by setting up micro-insurance/pension.	Determine a minimum coverage for workers in the informal sector and encourage them to join the social insurance schemes. Set up immediately the proposed pension scheme for farm labourers, fishers and ex-farmers.	Other workers in the informal sector should be gradually included in the social insurance schemes Implement Universal Health Plan.	In collaboration with the civil society groups, provide more health insurance and pension schemes to vulnerable groups Increase range of benefits.



<b>Priority and Social Protection Area</b>	<b>Objective</b>	<b>Short term (within 1 year)</b>	<b>Medium term (1-5 years)</b>	<b>Long Term (Over 5 years)</b>
Social Assistance, social services, health and education	Provide equitable access to all basic social services Ensure that adequate and good quality services are provided Construct a labour force that is prepared for the challenges of increased globalization.	Improve monetary value of public assistance. Review the system of the exemption cards (until the Universal Health Plan is place), to improve coverage. Building Code to ensure that disabled have physical access to all government buildings.	The elderly and the disabled need special targeting e.g. daycare centers for the elderly, more job opportunities for the disabled. Increase links with the St. Lucians living abroad in order to tap into the vast amounts of resources and expertise available The quality of all social services need improvement e.g. Daycare Services, family services and school feeding programme	A possible strategy to improve school attendance and access to health facilities by the most vulnerable could be modeled after the cash-transfer programme in Jamaica
Micro and Area-based Schemes	Increased access to markets and credit must form part of schemes Effective management of small businesses	More public education in the rural areas so that they can learn more about the programmes	Training workshops on marketing of products.	More funds for micro and area-based schemes.
Natural Hazards and Environmental Protection	A high level of preparedness and adequate “recovery strategies”	Public education on strategies for environmental protection	Examine how the practices of the poor have contributed to environmental degradation and seek to provide alternate income generating strategies	Strengthen link between state and non-state involved in recovery programmes.
Participatory Governance	A populace informed of their rights and responsibilities in the development of St. Lucia	Develop Citizens’ Charter of Rights- the rights of citizens in the governance process Re-activate Local Government Reform	Encourage the establishment of a coordinating agency which can seek funding on behalf of NGOS e.g. Associations of Development of Agencies in Jamaica.	Encourage genuine participation of the community members by ensuring that there is time for citizens to engage in the conceptualization, implementation and monitoring of the programmes

## CHAPTER ONE: INTRODUCTION

### 1.1 BACKGROUND

This report is part of a Caribbean regional study of social protection. The other countries included in this exercise are Belize and Grenada. Previous studies on social protection have been completed for Dominica and Jamaica. In this current phase of research on social protection in the Caribbean, an effort has been made to utilize a common approach and methodology. Based on these three studies, a Caribbean framework for social protection will be articulated in a separate document. The research in Grenada and Belize is sponsored by the Caribbean Development Bank (CDB), and the St. Lucian study, by the European Commission.

### 1.2 ANALYTICAL FRAMEWORK

The main objectives of the study were to:

1. Identify the risks and vulnerabilities that affect the St. Lucian population.
2. Determine the nature and scope of social protection in St. Lucia.
3. Determine whether the current provision of social protection adequately addresses the risks and vulnerabilities present in the country.
4. Determine the effectiveness and the efficiency of existing social protection programmes.
5. Define an appropriate framework for the provision of social protection in St. Lucia.

Drawing on several models of social protection (e.g., Social Risk Management by the World Bank and the Economic and Social Council of the United Nations, DFID), the research team developed a special approach to this study. There are several definitions of social protection. Elsewhere, social protection has been defined as the set of policies and programmes designed to reduce poverty and vulnerability by promoting efficient labour markets, diminishing people's exposure to risks, and enhancing their capacity to protect themselves against hazards and interruption/loss of income.<sup>13</sup> The regional research team defined social protection *“as all interventions from public, private, voluntary organizations and informal networks to support individuals, families, households and communities in their efforts to prevent, manage and overcome a defined set of risks and vulnerabilities.”* Other relevant definitions are provided in the glossary above.

The analytical framework used in this research seeks to discuss risk management both before and after the risk happens. In this regard, both *ex-ante* measures and *ex-post* measures are examined. It is also in this light that the regional team selected seven social protection areas.

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<sup>13</sup> Economic and Social Council (February 2001) p. 4

They are:

- Macroeconomic management
- Labour markets
- Social insurance
- Social assistance, social services, health and education
- Micro and area-based schemes
- Natural hazards and environmental protection
- Participatory governance

There is the assumption in this framework that by pursuing certain strategies, vulnerability and income insecurity can be minimized and the risk in some cases averted. For example, sound macroeconomic management can prevent and mitigate against the increased vulnerability brought on by the loss of income, etc. Social insurance and social assistance have always formed part of the mainstream social protection. This *review broadens the perspective on social protection by examining the social services available to the poor and to some extent the non-poor who may become vulnerable in the future.*

Given the importance of human capital development, the quality of social services is important for the long-term goal of social protection. Human capital investment will reduce an individual's or a household's vulnerability to some risks. Also good quality education and health will assist an individual as s/he attempts to cope with a temporary loss of job. There is indeed an intricate link between the type and quality of social services provided and the nature of social protection in a country. Given the close link between economic volatility and the region's vulnerability to natural hazards, these two areas are central to the discussion of social protection. A set of risks is linked to each social protection area and these risks will be mapped as the discussion unfolds. Essentially these risks are important because if social protection is unavailable, then the vulnerability of the nation, household or individual will be increased. In the case of the nation or community, public poverty<sup>14</sup> will be the result and in the case of the household or the individual, loss of income security and private poverty<sup>15</sup> will be the consequence.

Underlying assumptions include:

- An active role for the State in the provision and regulation of social protection.
- The understanding that access to social protection is a right of every citizen.
- The existence of synergies between the macro, meso and micro levels of the social protection institutional framework.
- The coordination and regulation of social protection.

Ultimately, the nature and scope of social protection in a country determine its ability to sustain its human and social development, hence the importance of this study. In examining the nature and scope of the provision of social protection, it is necessary to examine both the *ex-ante* and *ex-post* measures of social protection and to determine to what extent there is synergy in the provision of these two types of strategies.

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<sup>14</sup> See Glossary of Terms for definition

<sup>15</sup> See Glossary of Terms for definition

### **1.3 METHODOLOGY**

The agreed regional approach was to utilize both quantitative and qualitative data for this study. The quantitative data was mainly data from the 2001 census and the poverty assessment of 1995. The poverty assessment data was used to determine the levels of poverty and vulnerability in St. Lucia. The census data was mainly used to determine the levels of risks in the country (e.g., level of insurance, etc.) and the characteristics of certain vulnerable groups (e.g., the elderly and the young). Qualitative data was collected from key informants, focus group discussions and community meetings.<sup>16</sup> Secondary data from previous reports, policy documents and pieces of legislature were reviewed. The community development officers were involved in the selection of certain communities for in-depth analysis.

### **1.4 THE ECONOMIC CONTEXT**

The economic situation of a country determines the level, quality and sustainability of the social protection it can provide. Any country with high levels of indebtedness and low economic growth will find it very difficult to provide, on a sustained basis, good quality social protection. In this section, we examine St. Lucia's economic situation.

St. Lucia is a very small developing country, vulnerable to the same shocks as other developing countries. St. Lucia is a member state of the Organization of Eastern Caribbean States (OECS) with which it shares a common currency (the EC dollar) and an exchange rate policy administered by the Eastern Caribbean Central Bank (ECCB). It is also a member of the Caribbean Community (CARICOM). Table 1.4.1 below shows some selected economic indices of CARICOM countries in 1999 and St. Lucia is highlighted for ease of comparison.

The economic characteristics of the CARICOM member states vary substantially. Population ranges from 5,000 persons in Montserrat to 2.5 million in Jamaica, with the population of most of the countries being below 1 million. Territorial size also differs considerably, ranging from 103 square kilometers in Montserrat to 214,970 square kilometers in Guyana. Per capita income ranges from US\$610 in Haiti to US\$11,214 in the Bahamas. Though one of the smaller members of the CARICOM grouping, St. Lucia has the largest population within the OECS (about 150, 000) and is second in surface area size to Dominica in that grouping.

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<sup>16</sup> See Appendix 1.3.1 for list of persons interviewed and focus groups held.

Table 1.4.1: CARICOM: Selected Comparative Characteristics 1999				
Country	Population	Real per Capita Income (US\$)	Area (Sq. km.)	Av. Growth rate 1991-2000
OECS				
Antigua & Barbuda	69,747	9,410	442	3.3
Dominica	76,000	3,170	750	2.1
Grenada	99,500	3,450	345	3.5
Montserrat	5,000	NA	103	NA
St. Kitts and Nevis	42,600	6,420	269	4.1
St. Lucia	149,621	3,946	616	2.2
St. Vincent and the Grenadines	111,000	2,941	389	3.2
Non OECS				
Bahamas	288,000	11,214	13,864	NA
Barbados	269,350	8,660	431	1.4
Belize	240,000	2,730	22,966	4.1
Guyana	775,143	760	214,970	5.3
Haiti*	7,180,000	621	28,000	-1.0
Jamaica	2,540,500	1,980	10,991	0.1
Suriname	418,921	1,660	163,820	1.7
Trinidad and Tobago	1,270,000	4,230	5,128	3.0
	13,535,382		463,084	

Notes: \* Provisional Member; NA. – not available

Source: CARICOM (2000). Global Development Finance and World Development Indicators

Although its per capita income of US \$3,946 is relatively high, St. Lucia remains extremely vulnerable to external shocks, whether in the form of natural disasters (like hurricanes) and changes in the international economic or political environment. The latter is all the more problematic as St. Lucia, and the rest of the CARICOM region, became more integrated with the international economy over the last decade as evidenced by the Global Insertion Index.<sup>17</sup> As shown in Table 1.4.2 below, in 1999 the St. Lucia Index was 60 percent, indicating a highly globalized economy, compared to 1990 when the index was 48 percent. Table 1.4.2 also shows that every country within the Community became increasingly more globalized during the 1990s and that the globalization of the St. Lucian economy has always been higher than the CARICOM average.

<sup>17</sup> The Global Insertion Index is calculated by taking the average of exports and imports, as a percentage of GDP.

**Table 1.4.2: CARICOM Global Insertion Index: 1990 and 1999**

Country/Region	Global Insertion Index 1990	Global Insertion Index 1999
CARICOM	0.35	0.53
OECS	0.41	0.64
Antigua and Barbuda	0.28	0.75
Dominica	0.52	0.60
Grenada	0.31	0.63
Montserrat	0.34	0.94
St. Kitts and Nevis	0.43	0.55
St. Lucia	0.48	0.60
St. Vincent and Grenadines	0.55	0.63
Non OECS (excluding Belize)	0.34	0.51
Barbados	0.27	0.52
Guyana	0.51	1.02
Jamaica	0.36	0.49
Suriname	NA	0.68
Trinidad and Tobago	0.33	0.47
Belize	0.42	0.57

Source: CARICOM Secretariat

NA: Data not available

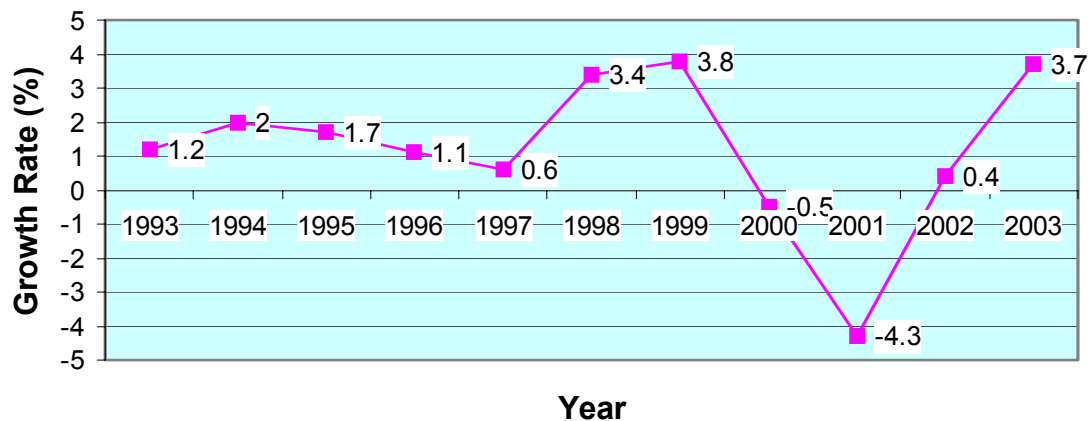
The economy of St. Lucia is primarily agricultural, concentrated in bananas, for which St. Lucia has historically had preferential market access to the United Kingdom and Europe. Agriculture's share of GDP, and therefore its relative importance to St. Lucia's economic growth, has declined steadily over the last decade. Although the economy is not solely dependent on banana production, bananas still constitute a major export and St. Lucia is strongly affected by the lack of preferential trade agreements. The banana industry continues to contract and was estimated to be less than 5 percent of GDP in 2003. This trend has resulted from the decreasing proportion of the banana sector as a contributor to the growth of GDP from 9.7 percent in 1993 to 1.96 percent in 2003, due in no small measure to the WTO action against the EU trade preferences launched in 1991. In fact, banana production experienced a 50 percent reduction in output in the 1990s. For the third consecutive year, the growth rate of the agricultural sector is estimated to have declined, as real value-added by the banana sector, which currently accounts for 40 percent of that of the agriculture sector, contracted by 25.5 percent. Chronic vulnerability to drought and tropical storms has also plagued the industry. Tropical Storm Lili in 2002 destroyed an estimated one half of St. Lucia's banana production for the year and drought and disease badly damaged the 2001 crop. Meanwhile, competitive pricing pressures in key European markets, especially the United Kingdom, continue to undermine the industry's profitability.

While agriculture remains an important source of jobs and export revenue, the government has by necessity moved towards diversification of the economy as the banana sector will not be a source of dynamic growth in the future. Tourism is being developed as the centre piece of the modern St. Lucian economy and has attracted more than 250,000 overnight visitors annually in recent years. Direct foreign investment in hotels and resort facilities has also spurred construction (i.e., construction of more hotels and other facilities) and the government is actively upgrading support infrastructure for

the tourist industry, including construction of new cruise ship piers. The manufacturing sector accounted for 7.43 percent of GDP in 2002 and 7.39 percent in 2003. The construction sector's share of the GDP in 2002 was 9.89 percent and in 2003, 9.77 percent. In 2002, the wholesale and retail trade contributed 13.35 percent of GDP and in 2003, this figure increased to 14.39 percent. Transport accounted for 12.71 percent of GDP in 2002 and 13.04 percent in 2003. The communication sector also contributed more to GDP in 2003 where the figure was 14.26 percent while in 2002; the corresponding value was only 13.64 percent. The hotel and restaurants sector contributed 16.99 percent of GDP in 2003 which was an increase from 2002 with a value of 14.57 percent.

As shown in Figure 1.4.1, the economic growth rate of real GDP is estimated to have been 3.7 percent in 2003. This seems to signal a consolidation of the apparent turnaround in 2002, which recorded a modest rate of growth of 0.4 percent, following two years of negative growth in 2000 and 2001.

**Figure 1.4.1: Total rate of growth of real GDP in St. Lucia (%), 1993-2003**



Source: Government of St. Lucia. St. Lucia Economic Review 2003

Despite recent improvements, the underlying fiscal position has remained fragile. In 1999, the consolidated public sector had a budget surplus of 2.9 percent of GDP. But, in 2000, the balance had swung sharply downward, resulting in a deficit of 0.4 percent of GDP; in 2001, it rose to 0.7 percent of GDP and continued climbing thereafter. Revenue was adversely affected by delays in fuel price adjustments in line with fuel import costs, and expenditures have increased in terms of GDP. The government recently took measures to prevent further revenue erosion (including a partial adjustment of fuel prices and an increase in consumption taxes). The budget deficits have been successfully financed by external bond placements and the debt to GDP ratio has risen over the years from 25 percent of GDP to 66 percent, which is a cause for serious concern, more so as the external component of this debt is as high as 48 percent of GDP.

All this underlying economic fragility has implications for the government's expenditure on social protection and the quality and level of coverage that can be obtained on a sustained basis. In times of economic downturn, governments have been known to cut back on the social expenditure.

### **1.5 THE SOCIAL CONTEXT**

In spite of St. Lucia's variable economic history, its social indicators are fairly reasonable. With a population growth rate of 1.24 percent, at the end of 2001 the population of St. Lucia stood at 160,986 (Appendix 1.5.1). There has been a steady decrease in fertility rates during the past five years and in 2002 was 1.2 per woman. St. Lucia's social indicators compare favourably with upper middle-income countries and in some cases are higher (Table 1.5.1). These social indicators reflect the investment that St. Lucians have made in human development over the years. Access to potable water (99 percent) and net primary school enrolment at 91 percent reflect some level of commitment to the health and education of the populace. There is room for improvement in the adult literacy and life expectancy rates.

Poverty and vulnerability have been on the international development agenda for some time. The 1995 Social Summit marks a significant time in the development discourse in the world. Countries committed themselves to focus on sustainable human development. In 2000, 189 member countries of the United Nations adopted the Millennium Development Goals (MDGs). St. Lucia's progress towards the 8 MDGs is summarized in Table 1.5.2.

Since trend data is not available for poverty, it is not clear if there has been an improvement in the poverty levels since 1995. There are still gaps to be filled in the education sector as only 60 percent of the students were assigned places in secondary schools in 2003. HIV/AIDS presents a serious challenge to the health sector and the government has given it priority status as evident in the 2004 budget. Data monitoring and assessment remain weak, e.g., there is no data for maternal mortality. As in the case of some other Caribbean countries, e.g., Jamaica, there is limited data on adult nutrition.

The issues of poverty and deprivation will be further explored in the next chapter as the identification of risks and shocks is done.



<b>Table 1.5.1: Selected Social Indicators</b>			
Indicator	St. Lucia	Latin America and the LAC	Upper Middle-Income Countries
Infant mortality	17	36	25
Access to potable water	99	85	87
Net primary school enrolment	91	85	87
Adult literacy	76	89	90
Life expectancy at birth (years)	70	70	71
Public expenditure on education as a percent of GDP	4.5	2.8	2.9
Public expenditure on health as a percent of GDP	4.7	3.3	4.4

Sources: UNDP Human Development Report, 2003 and World Bank Dominica Social Protection Review, July 2003.

<b>Table 1.5.2: St. Lucia's Progress towards the Millennium Development Goals</b>	
MDG	Status
1. Eradicate extreme poverty and hunger	Poverty levels stood at 25 percent in 1995.
2. Achieve universal primary education	Primary school enrolment is mandatory.
3. Promote gender equality and empower women	Significant strides have been made by women in all facets of life e.g., large number of female parliamentarians and in the upper echelons of the public and teaching services.
4. Reduce child mortality	Between 1994-1998, infant mortality rates ranged between 6 and 12 deaths per 1000 population.
5. Improve maternal health	No statistics are currently available.
6. Combat HIV/AIDS, malaria and other diseases	At June 2003, there were 401 cases of HIV infection and 210 cases of AIDS, 194 of whom had died. Malaria not a concern.
7. Ensure environmental sustainability	Environmental policies in place.
8. Develop a global partnership for development	St. Lucia is signatory to several development cooperation agreements and also party to multi-national agreements such as FTAA, an initiative to amalgamate the economies of the Americas into a single free trade area by 2005.

Source: Ministry of Social Transformation, *Social Issues Bulletin*, Vol. 2, Issue #3, May 2004.

## **1.6 GOVERNANCE AND SOCIAL PROTECTION**

Governance and social protection are intricately related. The type of governance pursued and the active or inactive role of the state in the development agenda determine the level of social protection in any one country. Governance encompasses the interplay of social, political and economic forces in their bid to achieve human advancement.<sup>18</sup> Governance is therefore about people's development, the effective management of developmental activities with the view to ensuring the satisfaction of needs.

Since the latter part of the 1990s the central role of the State in the delivery of public services has been reconfirmed (World Bank 1997; 2003; UNDP 2002; 2003). It has been realized, however, that partnerships are the way to optimize developmental effectiveness. The partnership of the trio (state, society and market) also recognizes a 'rights-based approach' to development in which civil society had both responsibilities and rights. These responsibilities and rights are to be secured through the **direct participation of the citizen** in the provision of services for social protection - thus recognizing that the state cannot do it alone. The citizen is now required to accept a more active role. Citizens are now actively critiquing not only the content of service policy but also the quality of delivery.

There are a number of ways in which the relationship between the state and society can be viewed, as far as the state's responsibility for protecting its citizens is concerned. This includes looking at concepts such as public choice, privatization, contractualism, and the concept of the self-governing society. In the contemporary debate on poverty and service provision for the poor, the contractualism has been re-emphasized and it is also seen as the preferred option to privatization. From a contractualist perspective, governments are installed by citizens to pursue certain essential functions including national security, law and order, and protect the rights and liberties of people as well as provide the 'bread and butter' function which is normally carried out through good economic management. In St. Lucia, these basic functions are generally enshrined in the constitutional (democratic) order of the country which is embedded in the Westminster-Whitehall traditions bequeathed by the British. In terms of the structure of government, St. Lucia has a bicameral legislature, an executive branch of government made up of Cabinet whose members are also members of parliament. The Cabinet delivers its policies through the instrumentality of a number of ministries, departments and public corporations. The third branch of government consists of an independent judiciary, over which is soon to be superimposed an appellate court- the Caribbean Court of Justice (CCJ) with the inception of the Caribbean Single Market and Economy in 2005. When the CCJ has been adopted by the people of St. Lucia, the Constitution of the country will have to be amended to accommodate the change. The institutions outline above, working together, form the apparatus of state governance in St. Lucia. Theoretically, it is with this state that the people of St. Lucia have a contract to govern their social well-being.

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<sup>18</sup> See Glossary of terms (above) for a more detailed definition

From the national socio-economic indicators provided above, the government of St Lucia has provided basic services as well as specific services for the protection of the vulnerable people in society. In the course of fulfilling this governance function, the colonial state as well as the post-colonial state has pursued a number of strategies and policies such as adopting a prototype welfare policy (poor relief), state-sponsored mandatory social security deductions that have been managed as buffer against poverty at pension.

In a nutshell, the governance-social protection nexus has undergone change since the 1980s. While the State in St. Lucia has accepted its responsibility for providing basic social protection for people in both the formal and informal sectors of the economy, the broad acceptance of participatory governance has made it possible for a society to play a more proactive role in providing for the sustenance of their livelihoods as well as keeping critical checks on public service delivery to assure quality and value for money.

In this review of social protection, an analysis will be completed on the current role of the State in the provision of social protection and the level of participatory governance that exists as evident by the strategies used to ensure that the citizens, the consumers, have direct involvement in the formulation, monitoring and evaluation of social protection strategies in St. Lucia.

### **Decentralization and participatory organizational mechanisms of delivery**

Social protection services have a wider purpose or objective. They are not only protective and preventive measures for making people resilient against established risks, they are also developmental. These services help in effecting improvements in human development. They are cross-cutting by nature, and require strong coordination to achieve desired outcomes. Decentralization as a management tool and organizational and service management mechanism has been suggested as one of the effective ways of scaling-up services, ensuring the participation of users and effective mechanism for spreading distributional reach of services for social protection.

Lucian Isidore, Director of Community Services and Local Government in Saint Lucia has indicated that decentralization of development in the country has had a checkered history. In the 1940s local government was at the heart of community, and was able to raise revenue to maintain services through house and water rates. In the 1970s, infrastructural services such as water and electricity were centralized. Few changes were made to the legal and organizational framework of local government to accommodate this changing role. This lack of effective responsiveness, combined with political divisiveness and lack of accountability are noted to have led to public apathy and less recognition for the service obligations of local government. Attempts at reform in the 1980s failed because they were poorly coordinated, inadequately resourced financially, and it lacked the public education element to sensitize the local community.

Recent reform efforts, it is reported by Isidore “have tended towards ‘gridlock’ and there is stalemate over how to proceed” (OAS 2003: 25). This outcome had

resulted from the simultaneous pursuit by government of many different kinds of public sector reform. Thus, local government reform produced undifferentiated outcomes and its needs and benefits were obscured. Competing bids for limited finances from the central budget is also noted to have undermined the prioritization and clear definition of local government's role and requirements. The prognosis is that future success will depend on overcoming these obstacles and making reform truly participatory from below (OAS 2003: 25).

In spite of these setbacks, international organizations and the GOSL have been encouraging the use of the decentralization approach in service delivery, but with caution. An important lesson from experience is that even though decentralization may be driven by concerns to align responsibility for services with the level of government best able to manage and mobilize resources for them, (that is, using the concept in giving meaning to subsidiary), there are imminent dangers, especially when it is used as an excuse to off-load expenditure responsibilities onto jurisdictions that scarcely have control over the fiscal instruments to do so. Decentralization can also perpetuate regional inequities and has the potential to jolt macroeconomic balances (Prud'homme 1995). However, the success of decentralization as a service delivery mechanism is said to depend on one key dimension, that of ensuring how decentralization affects relationships of accountability (World Bank 2003: 186).

## **1.7 SUMMARY**

This first chapter presented the context for the discussion of social protection in St. Lucia. Drawing on several models (e.g., the World Bank), an analytical framework was put forward which identifies seven social protection areas for discussion in this review of social protection programmes in St. Lucia. The basic assumptions are that the State should be actively involved in the provision of social protection to ensure effective risk management. Risk management should involve both the prevention and overcoming of risks. Therefore there should be a synergy between the *ex-ante* and the *ex-post* social protection strategies to ensure efficient and effective social protection. The methodology used in the study was also outlined and the basic social and economic indicators for St. Lucia were provided in order to provide a base for further discussion of social protection. The conclusion is that St. Lucia is a very small developing country and is vulnerable to external shocks but is showing some signs of economic recovery and fairly reasonable social indicators.

## CHAPTER TWO: RISK AND VULNERABILITY IN ST. LUCIA

### 2.1: INTRODUCTION

In this chapter a determined set of risks is identified. There exists a multiplicity of risks. These may be co-variant, or idiosyncratic.<sup>19</sup> In this review of social protection in St. Lucia, it is important to discuss the risks that face the nation, communities and households as they struggle to avoid public and private poverty.<sup>20</sup> Social protection strategies aim to improve the capacity of the nation, community, household or individual to overcome vulnerability. Understanding the risks and levels of vulnerability is fundamental to the design of efficient and effective social protection strategies and programmes.

### 2.2. MACROECONOMIC ISSUES

Due to its size, location and openness, St. Lucia is exposed to a variety of risks. These include natural, health, social, political and economic risks. These all have an effect on the economy and its potential for generating income and creating sustainable livelihoods.

In the World Bank's *Caribbean Economic Overview 2002: Macroeconomic Volatility, Household Vulnerability, and Institutional and Policy Responses*, a table was developed on volatility of income growth in the Caribbean in percentage terms, shown by decade (**Table 2.2.1**). The volatility of income growth calculation is based on gross domestic product (GDP) and gross national disposable income (GNDI).

The results show that macroeconomic volatility<sup>21</sup> is generally higher when income is measured by GNDI than when measured by GDP. In spite of a decline in the level of volatility, in the 1990s, St. Lucia had the highest level of GDP growth volatility (6.54) among the Caribbean countries in the 1990s. However, the island has one of the lowest levels of GNDI growth volatility (5.76). Studies have shown that size and income affect a country's volatility.

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<sup>19</sup> See Glossary of Terms for definitions.

<sup>20</sup> See Glossary of Terms for definitions.

<sup>21</sup> See Glossary of Terms for definitions.

<b>Table 2.2.1: Volatility of Income Growth in the Caribbean in percent by decade</b>						
COUNTRY	GDP			GNDI		
	1970s	1980s	1990s	1970s	1980s	1990s
Antigua & Barbuda	2.23	3.49	3.20	NA	NA	NA
Bahamas, The	13.58	5.80	2.62	NA	NA	NA
Belize	3.96	6.14	2.99	4.80	7.76	4.09
Barbados	3.68	4.40	3.68	5.89	6.20	6.59
Dominica	21.37	4.60	1.31	NA	11.90	9.54
Dominican Republic	3.53	2.86	4.37	2.97	3.29	5.78
Grenada	0.42	3.54	2.58	4.52	6.23	5.96
Guyana	4.36	4.92	3.99	17.00	9.87	11.81
Haiti	3.94	2.95	5.56	6.73	3.36	9.13
Jamaica	6.85	4.30	2.01	12.78	8.44	5.85
St. Kitts and Nevis	4.21	4.96	2.04	NA	8.25	9.51
St. Lucia	NA	10.49	6.54	NA	12.06	5.76
Suriname	4.68	8.64	5.23	NA	NA	NA
Trinidad & Tobago	5.16	5.86	2.64	10.76	8.40	4.88
St. Vincent & Grenadines	6.05	3.47	3.20	3.64	3.64	7.72

Source: World Bank staff calculations in *Caribbean Economic Overview 2002: Macroeconomic Volatility, Household Vulnerability, and Institutional and Policy Responses*. p. #21.

Note: Underlying data are in constant, 1995 US dollars.

Symbol: NA - data not available

Table 2.2.2 below shows the evolution of four important economic variables over the period 1999-2003: inflation, unemployment, GDP and debt. Unemployment rose from 20.4 percent in 2002 to 22.2 percent in 2003 although at the same time GDP increased. Inflation declined over the years and in 2003 it was considerably lower than it was in 1999. Of particular concern is the level of the national debt, which is constantly increasing. The external component of the debt is increasing at a particularly fast rate (in fact the domestic component of the debt fell by almost 22 percent in 2003).

**Table 2.2.2**  
Selected Economic Indicators for St Lucia (1999-2003)

<b>Economic Indicator</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
Inflation :-					
(a) Moving average	3.48 %	3.55 %	2.10 %	-0.22%	1.0 %
(b) Point to point	6.20 %	0.06 %	2.26 %	-0.64 %	0.47 %
Unemployment*	18.10%	16.50%t	13.50%	20.40 %	22.20 %
GDP at factor cost – Constant 1990 prices (EC\$ million)	1175.25	1169.36	1118.72	1123.51	1161.57
Official debt (EC\$ million) :-	749.37	852.20	947.78	1,076.64	1,213.17
(a) Domestic	325.25	351.90	370.30	387.07	303.02
(b) External	424.12	500.30	577.48	689.57	910.15

Source: St Lucia Economic Review 2003

\*Unemployment Rates taken from: *Caribbean Development Bank Social and Economic Indicators, 2003, Borrowing Member Countries. Volume 14*

Historically, St. Lucia's main export is bananas. In 1998, this commodity accounted for 60 percent of St. Lucia's exports although the banana industry was already showing signs of decline. For sure, the country benefited greatly from favourable trade agreements and thus was able to easily sell its bananas. However, following the removal of such agreements, the economy has suffered. In the period 1994-1997, St. Lucian banana exports increased from 90,254 to 104,805 metric tonnes. From 1997 to 2000, the country experienced some fluctuations in the level of output but over the period 2000 to 2001 the country experienced a sharp decline in banana production, from 70,282 to 34,044 metric tonnes. In that same period the economy experienced negative growth in GDP (-4.33 percent). Bananas, which represented 3.74 percent of GDP in the year 2000, accounted for only 2 percent in 2001.

Table 2.2.3 below shows the secular decline in the revenue generated by the banana industry as well as the decline in the contribution to GDP of this sector of the economy. .

**Table 2.2.3**  
**Contribution of Banana production to Economy of St Lucia (1999-2003)**

<b>Year</b>	<b>Amount of revenue earned from banana exports (constant 1990 prices, EC\$ million)</b>	<b>Percent of GDP accounted for by banana revenue earnings</b>
<b>1999</b>	41.05	3.49
<b>2000</b>	43.68	3.74
<b>2001</b>	22.37	2.00
<b>2002</b>	30.57	2.72
<b>2003*</b>	22.78	1.96

Source: The St Lucia Economic Review 2003

\* In 2003 an outbreak of the leaf spot disease affected crop production.



St. Lucia, like all Caribbean countries, is prone to natural disasters. The most prevalent risk is that of hurricanes. As part of the Windward Islands, St. Lucia has a high risk of the occurrence of hurricanes. But St. Lucia is also prone to other natural disasters such as volcanoes, landslides, floods and other catastrophes (such as crop-related diseases). Natural disasters adversely affect the economy because of the negative effect on the banana crop. In 2002, Tropical Storm Lili destroyed approximately half of the banana crop and, in the last quarter of 2003, an outbreak of the Leaf Spot disease resulted in the lowest level of banana production in ten years (33,971 metric tonnes).

In recent times, St. Lucia has begun to place more emphasis on tourism as a major revenue earner. The potential for tourism to earn revenue for the economy is quite good and it appears that tourism is in fact contributing more to the St. Lucian economy now than in previous years. For instance, in spite of the recent SARS outbreak and the war in Iraq, the number of visitors to St. Lucia increased by 4 percent from 2002 to 2003.

In spite of the economic recovery noted in the earlier section, St. Lucia remains vulnerable to external shocks. Sound economic management is central to the reduction of vulnerability to these risks. The increased competitiveness which will arise from the CSME, FTAA, EPAs and the end of the preferential treatment for bananas will severely test the level of resilience of the St. Lucian economy.

### **2.3. POVERTY AND DEPRIVATION: INCIDENCE AND CORRELATES<sup>22</sup>**

Poverty is a key risk. The poorer a household or individual is, the less its capacity to seize opportunities for self-improvement and to overcome external shocks. It is therefore necessary for governments to ensure that poverty levels are reduced. As such, “poverty eradication” remains high on the international development agenda and as evidenced in the MDGs. The St. Lucian government has also given it top priority.

**At the household and individual levels:** The 1995 poverty assessment report reported that 25.1 percent of the population and 18.7 percent of households lived on or below the poverty line (Appendix 2.3.1). The gini coefficient which measures the level of inequality in a country was high at 0.5. Indigence levels were: 7.1 percent of the population and 5.3 percent for households. A larger proportion of the rural residents (29.6 percent) were poor compared with 17.4 percent of the urban residents. The working poor were concentrated in agriculture and in manufacturing. The poor involved in the agricultural sector, particularly the banana industry. The lowest quintile was particularly vulnerable, having a lower participation rate in the labour force and a higher unemployment rate than the highest quintile.

Further manipulation of the poverty assessment data revealed that the poorest quintile (20 percent of the population) had higher proportions of the members with only primary education and no education (Appendix 2.3.2). Working did not automatically relieve one of poverty because 57.6 percent of the poorest quintile worked. The concepts of “what constitute work” and “what are decent wages” become relevant in this case.

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<sup>22</sup> A common methodology in the country studies

The Department of Statistics provided some data on poverty based on the 2001 census. The variables used in the construction of the poverty index are presented in Appendix 2.3.3. Children aged less than 15 years and the elderly, 60 years and older are particularly vulnerable. Children had the highest levels of vulnerability with 27.1 percent of their group experiencing poverty (far below average).

<b>Table 2.3.1: Percentage Distribution of Poverty Level by Age Group in St. Lucia, 2001</b>			
Poverty level	Age groups ( percent)		
	<15	15-59	60+
Far below average	(n=11561) 27.1	(n=12800) 15.4	(n=3537) 21.0
Below average	(n=10305) 24.1	(n=15055) 18.2	(n=3268) 19.4
Average	(n=8715) 20.4	(n=16750) 20.2	(n=3163) 18.8
Above average	(n=7165) 16.8	(n=18044) 21.7	(n=3419) 20.3
Far above average	(n=4919) 11.5	(n=20230) 24.4	(n=3480) 20.6
Total	(n=42665) 100	(n=82879) 100	(n=16867) 100

N=142411

Source: St. Lucia 2001 Census, St. Lucia Statistics Department

Poverty and vulnerability are multidimensional and therefore non-income variables can reveal the capacity of households to manage external shocks. Using data from the poverty assessment of 1995, some non-income variables are examined in the following table.

Table 2.3.2 provides data on vulnerability levels in St. Lucia. This methodology was used in all three country studies in order to facilitate comparison. The figures show that:

- ❑ When an adult equivalent line of 125 percent is used, vulnerability levels for households and individuals are 28.2 percent and 36.3 percent respectively.
- ❑ Employment reduces one's vulnerability and assures some measure of protection from poverty. In St. Lucia, 22.3 percent of households did not have any adult employed. Over 52 percent had less than one adult employed.
- ❑ Dependency ratios are high with 26.5 percent of households having one person of working age employed to every two not of working age.
- ❑ Education is also a very important human capital asset as it also equips individuals in the fight against poverty. About 37 percent of the adults have never passed any examination. Approximately 6 percent of school age individuals did not attend any school in the last week.

- The quality of the outer walls of a house reveals the level of resilience to natural hazards. Another indicator of vulnerability is the type of toilet facilities that a household possesses. Approximately 56 percent of the households in St. Lucia have either poor quality outer walls or inadequate toilet facilities.
  
- The lack of possession of certain durable goods indicates some level of vulnerability. Assets such as sewing machines, motor vehicles can serve as buffers against unfortunate circumstances. Access to televisions, radios and phones are important assets for communication and receiving information about the policies and programmes. Just over 30 percent of households have less than 4 out of the 9 possible durables.

**Table 2.3.2: Indicators of Vulnerability and their incidence in St. Lucia<sup>23</sup>**

Indicator of Vulnerability	percent of households	percent of individuals
percent vulnerable	9.5	11.2
Per capita household expenditure below 125 percent of poverty line	28.2	36.3
Adult equivalent household expenditure below 125 percent of poverty line	28.2	
Educational attainment: those not having passed any examination		37.1
School attendance: not attending school last week		5.5
Adult Employment I: no adult employed in the household	22.3	16.0
Adult Employment II: share of adults in employment below 0.5 (i.e. less than one adult employment for every two)	52.5	55.5
Dependency Ratio: Numbers aged 16-60 divided by the numbers aged 15 and below and 61 and above, at or below 0.5 (i.e. one person of working age for every two not of working age)	26.3	25.5
Access to safe water: if no access to piped water	3.8	3.9
Housing quality: if outer walls made of plywood or worse, or pit latrine or worse	55.5	56.0
Assets: whether household has less than 4 of 9 possible durables (phone, TV, video, radio, gas/electric stove, fridge/freezer, washing machine, motor vehicle, sewing machine)	32.5	27.9

Source: St. Lucia Poverty Assessment, 1995

Table 2.3.3 shows the factors that increase vulnerability in St. Lucia. The results of a probit analysis revealed the following:

- There is a strong correlation between household size and composition and vulnerability.
- Having an extra member in a household increases the probability of an individual becoming vulnerable by 7.3 percent. Not surprisingly, having fewer dependents per adult of working age reduces vulnerability by 2 percent for the household.
- Having work reduces vulnerability by 8.4 percent while possession of an extra durable good in the household also reducing vulnerability.

<sup>23</sup> These indicators are common to all three country studies- St. Lucia, Grenada and Belize

- Social insurance and health insurance have a positive effect in the reduction of vulnerability in the household.
- Public assistance does not assist in the reduction of vulnerability and this may be due to its small value and therefore its small impact.

**Table 2.3.3. Estimates of the impact of household characteristics and instruments on vulnerability in St. Lucia**

	Change in the probability that the individual is found to be vulnerable ( percent)	
	All persons	Aged 16-60
Aged below 5	+ 3.6	
Aged above 60	+ 6.5	
Being male	+ 4.8	*
An extra person in the household	+ 7.3	+ 7.3
Fewer dependents per adult of working age	- 2.0	- 3.0
In work (***)		- 8.4
Having lived abroad in the last 10 years	**	**
Receiving remittances in the household	- 6.5	*
Having an extra durable good (e.g., TV, fridge)	- 7.9	- 6.9
Receiving public assistance in the household	*	*
Receiving a pension in the household	*	*
Receiving domestic private transfers	*	*
Receiving social insurance transfers (***)	- 9.5	- 13.6
Being covered by health insurance	- 15.9	- 14.8

\* Not significant  
\*\* Not available in the St Lucia data

The figures in the table are the partial derivatives of a probit model estimated using the 1995 poverty data set.

In summary, household size and composition, employment, access to durable goods and receiving social insurance and health insurance help to reduce vulnerability in St. Lucia.

Some Groups at risk identified by the quantitative and qualitative data from the study are:

- ❖ Children
- ❖ Single mothers
- ❖ The youth
- ❖ The Poor
- ❖ The Small business persons (e.g., crafts persons, vendors)
- ❖ The elderly
- ❖ The disabled
- ❖ The farmers
- ❖ The ex-farmers
- ❖ HIV/AIDS victims

**At the community level:** The poverty at the community level can increase the vulnerability of geographic areas to external shocks. The poverty report 1995 shows poverty levels by geographic areas. Poverty was highest in the rural areas. While 11.7 percent of urban households were poor, almost twice 22.5 percent of rural households were poor. A profile of the poor communities based on the 1995 poverty data set is provided in Table 2.3.4.

Table 2.3.4 presents data on poor communities in 1995. These communities with poor infrastructure and inequitable access to social services are in need of social protection. The general status of the nation re water supply, housing and toilet facilities is presented in Appendix 2.3.4(i) based on data from the 2001 census. The majority of households own the land on which their house/home is built. However, 10 percent of the dwellers are squatters. The main water supply is from a public supply piped into the house. Approximately 9 percent have no type of toilet facility and about 5 percent still depend on kerosene as their main source of lighting. The vulnerability is more pronounced in the rural areas. The 2001 census data also provided more information of the possession of durables (Appendix 2.3.4 (ii)). Most St. Lucians had televisions (79 percent), radios or stereos (85 percent), refrigerators (76 percent), stoves (89 percent) and telephones (60 percent). Some 44 percent had cable TV, 40 percent had washing machines, 38 percent had videocassette recorders (VCRs) and 16 percent had microwave ovens. Access to information technology is still low with only 13 percent of households owning a computer and only 8 percent having access to the internet. Based on the poverty index (See Appendix 2.3.3), community scoring rates ranged from the lowest index of 4.62 for the Pierrot/Tete Morne Micoud community with the community of Cap Estate, Gros Islet with the highest poverty index of 15.27. The poverty map also provides the geographical distribution of poverty (Appendix 2.3.4(iii)). This poverty map is a useful tool for effective targeting- discussed later.

<b>Table 2.3.4: Profile of Poor Communities</b>	
◆	While family planning services was available in a number of communities, they were not fully utilized by the poor: there is a negative attitude to the use of such services.
◆	Garbage and human waste disposal were major problems in a number of communities.
◆	There was a general lack of proper toilet facilities and potable water supply in most poor communities.
◆	While the poor lived in their own homes, the quality of housing was very inadequate in terms of the amenities available: 20.8 percent of households in the lowest quintile had no form of toilet facilities, and 29.2 percent of the lowest quintile was dependent on kerosene for lighting.
◆	Twenty-one percent of the poor owned land. A higher percentage of the rural poor owned land as compared to the urban poor.

<<http://www.caribank.org>> Retrieved March 30, 2004.

However to deepen the qualitative analysis at the community level, focus group discussions were carried out in 5 districts. They were selected by the CDOs to represent a continuum of deprivation. At the lowest end was the district of Soufriere. It was chosen by the CDOs as an example of a district that had severe social and economic problems. When asked to select a district that could be seen as an example of a “managing district” with less social problems and “a good community spirit”, Denney was chosen. Vieux Fort was selected as the better off urban centre but with an “illegal drug problem”. Choiseul was selected because of its high dependence on craft and whose craft persons were highly vulnerable in the labour market. Laborie was chosen because of its dependence on fishing and the fishermen were identified as a vulnerable group. These issues that were raised during discussions with CDOs and community meetings of the respective communities are presented in Appendix 2.3. 4a-4e.

The common risks and vulnerable groups were identified as the following:

- ❖ Youth at risk high unemployment and involvement in crime.
- ❖ High percentages of individuals with “no certification”.
- ❖ Poor quality of education- inability to attract lucrative jobs in the labour market.
- ❖ Elderly at risk- inadequate care of the elderly.
- ❖ Vulnerability among fishermen and craft vendors.

Source: Various community meetings and focus group discussions

Some labour market issues/risks were highlighted:

There is a weak “trickle-down effect” of tourism and the linkage between tourism (one of the pivotal industries) and the other small industries (fishing and craft). Soufriere is the tourist capital yet many of the respondents complained that they rarely saw any tourist walking in the town. The craft persons complained that it was difficult to get their goods sold in the hotel. Inadequate access to markets for the fishermen and the craft vendors was also noted.

Source: Various community meetings and focus group discussions

It was interesting to note that when asked why their district would be described as a “managing” one (not poor, not rich); the respondents said it was due to the low crime, not so much poverty and the strong community spirit. Community integration will be further explored in the next chapter.

## 2.4 HUMAN DEVELOPMENT RISK IN A LIFE CYCLE CONTEXT<sup>24</sup>

There exist certain risks at various stages of the life cycle. In this section, a range of risks, including poverty, is identified. These risks have implications for survival and ability to avoid or break the cycle of poverty. The St. Lucia population is categorized into specific age groups: Early childhood, school age, working age and old age. Table 2.4.1 summarizes the main risks.

<b>Table 2.4.1: Life Cycle Risk Analysis</b>			
<b>Age Group</b>	<b>Incidence of poverty and vulnerability</b>	<b>Main risk</b>	<b>Level of Risk</b>
Early childhood: 0-4 years	<b>38.9 percent (poor)</b> <b>8.5 percent (vulnerable)</b>	Low birth weight:  Diarrhea among children under 5:  Incomplete immunization  Lack of cognitive stimulation  High mortality	Low birth weight: Has ranged from 9-12 percent for since 1991.  Diarrhoeal Cases: 2001: 505 cases; 2002: 368 cases  Immunization (measles): 98 percent BCG (95 percent); DPT (74 percent) ; Polio (90 percent)  Day care centre enrolment decreased from 5,682 to 5,507  Infant mortality rate: 17 percent, child neglect
School age: 5-15 years	<b>29.5 percent (poor)</b> <b>12.3 percent (vulnerable)</b>	Non-enrolment in school  Poor attendance  Drop-out rates  Child abuse	Primary school enrolment (2002) was 27,955, a 2.3 percent decrease  Approximately 6 percent do not attend school.  At the primary level: 0.7 percent; secondary school level: 1.6 percent Only 60 percent of those passing the common entrance were assigned to secondary schools  2002: 226 cases reported.
Working age: 16-60 years	21.2 percent (poor) 10.8 percent (vulnerable)	Unemployment  Inadequate access to education/Poor quality education  Unwanted pregnancy	Total unemployment rate: 22.2 percent Youth unemployment rate: 50 percent  37 percent of adults have not passed any examination  Teenage pregnancies as a percentage of total pregnancies has declined and stabilized at 16 percent since 1997.

<sup>24</sup> An examination of human development risk in a life cycle context was done for all the country studies



Age Group	Incidence of poverty and vulnerability	Main risk	Level of Risk
Old Age: 60+ years	20.8 percent (poor) 13 percent (vulnerable)	Low income, poor health, unemployment, Social isolation  Limited access to health insurance	Stroke, diabetes, malignant neoplasms, heart disease and hypertension the leading cause of death for those 65 years and over.  80 percent of those aged 60 years and over do not have any insurance.
Risks not related to age	HIV/AIDS  Disabilities  Crime	HIV/AIDS rate  Disability rate  Incidence of crime, corruption, inequality	417 cases of confirmed HIV, 212 of which have developed AIDS  Disability: 6 percent of St. Lucians have at least one disability.  Total crimes: 13,521 (2000) to 12,908 (2002) Homicide accounts for 26.8 percent of all external causes of death and 2.6 percent of all deaths for the period 1998-2002. Inequality (gin coefficient): 0.50

Source: Kairi Consultants (1995) Poverty Assessment St. Lucia, Ministry of Health and Department of Statistics, St. Lucia.

**Population Dynamics:** Before the analysis begins, a brief description of the St. Lucian population is necessary in order to understand the importance of the age-specific risks in the life cycle. About 31 percent of the total population in 2001 was under 15 years of age, while only 7.6 percent comprised persons 65 years or older in 2001 and 7.4 percent in 2002. In 2001 and 2002, females represented 51 percent of the total population with women of childbearing age (15-44 years) representing 24 percent and 25 percent respectively. Thus, St. Lucia's population is relatively young.

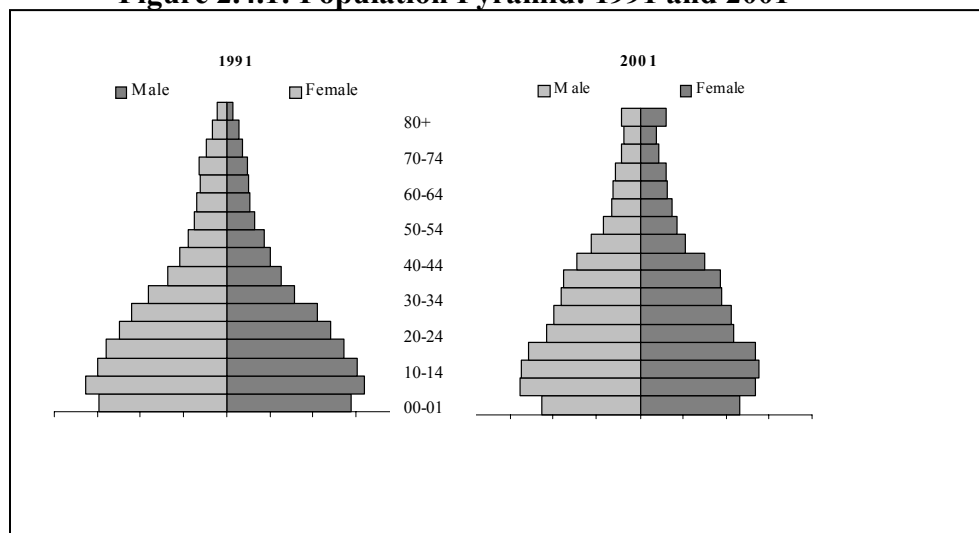
<b>Table 2.4.2: Estimated mid-year population by age and gender 2002</b>				
Age Groups	2002			
	Male		Female	
	No.	%	No.	%
All ages	77,868	48.9	81,265	51.1
Under 1 year	1,356	0.8	1,265	0.8
1-4 years	5,483	3.4	5,799	3.6
5-14 years	17,305	10.9	17,128	10.8
15-44 years	37,788	23.7	39,816	25.0
45-64 years	10,528	6.6	10,946	6.9
65 or older	5,408	3.4	6,311	4.0

Source: Government Statistical Office

The pyramid for 1991 generally depicts an expansive profile with a broad base and tapering toward the top (see Figure 2a.1). A reduction in fertility was noted as early as 1991 with the youngest cohort adding proportionately fewer births than its predecessor. The 2001 pyramid shows that this trend had continued during the decade of the nineties, as illustrated by its barrel-shaped base.

A simultaneous increase in the proportion of persons 75 years or older is also reflected in the two oldest cohorts of the 2001 pyramid, when compared to 1991. Thus, there is some evidence of aging of the population although it is still relatively young.

**Figure 2.4.1: Population Pyramid: 1991 and 2001**



Source: Government Statistical Office, St.Lucia

**Infants and young children (birth to 4 years old):** Children aged 0-4 years constitute 9.2 percent of the population; 39.5 percent of them live below the poverty line. Approximately 10 percent of St. Lucian babies are born with low birth weight. Infant mortality rate has remained constant at 17 percent. Immunization levels are low for DPT and polio. Less than 20 percent of the eligible cohort has access to day care services.

**School age (5-15 years):** Access to education is an important human capital asset and can determine the quality of life one has as an adult. Approximately 6 percent of the children of school age do not attend any school. Primary school enrolment has dropped, partly due to the decrease in the population of that specific age group. Although dropout rates are low, the gender-specifics of this phenomenon require some attention. Two-thirds of those who drop out at the primary level are males. At the secondary school level, however, the girls are more likely to drop out than the boys. The latter may be connected to the fact that more girls have places in the secondary school system. Approximately 73 percent of the dropouts are in Forms 4 and 5, just before the CXC exams. This has implications for the quality of certification of these drop outs and the ability to access good-quality jobs in the labour market. Child abuse remains a major concern among this group (Table 2.4.3.).

**Table 2.4.3: No. of reported cases of child abuse at the Department of Human Services and Family Affairs for the period 1997-2003**

<b>CASES</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>TOTAL</b>
Sexual	13	47	39	34	42	88	100	363
Physical	18	37	63	56	64	60	80	378
Neglect/Abandonment	22	53	36	52	64	89	75	391
Verbal/Emotional/ Psychological	0	5	14	9	4	6	17	55
<b>TOTAL</b>	<b>53</b>	<b>142</b>	<b>152</b>	<b>151</b>	<b>174</b>	<b>243</b>	<b>272</b>	<b>1187</b>

The Department of Human Services and Family Affairs is the main agency with responsibility for the protection of children from all forms of abuse and neglect. The Division has the mandate for providing support services for individuals and families in crisis. Services may take the form of therapeutic interventions and childcare and protection programmes aimed at strengthening and preserving the family unit.

The Department continues to experience an increase in reported cases of child abuse and is in dire need of a place of safety for at risk children. The factors which have contributed to those incidences of abuse, neglect and abandonment have been found to include poverty, poor parenting skills, especially among young parents, family dysfunction, family crisis, physical and mental illness, substance abuse by parents or primary caregivers, a history of child abuse and overcrowding in household. Incidences of child abuse and neglect may also be attributed to unemployment and the resulting migration of parents, leaving behind their children in the household without adequate care arrangements.

The short and long term effects of child abuse are detrimental to the child and linger unto adult years. Such children can develop Attention Deficit Hyperactivity Disorder (ADHD), Oppositional Defiant Disorder (ODD) and Conduct Disorder (CD). In the absence of timely and professional therapeutic intervention, children who are victims of child abuse can develop other mental health disorders particularly, Schizophrenia, Psychosis, Depression and Antisocial Personality Disorders. These effects of child abuse are one of the major contributing factors to violence and crime in the country.

The Department continues to face a major challenge of finding places of safety for children who have had to be removed from abusive family environments. A total of eighty-six (86) children are presently in foster care. While every effort should be made to

encourage positive behavioural changes and responsible parenting, the situation regarding the increased number of children at risk of abuse requires the establishment of a place of safety for those who will of necessity have to be removed from abusive or dysfunctional environments.

**Working age (16-60 years):** The quality of education is inadequate for a significant proportion of St. Lucian adults, as approximately 37 percent of them have never passed any examination. Females are particularly vulnerable (28.1 percent). **Youth unemployment** is a major concern. Persons in the age group 15-24 accounted for 49.95 percent of the total unemployed of St. Lucia in 2001, which is one of the highest rates in the OECS. Apart from the obvious loss in productive potential that this entails, such large amounts of employment tend to lead the youth, energetic but idle, to criminal activity, including drug-related activity.

**The elderly (60 years and over):** Internationally, the elderly have been recognized as a vulnerable group. They usually have poor health and limited access to income. At his age, one is at risk of dying from chronic illnesses. Chronic illnesses are expensive to treat and access to health insurance becomes important. Only 1.5 percent of persons in the group aged 60 years and over have access to individual health insurance. Without health insurance, the probability of accessing good quality care is reduced and the consequences are poor health and earlier death. Social exclusion is the main complaint of the elderly. Even if economic support were provided for them, they would still feel alienated in the society. During the focus group discussion with them, they expressed a need for recreational activities and a meeting place to engage in these activities.

**Elderly female in Castries:** *The young people do not want much to do with us.*

**Elderly man in Castries:** *In some houses, the old people face a lot of abuse and bad treatment from their families.*

**Elderly woman in Laborie:** *The young people tell us to withdraw and die.*

Source: Focus Group Discussion with the elderly, May 5, 2004

**Risks not related to age:** St. Lucia has high levels of inequality. In 1995, the poverty assessment reported that the gini coefficient was .50.<sup>25</sup> With poverty levels at 25 percent of the population, this indicates that a large proportion of the population is at risk. As stated before, this factor increases one's vulnerability to external shocks.

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<sup>25</sup> The closer the gini coefficient is to 1.0, the higher the inequality.

The HIV/AIDS epidemic continues to spread in St. Lucia. HIV/AIDS impacts negatively on the labour force and reduces productivity levels. The cost of treating those infected with the disease is high and the entire Caribbean region has identified HIV/AIDS as a national priority. The Prime Minister's 2004 budget speech revealed that there were 417 cases of confirmed HIV/AIDS infection. Two hundred and twelve (212) of those developed full-blown AIDS and 10 percent were children. One hundred and ninety-eight (198) persons died of the disease and the prevalence rate is almost 1 percent (1 percent). The Prime Minister in his 2004/2005 budget address noted information received from the Chief Medical Officer that the said statistics could safely be multiplied by four. The first HIV case was reported in 1985. Seventy-three percent (73 percent) occurred in the last decade of the epidemic. These figures indicate a steady and rapid increase of the number of new cases of HIV/AIDS over time despite the efforts to control the disease. Table 2.4.4 presents trend data from 1987. Women account for the almost 48 percent of the cases and about one-fifth of the cases have occurred in the young group under 25 years.

Table 2.4.4: Reported cases of HIV infection by age, gender and 4-year periods, 1987-2002							
AGE GROUP	SEX	1987-1990	1991-1994	1995-1998	1999-2002	Unknown	TOTAL
All ages	Total	42	67	105	132	37	357
	Male	25	36	49	55	22	187
	Female	17	31	47	60	15	170
Under 15 years	Total	2	4	20	9	2	37
	Male	1	2	8	2	0	13
	Female	1	2	9	3	2	17
15-44 years	Total	34	47	60	89	31	261
	Male	21	1324	30	34	19	128
	Female	13	23	28	49	12	125
45 years or older	Total	3	3	22	29	4	71
	Male	1	7	11	16	3	38
	Female	2	6	9	7	1	25
Not stated	Total	3	3	3	5	0	14
	Male	2	3	-	3	0	8
	Female	2	-	1	1	3	0

NB: Totals within some age groups do not correspond due to exclusion of cases with unknown gender

Source: Ministry of Health, Report of the Chief Medical Officer, St. Lucia 2001-2002

**At risk: Children living with HIV:** This was highlighted by the Prime Minister in his budget speech and he stated his government’s commitment to addressing this social issue.

*We are finding many homes with a single infected surviving parent with three or four children having to take care of this parent. The role of the child as care giver is complicated because of the meagre income and the inability to attend school. Some of the children are HIV positive. What is the future for persons, especially children in these conditions?*

Source: The Prime Minister of St. Lucia’s Budget Speech 2004, p.31.

**The disabled:** Constitute a vulnerable group as they usually have limited access to the labour market. Disability remains a major health issue as six percent (6 percent) of St. Lucians reported having at least one type of disability in the census in 2001. The two main disabilities reported were lower limb, legs (3.3 percent) and sight (1.3 percent) (Table 2.4.5).

Table 2.4.5: Percentage Distribution of Type of Disability in St. Lucia	
Type of Disability	Distribution ( percent)
Sight (n=2100)	1.3
Hearing (n=584)	0.4
Speech (n=645)	0.4
Upper limb (arm) (n=943)	0.6
Lower limb (legs) (n=2394)	1.5
Neck and spine (n=466)	0.3
Slowness at learning or understanding (n=518)	0.3
Behavioural (mental retardation) (n=768)	0.5
Other (n=1404)	0.9
Persons reporting at least one type of disability (n=9822)	6.2
Persons having no disability (n=147668)	93.8
Total	100.0

N=157490

Source: St. Lucia 2001 Census, St. Lucia Statistics Department

Closely related to the vulnerability of the disabled, the HIV/AIDS patients and the elderly is the risk of **the infringement of their human rights**. These three groups confront human rights issues all the time as they struggle to integrate into the society.

**Crime:** Table 2.4.6 provides trend data for the years 2000 to 2002. In spite of the decrease in the total number of crime cases, crime remains a national concern in St. Lucia and the male, young unemployed are known to have the highest levels of criminal activity.

Table 2.4.6: Type of Crimes in St. Lucia (2000-2002)			
Types of crimes	2000	2001	2002
Against lawful authority	882	1020	783
Against public morality	169	187	162
Against the person	4875	5229	4816
Against property	6778	6949	6365
Firearm offences	129	143	160
Drug offences	663	768	621
Other	25	11	1
Total	13,521	14,307	12,908

Source: National Crime Commission (St. Lucia)

**Cultural risks:** Other risks not mentioned much in the literature are cultural risks. Based on the findings from the qualitative research, there are some cultural characteristics of the vulnerable persons themselves that impede their own progress. It was mentioned that some youths “just did not want to work”. One young person in Vieux-Fort revealed that he would not easily give up selling marijuana to attend a training class although the former was risky. Whenever males were offered training, some of them did not attend or

dropped out quickly. Methods must be found to motivate the youth and inculcate in them a desire to be trained and seek employment.

**Male Community Development Officer:** *The youth have themselves to blame for some of their problems.*

**Female Community Development Officer:** *Some of the young people want to reap the benefits without hard work.*

**Female Community Development Officer:** *Some of these young people seem to lack a sense of responsibility for themselves and their communities.*

Sources: Various interviews with community development officers.

## **2.5 NATURAL HAZARDS AND ENVIRONMENTAL RISKS**

In this section, we examine more closely, the natural and environmental risks. They are important because of the unpredictability of the event and the limited control that can be exerted over their occurrence. The recovery costs for these natural hazards are usually very high. Some damage that occurs with a number of the natural occurrences can be minimized, e.g., proper drainage systems can minimize the negative effects of flooding due to heavy rains. Generally, ex-ante social protection strategies are limited and much emphasis has to be placed on these aspects.

St. Lucia, because of its location in the hurricane belt, is very prone to natural and environmental risks. Hurricanes, storms, heavy rains, landslides and flooding have resulted in extensive damage in St. Lucia. The impact of Hurricane Allen (1980) was tremendous. The island's main industry at the time (bananas) was devastated: 88 percent of crops had snapped stems while 12 percent of crops were uprooted. Banana farmers were without an income for about nine months. Other major crops such as coconuts, breadfruit, cocoa, and plantain were also affected. Quite apart from the damage to St. Lucia's agricultural sector, the total estimated cost of rehabilitating damaged buildings was EC\$11.7 million. In 2002, Tropical Storm Lili destroyed close to half of the banana crop. Also, in 1996, during a rainfall period of eight hours, eight (8) inches of rainfall were recorded. The consequence was numerous landslides and damaged bridges, river walls and retaining walls.

Volcanism, coupled with St. Lucia's young geological age, have led to steep slopes being pervasive throughout the island. With mountain building processes very much alive in St. Lucia, the lowering of the base level of streams occurs continually. This results in constant erosional modification in order to maintain the gradient of adjacent slopes. This mass movement (landslides) is one of the principal erosional processes of the aforementioned modification. Landslide activity in St. Lucia is relatively widespread and



represents a significant risk factor as it leads to losses in agriculture: the direct loss of crops and the indirect loss of productive soil (land degradation).

In 1984, a landslide in the Piton Flore area resulted in losses estimated at EC\$10,000. The heavy rains of 1996 led to over 60,000 cubic meters of landslides in the south western part of the country. Land degradation which involves soil erosion and loss of soil fertility is a consequence of landslides and is a reality in many parts of St. Lucia reducing the productivity of many farms. Small farmers are particularly vulnerable since they occupy less fertile lands and steep slopes.

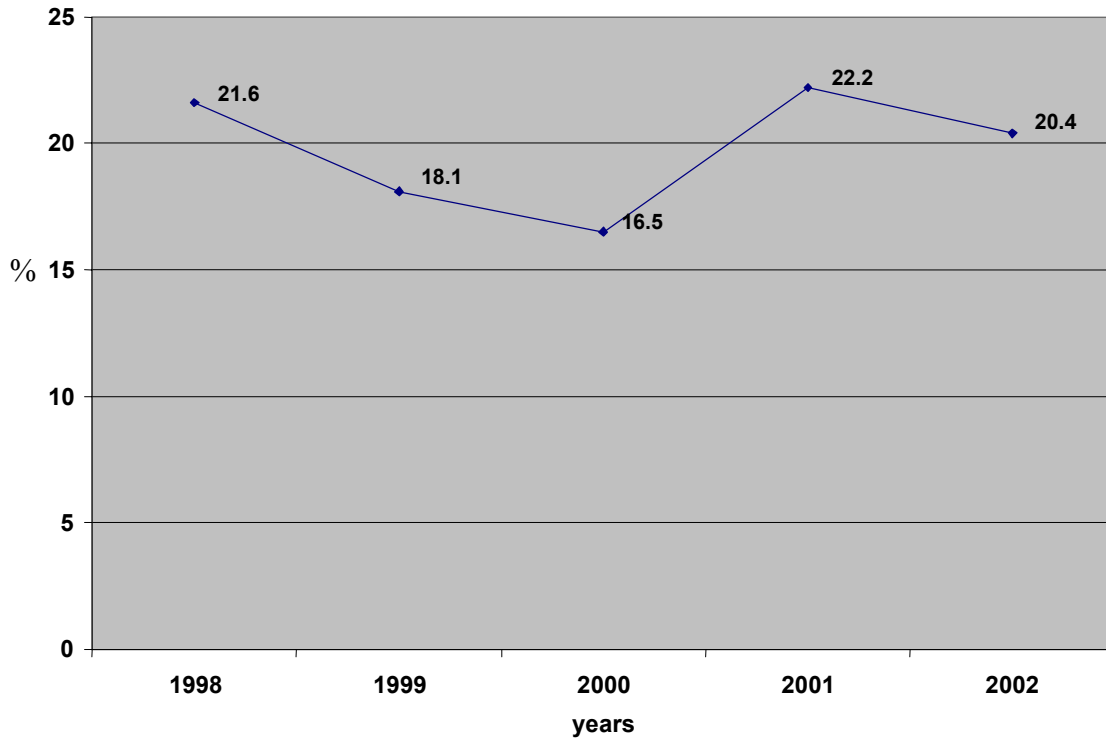
Coastal and marine habitat degradation is also at the root of St. Lucia's poverty matrix. Coastal productivity and the stocks of important species have declined due to factors such as land and sea pollution; the over-harvesting of living marine resources; and physical damage to coastal and marine eco-systems. Since the poor are the most dependent on near-shore resources, their livelihoods are extremely vulnerable and easily affected by ecological change and uncertainty. In addition, sea level rise, one of the impacts of global climate change, increases the vulnerability of small islands like St. Lucia that are dependent on its beaches as an important tourist attraction.

While natural hazards are destructive to developmental achievements, the abuse of the environmental resources in poor countries such as St. Lucia represents a major risk.

## 2.6. LABOUR MARKET RISKS

In an earlier section on the life cycle risks, some risks associated with the labour market were examined. It was established that the high unemployment rates (especially among the youth) are of national concern. The overall unemployment rate stood at 20.4 in 2002.

**Figure 2.6.1: Unemployment Rates in St. Lucia (1998 - 2002)**



Source: St. Lucia Statistics Department

Unemployed persons need social protection and are at risk of poverty. For those employed, they must be adequately insured in the event of loss of jobs. Of course, the quality of employment is important because unless wages are adequate, then income security is the consequence. Having a job did not automatically relieve one of poverty because 57.6 percent of the poorest quintile worked.<sup>26</sup> The concepts of “what constitute work” and “what are decent wages” become relevant in this case.

**The formal sector:** A 1979 report on employment in St. Lucia revealed that the most serious problem was severe unemployment, characterized by unemployed, unskilled, uneducated youth between the ages of 15 and 25. In St. Lucia’s 2004-2005 budget presentation, the Prime Minister claimed that, “next to crime, the most pernicious social affliction facing the nation is unemployment”. The issue of unemployment is indeed a

<sup>26</sup> St. Lucia Poverty assessment data, 1995

serious one in St. Lucia, particularly youth unemployment, and as we have shown it has been for some time.

St. Lucia's vulnerability to external shocks is a key factor in understanding labour market risks. The dramatic events of September 11<sup>th</sup> 2001, led to the temporary closure of major hotels. The changed modalities of the international banana trade resulted in the mass exodus of banana farmers from the industry. The important role of foreign investment in employment creation is also a critical factor in the labour market risk matrix. The closure of the garment factory, Belle Fashions (Dennerly), in the late 1990s, had an adverse effect on the economy. The critical issue to note here is that the workers employed in the banana industry, in hotels and factories are mainly uneducated and unskilled workers. Thus, they are the ones who are the most vulnerable.

St. Lucia's labour market is also affected by the migration of skilled labour. Recruitment drives in the United States and England are currently underway, targeting trained nurses as well as trained teachers in St. Lucia and other Caribbean countries. Better working conditions, better opportunities for training as well as better pay are quoted as some of the factors associated with the movement of these trained persons.

By 2005, the Caribbean Single Market and Economy (CSME) and the OECS Economic Union aim to create a common market which would permit the free circulation of goods, the free movement of capital and the free movement of labour among fourteen participating states in the case of the CSME and seven participating states in the case of the OECS/EU. This development will have significant implications for St. Lucia's labour market.

The lack of competitive advantage with respect to technological expertise also represents a significant risk factor. Due to the fact that St. Lucia does not have a significant proportion of skilled persons in that area, they are limited with respect to the opportunities that they can access. The 1996 Poverty assessment Report spoke of the need to upgrade workers from the "increasingly uncompetitive low wage raw labour services" to the "fast lanes" of the "information super highway".

Another critical issue concerns an inadequate post-primary school education. From as far back as 1979, the aforementioned report recommended that the government embark upon the qualification of post-primary school education so as to relate school leaving to employability. Today, the technification of post-primary school education is yet to be achieved. The Social Assessment Study (2000) of the Poverty Reduction Fund revealed that young male school leavers and unemployed young adults perceive their disadvantaged position as being associated with their inadequate vocational skills and their low level of education. Thus, the lack of skills training in schools is a major risk factor with respect to the labour market.

St. Lucia's failure to expand the agricultural employment base is another risk factor, particularly in the realm of agro-processing. The 1996 Poverty Assessment Report underscored the need to generate a diversified agricultural output that was capable of entering external markets and earning foreign exchange for the country and in so doing creating viable employment opportunities.

**The informal sector:** Another group worthy of attention in the labour market is the informal sector. Workers in this sector are usually without insurance and access to social protection instruments. Unless there is a concerted effort to guard the employers in the informal sector, they will receive very little social protection. The informal sector in St. Lucia has grown as evident in the table below.

<b>Table 2.6.1 Informal Employment in Selected Caribbean Countries, 1991, 1994, 1998, 2000 ( percent)</b>				
<b>Country</b>	<b>1991</b>	<b>1994</b>	<b>1998</b>	<b>2000</b>
Barbados	11.9	12.7	12.9	12.8
Jamaica	42.6	39.4	38.6	37.9
St. Lucia	NA	26.9	28.6	30.5
Trinidad & Tobago	20.7	22.3	18.9	18.5

Source: Ying (2004)

**Social Insurance:** The agriculture industry is undergoing significant changes and one group that is increasingly becoming marginalized is the ex-farmers. A survey showed that approximately 38.9 percent of the ex-farmers are unemployment (compared to the national unemployment figure of 22.3 percent).<sup>27</sup> Of those, currently employed, 45.3 percent of them have an average monthly income of EC\$400.86. Gender analysis revealed that 72.7 percent of them are males. The average age for the male ex-farmer is 51.12 years as compared to 54.8 years for the females. The majority of ex-farmers are located in the rural districts of Dennery (27.4 percent) and Micoud (23.3 percent) respectively. Educational achievement is low with 54.4 percent of the ex-farmers attaining primary school education. They have limited marketable skills and the weaning from agriculture has been difficult. Currently 78.8 percent of the ex-farmers do not contribute to the NIC. This is exacerbated by the fact that 91.9 percent of the ex-farmers reported not having any type of social insurance. The survey findings revealed that of the total respondents who do not contribute to NIC, 31.1 percent of them gave as their primary reason for not contributing - the inability to pay. As the pension scheme is established, due consideration is needed to the low income levels of the ex-farmers.

*The farm labourers*, the ex-farmers and the fishers are examples of vulnerable groups in St. Lucia. They have limited access to social insurance. Data from the Department of Statistics<sup>28</sup> indicated that there are about 4,800 farm labourers. The survey showed that about 76.3 percent were males. They constitute of a relatively young population with an average age of 34.6 years. Assuming a retirement age of 65 years, then this would imply a further 35 years of employment. The provision of a pension programme would benefit approximately 85 percent of these workers. Currently, 84.6 percent of these workers are

<sup>27</sup> Task Force for Farmers, Farm Labourers and Fishers Pension Plan (July 2004) Survey of Ex-Farmers. Analysis of survey of Ex-Farmers for the Establishment of a Pension Scheme. Central Statistical Office, National Insurance Corporation

<sup>28</sup> Task Force for Farmers, Farm Labourers and Fishers Pension Plan (July 2004) Survey of Farm Labourers. Analysis of survey of farm labourers for the Establishment of a Pension Scheme. Central Statistical Office, National Insurance Corporation.

not covered by the National Insurance Corporation (NIC) and only 5 percent have private medical/pension plan. The average monthly income of the male farm labourers is EC\$600 and the female labourers EC\$400. These income levels are way below the estimated national income of EC\$1,460.

*The fishers* represent another vulnerable group. In 2003, there were approximately 2,163 fishers in St. Lucia<sup>29</sup>. The average age of the fishers is 45.3 years with 57 percent of them over 40 years. Provision of social insurance for this group must be immediate if this significant group of 57 percent is to acquire the necessary contributions to qualify for a pension. Data revealed that fishers fish up to age 70 years. Employment within the group is high at 95 percent. During the high season, January to June/July, the average monthly catch level and income per fishing boat/vessel are 720 lbs and EC\$3,600. The survey revealed that currently, only 22.7 percent of the fishers pay contribution to the NIC and a further 3.3 percent have private medical/pension plans. The rest (76 percent) have no protection in times of illness/unemployment, accident, old age retirement and permanent disability. The main reasons for non-contribution to the NIC are: *lack of information, never thought about it and economic difficulties*.

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<sup>29</sup> Task Force for Farmers, Farm Labourers and Fishers Pension Plan (July 2004) Survey of Fishers. Analysis of survey of Fishers for the Establishment of a Pension Scheme. Central Statistical Office, National Insurance Corporation

## 2.7. ISSUES OF GOVERNANCE

As stated in the section on the analytical framework, governance is a critical aspect of social protection. Democracy, political stability and neutrality, low levels of corruption and an active citizenry are essential components for efficient and effective social protection systems. All of this must be buttressed by an integrated approach to development planning. In this section we examine the risks involved in the type of governance practices in St. Lucia.

The truncated Westminster democracy that is practiced in St. Lucia has its inherent risks, which have implications for effective administration and dependency. These risks include:

- The threat posed by regime change to the practice of neutrality and political impartiality of the civil service.
- High levels of conflict due to political cleavages caused by a highly politicized civil society.
- The use of public office for personal gain.
- High levels of political patronage.

A characteristic of the Westminster system in the Caribbean is that the party system tends to be dominated by two major political parties. These two parties alternate in the running of government. Third parties tend to frizzle out because they do not have an adequate following and the financial muscle to sustain a national presence. St. Lucia has seen three changes of government since 1951: in 1964, when the United Workers Party (UWP) defeated the St. Lucia Labour Party (SLP) at elections, and in 1979 and 1997, when the SLP regained power from the UWP. There has been political stability and no military coup (Ryan 1999: 77).

**Table 2.7.1: St. Lucian Political Parties and Political Leaders since independence (February 22, 1979)**

Year	Political Party	Political Leader
1979-1982	SLP	
1982-1987	UWP	John Compton
1987-1992	UWP	John Compton
1992-1997	UWP	John Compton
1997-2001	SLP	Kenny Anthony
2001-present	SLP	Kenny Anthony

Note: SLP- Saint Lucia Labour Party

UWP- United Workers Party

There is a third party, the National Freedom Party (NFP)

Source: [http://www.fact-index.com/p/po/politics\\_of\\_saint-lucia.html](http://www.fact-index.com/p/po/politics_of_saint-lucia.html) Poverty.

**Political Neutrality and Impartiality and Patronage:** The transition following the 1997 election passed relatively peacefully. However, triumphant SLP stalwarts demanded that persons appointed to positions in the public service by the ex-Prime Minister be sacked or moved to less sensitive positions in the central public service or urged to take early

retirement. In the words of Selwyn Ryan, “they called for a thorough purge of all public sector workers presumed to be traitors or potential traitors” (1999: 79). The main reason for this reaction (in a Westminster democracy) normally tends to be the lack of trust in these personnel by the incoming administration. Small island states with a very limited human resource base cannot afford such luxury because effective public administration depends on a good workforce with relatively infrequent turnover.

A recent threat to continuity has been introduced inadvertently through the adoption of new employment contracts with delimited tenure and the appointment of political advisers whose roles at times duplicate those of the permanent secretaries of ministries.

There is also what is known as enduring divisions between government and opposition. This leads to political polarization and discrimination, which ensures that the ruling party retains absolute control over public resources with none left for the opposition. This political culture breeds undue conflict, which at time proves harmful to national economic and social development. Allied to this is where political interference can more or less set aside effective regulation of national procurement so that contracts are awarded to supporters of the ruling party. This is a general characteristic of the Westminster system in the Caribbean.

The Westminster democracy experience in St. Lucia, like many other Caribbean countries, has tended to encourage political patronage. It encourages a political culture whereby the poor tend to depend on party and public functionaries to gain access to public services and resources which be provided by a non-partisan public administration. This is a serious risk because it breeds a habit that becomes difficult to deal with in the long run. It also affords access to public resources to the undeserving and thereby deprives those with genuine need. During the focus group discussions and community meetings, the active role of the politicians in facilitating funds or services was mentioned.

**Corruption:** Has a serious impact especially where it occurs in small economies. The World Bank, IMF and bilateral and multilateral development agencies have publicized the consequences of corruption on the poor in developing countries. A culmination of recent international campaigns resulted in the promulgation and ratification of the UN Convention on Corruption in December 2003 in Mexico. In St. Lucia, there have been allegations and counter allegations of corruption against the UWP and the SLP at different junctures in the political history of the country, especially in the period immediately after a change of government. Traditionally, such allegations have been dealt with by the appointment of a commission of enquiry. In an exceptional case, the Court of Appeal of the Organization of Eastern Caribbean States (OECS) was asked by the Opposition to intervene in the appointment of an ex-justice, Monica Joseph as chairperson of one of two commissions because of conflict of interest. The Opposition’s claim was upheld by the court (Ryan 1999: 80).

The measures for mediating these risks seem to lie in the pursuit of appropriate policies to ensure good governance. The battery of policies needed includes institutionalization of anti-corruption agencies and an independent judiciary, which has independent and protected sources of funding to encourage its operatives to offer an impartial service.

Given the risks that are inherent in the governance system, the environment is not conducive to active and effective participatory governance. Citizens are acutely aware that political alliances are sometimes critical for access to the social protection instruments. Some may exploit their access to the political system to their benefit and to the detriment of more needy persons. To ensure the effectiveness of the social protection programmes, the citizens (the consumers) need to be part of the formulation, implementation, monitoring and evaluation of social protection programmes. Then participation would become meaningful in a truly democratic society.



**2.8 SUMMARY**

In this chapter, the main risks in the St. Lucian society were examined. The main risks identified are presented in Table 2.8.1. In the next chapter, an examination of current social protection strategies, programmes and policies is completed. The adequacy of these social protection instruments to meet the risks identified is also determined.

<b>Table 2.8.1: Summary of Main Risks by Social Protection Area</b>	
<b>Social Protection Area</b>	<b>Risk</b>
Macroeconomic environment	<ul style="list-style-type: none"> <li>○ Unprepared ness for the increased competition arising from CSME, FTAA, EPAs and WTO conditionalities</li> <li>○ High volatility with respect to major industries (agriculture and tourism)</li> <li>○ Weak linkage between tourism and the smaller industries e.g., fishing and craft</li> </ul>
Labour market	<ul style="list-style-type: none"> <li>○ High unemployment</li> <li>○ High youth unemployment</li> <li>○ Lack of technical skills and educational qualifications</li> <li>○ No minimum wage</li> <li>○ Poor working conditions</li> <li>○ Low pay</li> <li>○ A large informal sector</li> <li>○ Inadequate access to markets</li> </ul>
Human development	<ul style="list-style-type: none"> <li>○ percent of persons in poverty- 25.1 percent</li> <li>○ 21 percent of households are vulnerable</li> <li>○ Low school attendance at the primary level</li> <li>○ Inadequate daycare services</li> <li>○ Lack of secondary school places</li> <li>○ Poor technification of post primary education</li> <li>○ Dysfunctional families</li> <li>○ Social exclusion of the elderly, the youth and the disabled</li> <li>○ Low health insurance coverage</li> <li>○ HIV/AIDS</li> </ul>
Natural hazards	<ul style="list-style-type: none"> <li>○ Exposure to natural disasters (hurricanes, storms, flooding, landslides)</li> <li>○ Land degradation</li> <li>○ Coastal and marine habitat degradation</li> </ul>
Participatory governance	<ul style="list-style-type: none"> <li>○ A highly politicized nation</li> <li>○ Enduring divisions between government and opposition</li> <li>○ Citizens unclear about their role in the decision-making process</li> <li>○ Some political interference</li> <li>○ Dependency on politicians</li> </ul>

## **CHAPTER 3: AN ASSESSMENT OF THE SOCIAL PROTECTION SYSTEM IN ST. LUCIA**

### **3.1 INTRODUCTION**

After identifying the risks and vulnerabilities in St. Lucia in Chapter 2, this chapter describes the nature and scope of the social protection system in St. Lucia. There are seven sections:

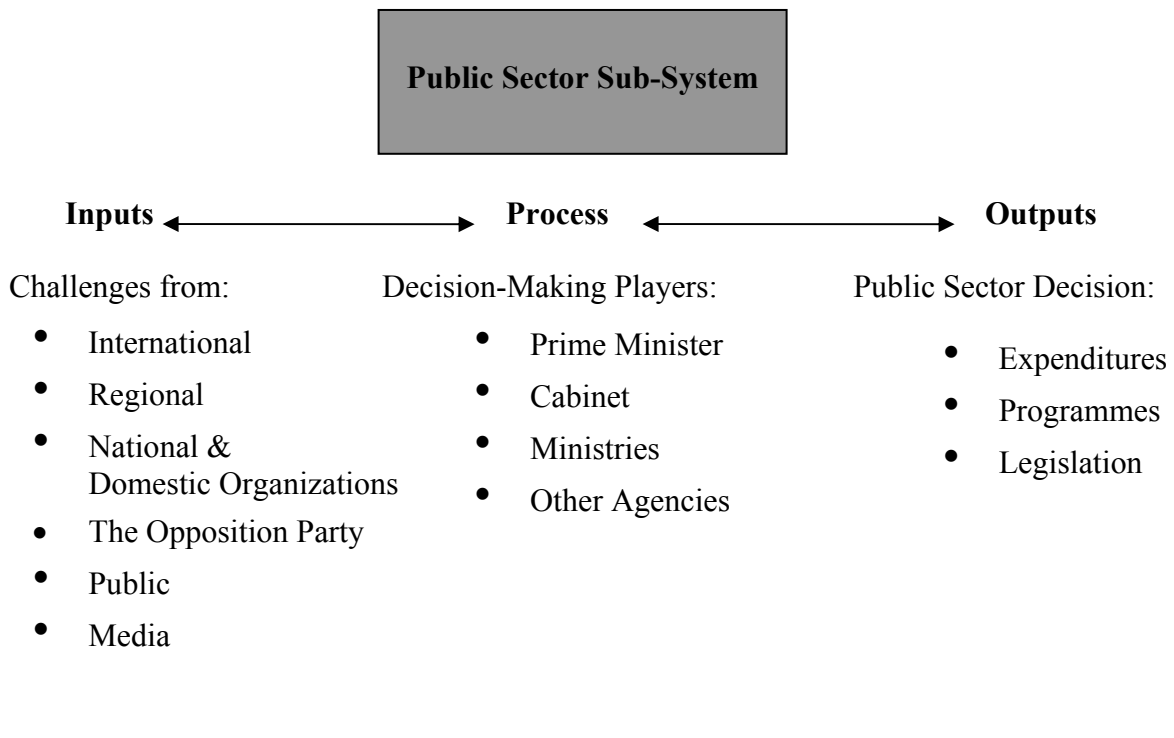
1. It begins with a description of the policy and legal context for the provision of social protection in St. Lucia.
2. This is followed by an inventory of the social protection programmes in the seven areas identified by the regional consultants.
3. Since household strategies form an important element of the informal social protection system, they are given some attention in the third section of the chapter.
4. An examination of the institutional framework for the delivery of social protection follows.
5. A section is devoted to the examination of issues of effectiveness and efficiency.
6. The match between the risks identified in the second chapter and the programmes/strategies discussed in section two of this chapter is examined.
7. The final section provides a summary on the nature and scope of the social protection system in St. Lucia.

### **3.2. THE POLICY AND LEGAL FRAMEWORK**

Figure 3a.1 summarizes social protection in the decision-making system. Social protection in St. Lucia has been shaped by several international influences and commitments. These include the World Summit for Social Development in 1995, the Universal Declaration of Human Rights, the International Convention on Economic, Social and Cultural Rights, the Convention of the Rights of the Child, the Millennium Development Goals and the ILO conventions especially those related to social protection (e.g. the Convention on social security dealing with maternity protection and the Convention of the worst forms of child labour). Regional agencies such as OECS, CDB, ECLAC, ECCB, CARICOM and COHSOD have demonstrated commitment to reducing poverty in the region.

Social protection is also influenced at the local level by the national and domestic organizations, the public, and the media among other groups. The level of social protection provided is determined by economic constraints and priorities.

**Figure 3.2.1: Social Protection Decision-Making Policy System**



Source: Ying (2004). Modified by Henry-Lee (2004)

**Policy level:** The *Social Policy for Human Development* prepared by the Ministry of Social Transformation represents the manifestation of the St. Lucian government’s commitment to improving the quality of life of all St. Lucians; thereby promoting sustainable human development. This document embraces the philosophy that the boundaries of social policy extend beyond the fences of social protection and social welfare; hence the need to invest in people and institutions - the necessary condition for growth and prosperity. The goal of the social policy for human development is to create, develop and strengthen rules and patterns of social relationships and personal behaviour that result in social integration, in the empowerment of people and communities, in economic growth and poverty reduction and in substantial improvements in the quality of the life of all citizens.

**This policy framework for human development** is the result of the recognition of the current challenges being faced by St. Lucia and other Caribbean countries at this time. There is recognition of the urgency to attend to the severe social issues that affect people and society. Threats to social cohesion are identified in current patterns of social organization as a significant increase is noted in the intensity of social conflict and violent behaviour.

While the report acknowledges that social issues are rooted in cultural values and behaviour, noting that human development has been negatively affected by recent social and cultural changes; it argues that poverty lies at the pivot of all issues of human

development. It is seen as a symptom as well as a cause of the social problems faced by many individuals, households, communities and institutions.

It is expected that this policy document will provide a framework for the emerging social issues as well as a foundation for national and economic development. The framework is intended to be informed not only by the local context but also by the regional and international contexts respectively.

The following have been identified as the strategic objectives:

- Provide an enabling policy environment
- Promote sustainable economic growth
- Sustain and develop livelihoods and production capacity
- Promote human and social integration
- Guarantee, secure and improve access to basic social services
- Build capacity and improve governance

The following issues have been targeted as critical:

- poverty and vulnerability to poverty; need for social protection and security
- personal development, youth unemployment, need for skills and economic competitiveness, need for shared values to guide national development
- exclusion of poor and vulnerable persons and groups; gender-based disparities; marginalization and criminalization of young men
- development of the HIV/AIDS pandemic; unhealthy lifestyles and risky behaviour; need for increased attention to mental health concerns
- threats to environmental quality and safety, need for economic competitiveness
- absence of shared values to guide national development; social exclusion, lack of popular participation in policy and governance; growing incidence of violence, crime and insecurity.

Three major issues have been identified as being critical to all sectors and processes:

- gender
- age
- disability

Consequently, this policy framework is relevant to the implementation of social protection programmes. Of, course its objectives should not include the management of risks in the society.

Some of the key policy instruments and legislation that have been enacted by the Government of St. Lucia include the following:

- The Children and Young Persons Act
- The Domestic Violence Act
- The Affiliation Ordinance
- The Separation and Maintenance Act
- The Attachment and Earnings Act
- The Family Court Act
- The Medium-Term Development Strategy Paper, 2002-2006
- *The Social Policy for Human Development*
- *The Education Sector Development Plan*
- The Poverty Reduction Act No. 7 of 1998
- The Public Assistance Act of 1967
- The National Youth Policy
- The National Cultural Policy
- The National Sports Policy
- Draft Early Childhood Policy 2004
- The National Insurance Act No. 10 of 1978
- The National Community Foundation Act
- The Green Paper on Local Government Reform
- The White Paper on Public Sector Reform
- The Interim Poverty Reduction Strategy and Action Plan
- The Education Act No. 41 of 1999 and the Education Sector Development Plan
- The OECS Education Reform Project
- The Health Sector Reform Proposals and Plans
- The OECS Health Sector Reform Strategy (GOSL-MOSTC&LG 2003: 7).
- The Development Agencies Act No.2 of 1998
- The Special Development Areas Act No. 26 of 1999
- Incentives for the Renovation of Commercial Properties – 1998 Budget
- The Tourist (duty-free shopping system) Act No. 23 of 1986.

Policies being drafted:

- The National Policy for the Prevention, Reporting, Investigating and Management of Child Abuse
- The National Mental Health Policy
- The National Policy for the Disabled
- The National Policy for the Elderly
- The Labour Code
- The National Water Policy
- The National Land Policy
- The Early Childhood Policy
- The National Policy on Agriculture

These are all relevant to the implementation of social protection programmes.

The St. Lucian Constitutional Order 1978 provides for public social insurance in the form of a pension, which is exclusively for public sector workers. It offers a source of legitimacy for pension laws existing before 1978 and lays down minimum requirements under which former judges and officers of the Supreme Court and public officers (or their widows, children, dependants and personal representatives) may receive pensions. Article 97 enshrines pension laws and provides for protection of pension rights, while Article 98 lays down the conditions under which any authority can withhold pensions from beneficiaries. All benefits under the public pension are charged on the Consolidated Fund, unless otherwise charged under some other fund (Article 97 (4)). The meaning of “pension benefits” encompasses pension, compensation, gratuities or other like allowance for the qualified persons.

The constitutional provision forms just one facet of the social protection framework. Public laws enacted by both Houses of Parliament and endorsed by the Governor-General provide an additional legal basis for both publicly and privately provided social protection and their regulation. Among these laws include the Public Assistance Act 1967, the National Insurance Fund Act No. 18 of 2000, the National Community Foundation Act 2001, the Provident Fund Law of 1970, and various amendments to these laws to imbue them with modern relevance. The Provident Fund covered for old age, disability and death. The services under this fund were extended to employed persons or apprentices between ages 16 and 65, but it excluded civil servants. The informal sector could well be covered under the proposed National Health Fund, which was announced in the 2004/2005 Saint Lucian Budget.

**A cursory look at the pieces of legislation** and development plans outlined above gives a sophisticated picture of the domestic development governance environment, the players and their specialist programmes for supporting social development more broadly and social protection in particular.

What is clear is that the social protection system, policy-wise, is multi-faceted and the nature of it is determined by the several influences. The partnership between the various decision-makers in the social protection system is underpinned by the new concept of aid harmonization. This comprehensive review of social protection is one example of putting harmonization into practice, not only at the financial accounting level, but also at the level of forging a broad consensus on policy. What is still lacking is a detailed developmental agenda (global and national) that centers risk-management and aversion as one of the prerequisites for sustainable development.

### **3.3. AN INVENTORY OF SOCIAL PROTECTION PROGRAMMES IN ST. LUCIA**

This section provides only a description of the current social protection policies and programmes in place. In Chapter One, socioeconomic basic data is provided. In Chapter 2, further data is provided as the risks and vulnerabilities are outlined. In a later section (Section 3.6), the match between risks and provision of social protection will be examined. Information on the major social protection programmes provided by the State, private/community and the donor agencies may be found in Appendices 3.3.1-3.3.5.

(i) **Macroeconomic Protection**

*(a) The role of the State*

The Ministry of Finance, headed by the Prime Minister assumes major responsibility in this area. This ministry is responsible for formulating appropriate fiscal policies in response to changes in the global economy.

The Office of Private Sector Relations (OPSR) under the Ministry of Finance provides grants to encourage new initiatives in the private sector. This office also provides support to non-governmental organizations that are engaging in entrepreneurial activity. The OPSR is required to identify, assess, propose and advise upon public policy measures and issues related to private sector growth and development, including those which impact upon the general business environment, particularly investment and employment. It is also mandated to formulate, propose and seek the implementation of policy initiatives as would enhance private sector growth and development. Its portfolio also includes the preparation of policy papers and statements as required by the Prime Minister.

The Prime Minister in his budget speech appeared very cognizant of the global, regional and national risks identified earlier in Section 2.2. In his 2004 budget address he highlighted some initiatives for 2004-5 that he expects will boost the economy:

The first relates to economic activities related to the Cricket World Cup 2007. Hotel accommodation needs to be increased from 4,500 to 7,500 to facilitate the event. The tourism industry and the local businesses will be presented with several opportunities. A special package of incentives will be presented for new developments or expansion completed before 31<sup>st</sup> December 2006:

- The granting to Institutions financing hotel construction, an exemption of a percentage of the quantum of their investment for tax purposes.
- A relief on the normally sacrosanct Property Tax, Vendor's Tax and Alien Landholding Licence
- An increase in the tax holiday to twenty years.
- The fast tracking of the permitting process from groundbreaking to construction.
- An investment tax credit equivalent to a percentage of the initial capital expenditure.

In view of the fact that these incentives will apply specifically for World Cup Cricket, Government will introduce special legislation to govern these concessions.

In the agricultural sector, with the use of Special Framework of Assistance (SFA) funds, there will be the establishment of the Agricultural Diversification Agency (ADA) to facilitate the administration of the agricultural diversification programme.

There will be a guarantee for WIBDECO to facilitate outstanding loan payment.

The National Research and Development Foundation (NRDF) provides credit and counseling for small business persons. The NRDF is registered under the Companies Act as a not-for profit company. It also provides training to BELfund applicants and potential clients who are likely to benefit from the BELfund.

*(b) The role of civil society*

The Government is not alone in the provision of economic protection. Several private banks, the Chamber of Commerce, credit unions and cooperatives also assist in the stimulation of economic activities by the provision of loans and credit. The St. Lucia Hotel and Tourism Association serves the interests of those in the tourism industry. The St. Lucian economy is on a road to recovery. There is a need to sustain that recovery.

The donor agencies have played a major role in the provision of economic protection. For example, the European Union has provided funding instruments such as STABEX and the National Indicative Programme (NIP), the Special Framework of Assistance (SFA). Financial support to the agricultural sector constitutes the single largest allocation of the SFA funds. Fewer than four SFA initiatives, the Government allocated EC\$20.9m to agricultural diversification.

**(ii) Social Protection for Labour Markets**

*(a) The role of the State*

As the data in section 2.6 shows unemployment (and specifically youth unemployment) is a cause for major concern. The Ministry of Labour Relations, Public Service and Cooperatives, the Ministry of Education, Human Resource Development, Youth and Sports, the National Insurance Corporation and the Ministry of Social Transformation are major players in the mitigation of labour market risks in St. Lucia.

The Ministry of Education, through programmes such as the National Enrichment Learning Programme (NELP) and the National Skills Development Centre (NSDC), provides skills training, thus enhancing the productivity potential of the labour market. However, the establishment of NELP and NSDC highlight the deficiency of the curriculum content of the 'normal' school system in St. Lucia. The results of a Needs Analysis Assessment represented the basis of the formation of NELP. This survey indicated the great demand for skills training in non-traditional subject areas, which lie within the technical, vocational and artistic fields of study. Therefore, sustainable social protection would be the outcome of a serious reformation of the curricula of primary, secondary and tertiary level education.

The curriculum content of schools in St. Lucia represents, in itself, a significant labour market risk, with its major focus being on subject areas in the academic realm. The proportion of successful graduates of both secondary and tertiary level institutions who experience difficulty in securing employment is a major cause for concern. In essence,



while NELP and NSDC attempt to grapple with the immediate problem of a skill-deficient and young workforce, sustainable social protection requires interventions at a deeper level: the need to construct a curriculum with deliberate outcomes in mind. These outcomes need to be multi-dimensional, that is, aimed at transforming attitudes, building confidence and diversifying the structural base of the curricula. For the period October 2001 to December 2003, 75percent of the participants were women.

The examination of the activities of the Ministry of Labour, Public Service and Co-operatives begins with the instruments geared towards labour security. The Labour Code that is to guide the employment practices in St. Lucia is at the moment in the form of a draft. The minimum wage rate has not been revised since 1985 which does not exceed EC\$300 per month.

With respect to labour relations, the high incidence of labour disputes is a serious cause for concern. In fact, an industrial court has been deemed highly necessary. One of the main problems facing the labour relations department is the lack of manpower. Research officers, who would be responsible for identifying and analyzing trends in the labour market, would prove valuable.

The Ministry of Labour is empowered to dictate neither the pace of employment, nor the wage rate. One of the major obstacles affecting the ministry is its lack of involvement in economic programmes. To date, the ministry is formally involved in only one such programme: the Canadian Farm Programme. About one hundred and ten persons benefit annually. Two other programmes exist (the cruise ship programme and the Cayman Islands programme), but these exist informally. There are no policies to support them. Another major stumbling block is the lack of effective collaboration between the Ministry of Labour and the Immigration Department. While the former is charged with the responsibility to regulate the workforce, it does not have the power to arrest and deport persons.

The Ministry of Social Transformation, through the National Conservation Authority, coordinates and regulates the Short Term Employment Programme (STEP). While this programme benefits about 2000 persons every year, its sustainability is questionable. In light of current economic conditions, there is little guarantee that this programme will continue forever. Also, the STEP programme does not involve income-generating activity, which would enhance its degree of sustainability.

The Ministry of Labour Relations, Public Service and Cooperatives, the Ministry of Education, Human Resource Development, Youth and Sports, the National Insurance Corporation and the Ministry of Social Transformation are major players in the mitigation against labour market risks in St. Lucia.

There were new initiatives announced in the 2004 budget. To reduce the high rate of unemployment the Government intends to.<sup>30</sup>

- (1) Assign priority to the reopening of the major hotels. The former Club Med, will reopen in December 2007 under new management;

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<sup>30</sup> The Prime Ministry 's budget speech (2004) p.57

- (2) Accelerate investment in public sector construction;
- (3) Deepen investment in tourism;
- (4) Pursuing investment in the information technology sector;
- (5) Increasing opportunities for self-employment by liberalizing access to credit.

Two initiatives are directly targeted at the youth:

- (1) The Youth Enterprise Development Fund, which will target young people, aged 18-30 years. The value of the Fund will be EC\$94,000.00. The BELfund will collaborate with the Commonwealth Youth Programme. The effects of this programme are expected to be as follows:

- There will be more opportunities for disadvantaged youth to create their own enterprises and acquire new skills. They will be so empowered as to be able to participate in more social, economic and political activities.
- As more young persons gain the experience of running successful enterprises, it will mean more young people becoming economic leaders in their communities.
- Young people will have greater access to knowledge as a result of acquiring information and communication technology (ICT).
- There will be a stronger partnership between Government, the private sector, NGOs and other organizations.
- There will be a strengthening of the support structures for youth development.

- (2) The Youth Apprenticeship Programme (YAP) <sup>31</sup>

YAP will attempt to provide on-the-job training experience for 2500 young persons over a period of three years as follows:

1. Year One - 500 unemployed persons
2. Year Two - 1000 unemployed persons
3. Year Three - 1000 unemployed persons

Trainees will receive a monthly stipend of EC\$800 during the attachment period, in order to support their participation in the project. The partnering private sector company or business will be required to contribute up to E.C. \$400 of this monthly stipend amount.

Preceding their participation in the YAP, apprentices will undergo training with the NSDC in a series of Productivity Enhancement Workshops. These workshops will enhance the soft and life skills of participants, thereby maximizing their productivity on the job and nurturing their ambitions for self-employment after participation.

*(b) The Role of civil Society*

In the non-state sector, trade unions as well as workers' organizations provide protection with respect to the rights of workers. Such trade unions include the National workers

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<sup>31</sup> The Prime Minister's Budget Speech, 2004, p.47

Union, the Teachers' Union, the Civil Services Association. There are no informal arrangements in the labour market that provide social protection.

**(iii) Social Insurance**

*(a) The role of the State*

Compulsory insurance was legislated to provide minimum economic security for large groups of people, particularly those with low incomes. It is primarily concerned with the costs and loss of income resulting from sickness, accidental injury, old age, unemployment, and the premature death of the head of a family.<sup>32</sup> Forty-three percent (43percent) of St. Lucians reported that they were covered by insurance; 53percent had no coverage and 3percent did not know whether they had coverage (Table 3.2.1).

<b>Table 3.3.1: Percentage Distribution of St. Lucians Covered by Insurance</b>	
Covered by at least one type of insurance	Distribution (percent)
Yes (n=68542)	43.5
No (n=83380)	52.9
Don't Know (n=5547)	3.5
Total	100.0

N=157469

Source: St. Lucia 2001 Census, St. Lucia Statistics Department

Forty-three percent (43percent) of St. Lucians reported that they were covered by at least one type of insurance and 53percent said they had no coverage. School Accident Insurance (18percent) and the National Insurance Scheme (17percent) were the two major schemes in which those insured said that they had participated (Table 3.2.2). Only 2.9 percent (2.9percent) of the population had individual health insurance.

<sup>32</sup> <http://www.google.com/search?hl=en&lr=&ie=UTF-8&q=%22what+is+social+insurance%22&btnG=Search>

<b>Table 3.3.2: Percentage Distribution of Insurance Coverage in St. Lucia</b>	
Type of Insurance	Distribution (percent)
National Insurance Scheme (n=24628)	17.3
Group health insurance (n=7661)	5.4
Individual health insurance (n=2896)	2.9
Life with health (n=4103)	2.9
Endowment with health (n=278)	0.2
Life only (n=6700)	4.7
Endowment only (n=868)	0.6
School accident insurance (n=26202)	18.4
Other (n=596)	0.4
percent Reporting at least one type of insurance (n=73932)	51.9
percent Reporting no insurance (n=68479)	48.1
Total	100

N=142411

Source: St. Lucia 2001 Census, St. Lucia Statistics Department

Fifty-nine percent (59percent) of St. Lucian children fewer than 15 years of age had at least one type of insurance and were mainly holders of the School Accident Insurance (49percent). Forty-five percent (45percent) of individuals between 15 and 59 years of age had at least one type of insurance and were mainly beneficiaries of the National Insurance Scheme (27percent). Only 20 percent of adults aged over 59 years had at least one type of insurance, most of these were also National Insurance beneficiaries.

<b>Table 3.3.3: Percentage Distribution of Insurance by Age Group in St. Lucia</b>			
Type of Insurance	Age Groups (percent)		
	<15	15-59	60+
National Insurance Scheme	(n=311) 0.7	(n=22816) 27.5	(n=1501) 8.9
Group health insurance	(n=2124) 5.0	(n=5250) 6.3	(n=287) 1.7
Individual health insurance	(n=572) 1.3	(n=2075) 2.5	(n=249) 1.5
Life with Health	(n=591) 1.4	(n=3213) 3.9	(n=299) 1.8
Endowment with health	(n=63) 0.1	(n=194) 0.2	(n=21) 0.1
Life only	(n=511) 1.2	(n=5714) 6.9	(n=475) 2.8
Endowment only	(n=204) 0.5	(n=626) 0.8	(n=38) 0.2
School Accident Insurance	(n=20812) 48.8	(n=5004) 6.0	(n=386) 2.3
Other	(n=136) 0.3	(n=347) 0.4	(n=113) 0.7
percent of age group with at least one type of insurance	(n=25324) 59.4	(n=45239) 54.6	(n=3367) 20.0
percent of age group with no insurance	(n=17341) 40.6	(n=37640) 45.4	(n=13500) 80.0
Total	(N=42665) 100	(N=82879) 100	(N=16867) 100

Source: St. Lucia 2001 Census, St. Lucia Statistics Department

The area of social insurance is also the responsibility of the National Insurance Corporation. The National Insurance Corporation Act (2000), which governs and regulates national insurance provision in St. Lucia, was established to protect those who are of “insurable capacity”. Conditions determining a person’s ‘insurable capacity’ include:

- Age: between 16 and 60;
- Engagement in insurable employment;
- Registration as prescribed under the act;
- Adherence to conditions concerning residence in St. Lucia;
- Employment outside St. Lucia under the prescribed conditions of the act.

The major benefits under this act are:

- Sickness
- Invalidity
- Maternity
- Hospitalization and medical treatment
- Survivors
- Retirement
- Funeral
- Employment injury

In order to be entitled to any of the above benefits, one must be insured with the corporation, fulfilling the prescribed conditions dictated by the corporation.

Unemployed persons are not entitled to benefit from national insurance. While there is a variety of welfare benefits (e.g., Poor Relief) from which unemployed and needy persons do benefit, there is no well-coordinated sustainable system through which the unemployed receive economic security.

The National Insurance Corporation faces many challenges: falling birth rates; increased rate of growth of pensioner population and increasing life expectancy exceeds the number of contributors. Also, the contribution rate is below the value of what present contributors need to pay in order to purchase the benefits they are being promised. A number of reforms are under way in order to improve the level of sustainability of the fund.

A National Health Insurance Scheme is at the moment being worked upon. According to the recommendations of the task force set up to review the possibility of a National Health Insurance Scheme, a programme of universal health care should be a priority. Under this programme every St. Lucian will be entitled to health services without further charge.

*(b) The Role of civil society*

In the private sector, health and life insurance are being provided by various private companies (20) such as CLICO and Sagicor, which provide such services at a cost. There are no informal arrangements that provide social insurance.

**(iv) Social Assistance, Social Services, Health and Education**

*(a) The Role of the State*

The three major governmental bodies involved in the provision of protection in this area are as follows: Ministry of Social Transformation/Culture, Local Government and Ecclesiastical Affairs; Ministry of Health, Human Services and Gender Relations and Ministry of Education, Human Resource, Youth and Sports.

In an effort to address the current social challenges, the previously named Ministry of Community Development and Social Affairs has been renamed to accommodate the main

priority of the ministry which is social transformation through local community development. In fact the mission statement of this ministry speaks to the importance of promoting, supporting and facilitating genuine human development through the use of their resources towards sustainable development. This ministry is vital to the provision of social protection in St. Lucia.

Social protection programmes in this ministry include the Poverty Reduction Fund, the Basic Needs Trust Fund (BNTF), the BELfund, the National Conservation Authority, and the Cultural Development Foundation. This ministry is also responsible for the provision of daycare services.

The Poverty Reduction Fund (PRF), a social investment fund which came into being in 1998, coincided with the period of restructuring with respect to the banana industry. According to the Project Appraisal Document of the World Bank (1999), the PRF was expected to build on the foundation of the Basic Needs Trust Fund. The latter, supported mainly by the Caribbean Development Bank, has since 1979, provided funding for small scale social and economic infrastructure projects in the Caribbean. Small grants not exceeding US\$35, 000 should represent no less than 20 percent of the grant while large sub projects are not expected to exceed US\$500,000 and for skills training (no less than 7percent of the grant).

In the context of the PRF, the government of St. Lucia aimed to develop a more holistic approach to poverty reduction. The government through the PRF hoped to improve the following aspects of poverty reduction:

- Further increasing the role and responsibilities of communities in the subproject cycle, including the actual letting and management of subproject contracts.
- Strengthening targeting and promotion mechanisms.
- Increasing national autonomy in the management of the programme.
- Coordinating, monitoring and evaluating the programme as part of a set of initiatives aimed at reducing poverty in St. Lucia.

The PRF Impact Evaluation Report found that generally, the PRF was well targeted but improvements were needed in institutional capacity building.

The BELfund was established primarily to assist the poor, deprived, underprivileged St. Lucian micro-entrepreneur who had been unable to access credit facilities. The BELfund has as its overall objective, the empowerment of the poor, the unemployed micro-entrepreneur and other underprivileged persons. Therefore, by providing credit to the poor unemployed entrepreneur, the BELfund hopes to reduce unemployment and poverty by promoting self-employment generation.

The National Conservation Authority is responsible for the Short Term Employment Programme (STEP). This programme is aimed at alleviating the unemployment/poverty situation by engaging persons in various community-oriented projects.

The Cultural Development Foundation (CDF) is an initiative designed to broaden the scope of employment creation by developing the 'culture industry'. The CDF is responsible for organizing a number of major events such as the various carnival

activities. This year, they will be organizing the annual fine arts competition, which was for the past twenty-five years under the control of the private sector (the M&C Group of Companies).

The Ministry of Education is another major provider of social protection. The School Feeding programme of the Ministry of Education is yet another strategy that promotes social protection. Research has indicated that the programme has had a positive impact on school attendance as well as performance. However, the sustainability of this programme has been identified as a major concern as the programme is very expensive to run. There is the view that resources used for this programme could be more beneficial in other areas such as curriculum development, implementation and monitoring and teacher professional development.

The Ministry of Education provides scholarships to deserving students desirous of university-level education overseas. Bursaries are also made available to students of the Sir Arthur Lewis Community College. The latter plays a significant role in supplying the labour market with trained personnel such as teachers, nurses, building technicians, agriculturists. There is the Cuban Scholarship scheme which has trained a significant number of St. Lucian students in areas such as medicine, law, engineering and psychology. These initiatives contribute significantly to the labour market. However, these trained persons do experience problems in securing employment. This leads to a major risk, that of trained personnel seeking employment overseas.

The Student Welfare Assistance Programme as well as bursary assistance at the tertiary level are very important programmes as they enhance the capacity of needy students to access educational opportunities. In addition, the Special Education Programme represents a manifestation of the ministry's commitment to provide educational opportunities for vulnerable groups such as the disabled. Training programmes have been organized to facilitate the upgrading of the teachers who work in special education centers.

Social/public assistance is an important part of social protection. The Ministry of Health, Human Services, Family Affairs and Gender Relations provides public assistance in St. Lucia. The category receiving monthly assistance of EC\$60 forms the largest group receiving public assistance. A total of 2848 persons received public assistance in 2003 (Table 3.3.4).



**Table 3.3.4: NUMBER OF PUBLIC ASSISTANCE CASES FOR 2001, 2002, 2003<sup>33</sup>**

	2001	2002	2003
a) Monthly assistance	2663	2777	2765
b) Spectacles	33	32	10
c) Burials	25	48	33
d) Rehabilitation	20	22	1
e) Repatriation	1	--	--
f) Rent subsidy	16	13	13
g) Honouring of centenarians	10	5	--
h) Sundry	43	30	26
<b>TOTAL</b>	<b>2811</b>	<b>2927</b>	<b>2848</b>

The State also provides daycare services for children at risk:

- Disabled children
- Children living in poverty
- Abused and neglected children
- Children affected and infected with HIV

A total of 800 children are targeted each year. The government of St. Lucia appreciates the “economic relief for parents” function of daycare services as well as the important role that daycare services can play in human resource development. It is also recognized that the quality of stimulation that children receive during their early years does impact on their future development. To this end, efforts are directed to the formulation of an Early Childhood Policy.

Government’s involvement increased in 1979 when UNICEF at the request of the government funded a three-year programme for developing and educating children throughout the country. This programme supported the establishment of six government sponsored daycare/pre-school centers catering mainly to the children of agricultural workers.

These centers were located in Babonneau, Ciceron, Cul-de-sac, L’abbayee, La Ressource and Marigot. The centers became operational in 1980 and were managed by the Ministry of Community Development. Parental involvement was integral. This government initiative stimulated more private investment into the establishment of pre-schools.

In 1985, a unit was established within the Ministry of Education with responsibility for developing a comprehensive pre-school education programme for three to five year olds. A full-time Education Officer was appointed to head that unit. By June 2003, there were 152 centers, 40 of which were daycare centers. The remaining 112 were preschool centers.

<sup>33</sup> Format in which data was presented to the consultants.

According to the officials from the Division of Human Services and Family Affairs, child abuse and domestic violence remain major social problems. The Ministry of Justice (the Family Court) provides legal as well as social support services to children in need of care and protection and maintenance. Victims of domestic violence are also protected. The Division of Human Services and Family Affairs provides counseling and other social work interventions toward the preservation of the family. The Foster Care programme, seeks alternative family environment for children at risk. The Women Support Center provides a place of safety for women and their children who at high risk of domestic violence.

The Ministry of Physical Development, Environment and Housing administers a housing programme (PROUD), which provides shelter for the vulnerable. The programme has been successful to some extent but access to affordable housing by the poor still remains inadequate.

*(b) The role of civil society*

Several major and small community-based organizations provide social protection. Some of the major ones are listed in Appendix 3.2.3. In every district in St. Lucia, there are many community-based organizations that provide care and assistance to the vulnerable groups. They have been in many cases the backbone of the social protection, fulfilling the daily needs of the vulnerable and poor in the society. The St. Vincent de Paul Association was mentioned in all communities as an essential social protection agency in St. Lucia.

Family, friends, neighbours and relatives fill the gap in social protection for the unemployed youth. Many are able to survive because of the strong informal networks.

Two important community arrangements that provide social protection are the sou-sou and coup-de-main. The sou-sou is an arrangement based on trust. Members involved in a sou-sou give a pre-determined amount to the sou-sou at a set time (e.g., every month) and each member takes turn in receiving the full amount collected by the group. The coup-de-main is especially used in the construction of private homes. Neighbours assist each other by providing labour and in return the persons constructing the house provide meals to the labourers. This method has also been used to construct community buildings, which have received a limited amount of funding from outside sources.

**(v) Environmental / Natural Hazards**

*(a) The role of the State*

The realm of disaster management in St. Lucia evolved from a small office of Disaster Preparedness within the department of the Government Information Service (GIS) over twenty years ago to the formalized agency of the National Emergency Management Office (NEMO) within the Office of the Prime Minister. Having noted the negative consequences of Hurricane Allen in 1980, the Honourable Dr. Kenny Anthony, upon assuming office in 1997, prioritized the need for a formal unit of disaster management. NEMO was born in August 2000 and has come a long way in terms of public confidence and respect. Officers have been trained in various aspects of disaster management;

district committees have been set up to handle disasters in their respective areas. To date, the level of disaster management at the agency level has been deemed satisfactory; however, there is much room for improvement with respect to the public response to natural disasters.

While NEMO has been established to mitigate the degree of destruction that may be caused by disasters, there is much that needs to be done with respect to the sustainable protection of the environment so as to safeguard the livelihoods of all St. Lucians.

*(c) The role of civil society*

The churches also provide social protection to individuals and communities in this area. During natural disasters, they are used as shelters and during hurricane relief, they are critical in the distribution of relief items. Organizations such as the Red Cross provide significant assistance to recovery programmes after a natural disaster.

**(vi) Micro-Insurance and Micro-Savings Schemes**

*(a) The Role of the State*

The Ministry of Commerce has established a Small Enterprise Development Unit (SEDU) in order to assist persons who would like to set up small businesses. SEDU was created to expand the employment opportunities, develop entrepreneurial skills, enhance market opportunities and encourage export promotion and import substitution. Training sessions include one-on-one management training, counselling, marketing and promotion, business planning for micro-business. The Ministry of Social Transformation, Culture, Local Government and Ecclesiastical Affairs administers the James Belgrave Micro Enterprise Development Limited (BELfund). It provides credit to poor persons for micro enterprise development Loans. Clients also receive counselling.

*(b) The Role of civil society*

Credit unions and cooperative movements make a significant contribution to this area. The Civil Service Credit Union, the Laborie Cooperative Credit Union, Fishermen's Cooperatives and the National Farmers Cooperative Credit Union are some of the organizations that provide protection in this area. A partnership plan such as the "sou-sou" is a very popular community based social protection instrument. It is based on trust and a group of individuals agree to share their joint savings during a specified period. For example, the partners agree that the joint savings (of a group of six) for a month will be an individual's while another may agree to wait for the six months when the sou-sou plan would have ended. Participants in this plan agree that trust and discipline are the key elements.

### **(vii) Participatory Governance**

#### *(a) The role of the State*

The Ministry of Social Transformation is the governmental body responsible for the promotion of participatory governance. With community development initiatives as a major focus of the Ministry of Social Transformation, much emphasis is being placed on public participation in development initiatives. The Poverty Reduction Fund is instrumental in that regard as opportunities are provided for community members to manage, monitor and evaluate community projects. The BNTF, through their collaboration with community development officers, also promote public participation in development projects. Local government reform has been stalled and needs to be re-energized.

#### *(b) The role of civil society*

There are groups such as the National Consumers Association, the National Youth Council, the National Fair Trade Organization, the St. Lucia Small Business Association and the National Association of Early Childhood Educators. There are development committees, e.g., the Soufriere Regional Development Organizations. There is no umbrella group to represent the various community groups and this deficit must be addressed, as there is no unified representation in matters that concern them.

### **3.4 HOUSEHOLD RISK MANAGEMENT AND RESPONSES TO SHOCKS**

Households do not depend solely on the State for their survival. Household members utilize informal networks to reduce their vulnerability. They provide their own mechanisms for social protection. In the 1996 poverty assessment, 51.6 percent of those leaving home continued to make a contribution to the household. For quintile one, the main source of income during the past 12 months was support from other relatives living elsewhere in the country which also proved to be the most reliable source of income. What is striking about Appendix 3.3.1 is the heavy dependence on non-state sources of social protection. It indicates that there is an inadequacy in the system that these non-state social protection instruments are attempting to resolve.

Data from the census is examined in Table 3.4.1. Fifty-nine percent (59percent) of households indicated that they had at least one livelihood source. Forty-one percent (41percent) were without any source of livelihood. Thirty-five percent (35percent) of St. Lucians said that their main source of income came from their employment. Contributions from friends were one of the main informal strategies.

<b>Table 3.4.1: Percentage Distribution of Livelihood Source in St. Lucia</b>	
Characteristic	Distribution (percent)
Local pension (n=2269)	1.6
Overseas pension (n=1766)	1.2
Investment (n=2733)	1.9
Remittance (overseas) (n=182)	0.1
Savings (n=7827)	5.5
Employment (n=49804)	35
Disability benefits (n=328)	0.2
Unemployment Benefits (n=259)	0.2
Social security benefits (n=679)	0.5
Other Public Assistance (n=456)	0.3
Local contribution from friends (n=5083)	3.6
Overseas contribution from friends (n=1044)	0.7
Children (n=2269)	1.6
Parents (n=2269)	1.6
Guardian (n=2269)	1.6
Other (n=2269)	1.6
Not Stated (n=2269)	1.6
percent with at least one livelihood source (n=83775)	58.8
percent without livelihood source (58636)	41.2
Total	100

N=142411

Source: St. Lucia 2001 Census, St. Lucia Statistics Department

The Social Assessment (2000) found the same heavy dependence on informal networks with St. Lucians coping with poverty by asking for help, depending on the goodwill of their relatives, friends and neighbours. The second most frequently mentioned alternative was to “*simply say nothing, do nothing, do without and stay hungry*” (Social Assessment 2000). Reliance on state provided programmes did not surface as major coping strategy.

### **3.5 THE CURRENT INSTITUTIONAL FRAMEWORK FOR SOCIAL PROTECTION**

As discussed in the previous section, social protection programmes are provided by several state organizations, private, community-based and informal networks. At the state level, all ministries are involved in the provision of some aspect of social protection. Although there may be some gains to be procured from this multi-dimensionality of social protection (since human development issues are multi-faceted), this has implications for the coordination of social protection programmes and the efficient and effective delivery. Issues of coordination and existing synergies in the provision of social protection programmes will be further developed in section 3.

### **3.6 EXPENDITURE, EFFICIENCY AND EFFECTIVENESS**

Currently St Lucia has several social protection programmes in place to promote the well being of its citizens. Among them are programmes aimed at enhancing adult education, reducing youth unemployment, and assisting in the recovery from the effects of natural disasters. Many ministries are involved in conducting these social protection programmes and the government and other external entities have invested substantial amounts in these projects. This section of the report seeks to examine the overall effectiveness of such projects in reducing the level of unemployment, improving the adult literacy rate and in improving the overall standard of living of an average citizen. Several ministries are involved in social protection programmes. Overall, the social protection expenditure<sup>34</sup> to GDP rose from 17.42 percent of GDP in 2000 to 33.67 percent in 2001, then to 40.20 percent in 2002. This is very positive. However, some concern ought to be expressed about preliminary estimates for 2003 that show a major decline to 24.26. This may be due to the incomplete, preliminary and missing data for 2003.

The Ministry of Education is responsible for a number of social protection programmes, ranging from programmes targeting the very young, such as the Early Childhood Education programme, to those targeting adults like the NELP programme. Total expenditure on social protection, in the Ministry of Education increased by 2.63 percent over the period 2001/2 to 2002/3, and by 6.3 percent from 2000/1. Specifically, expenditure on programmes such as NELP and in the area of primary and secondary education must be examined. An examination of Table 3.6.1 below reveals that there have been discrepancies in the level of expenditure on these programmes. In the sphere of primary education, total expenditure has fluctuated over the period 2000 to 2003, increasing in some years and decreasing in others. In the area of secondary education, there has been an increase over the period 2000 to 2002, however from 2002 to 2003 expenditure declined. The NELP programme however has experienced large amounts of growth over the period 2000 to 2002.

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<sup>34</sup> This takes into account the seven social protection areas under review.

**TABLE 3.6.1: Pattern of Expenditure changes in Education**

Education Programmes	Percentage change in total expenditure		
	2000 to 2001	2001 to 2002	2002 to 2003
Primary education	0.24	-1.02	0.12
Secondary Education	10.94	8.57	-4.61
NELP	30.61	40	-

It is a well established fact that education<sup>35</sup> is one of the most effective ways to advance social and economic well being. In this regard, St Lucia is taking some steps in the right direction. Over the period 1990 to 2000, there was a 58 percent increase in candidates sitting the CXC examinations, and this is a positive sign. Furthermore, the government of St. Lucia proposes to spend \$28.85 million on education annually over the next two to five years and to offer St. Lucians a grant of up to 50 percent of their education loans. Over the period 2002 to 2003, enrolment in tertiary-level programmes increased by 10percent. On the downside, enrolment in primary schools actually declined in the same period by 2.8 percent, while enrolment in secondary schools also declined by 0.7 percent. It is possible; however, that the observed decline was due to demographic factors and need not necessarily imply that a smaller proportion of children is enrolling in primary and secondary schools.

The Ministry of Health, Human Services and Gender Relations is responsible for programmes such as welfare services and other services aimed at improving the lives of senior citizens. Referring again to Table 3.6.2, we observe that over the years there have been some minor fluctuations in the recurrent expenditure of this ministry. Primary health care as a percentage of total health expenditure has experienced significant fluctuations while total expenditure on public health care, as a percentage of total expenditure, has declined over the years. However, the ministry’s expenditure on social protection as a proportion of GDP remained fairly stable in recent years. It accounted for 4.31percent of GDP in 2000; 4.55 percent in 2001, and 4.46 percent in 2002. In 2003, however a decline was observed to 0.66 percent of GDP.

**Table 3.6.2: Expenditure on primary and public health, 2000 - 2003**

Health programme	Percent change in recurrent expenditure			Percent change in capital Expenditure			Percent change in total expenditure		
	2000 to 2001	2001 to 2002	2002 to 2003	2000 to 2001	2001 to 2002	2002 to 2003	2000 to 2001	2001 to 2002	2002 to 2003
Primary health	1.42	0.29	0.03	330.66	-50	735	28.35	-13.5	116.7
Public health	-19	-2.72	-7.55	NA	NA	NA	-19	-2.72	-7.55

The HIV/AIDS pandemic is not as serious in St Lucia as in other countries, but the situation is getting worse. In 1998, only 6.8 persons were expected to have the HIV virus out of 100,000 people. The HIV virus affects currently about 1percent of the population. This is a slight worsening of the problem and the country should become more committed to helping combat the spread of this virus. The government of St. Lucia has committed more funds to children with HIV, as much as \$250 per child, as opposed to the current stipend of \$60.

The Ministry of Social Transformation is also playing an active role in the reduction of poverty in St Lucia. Although St Lucia has a relatively high per capita GDP (US\$3,946), the rate of poverty in the economy is relatively high at 18.7percent for households and 25.1percent for individuals (KAIRI Poverty Assessment Report 2003). The Ministry of Social Transformation is responsible for social assistance programmes, which include the BELfund and PRF, among others, and the stated aim of these programmes is to reduce the level of poverty in St. Lucia. Furthermore, the Government of St Lucia has committed itself to an annual expenditure in the near future (two to five years) of EC\$76.75 million towards poverty reduction and rural development.<sup>36</sup> The Government takes responsibility for \$5.6m, the private sector for \$0.82m, the European Commission for \$30.6m and the World Bank for \$3.23m.

In the fight against poverty, educational programmes will account for a large part of the total expenditure and this is as it should be, since there is a non-negligible gap in educational qualifications between the poor and non-poor in St Lucia. Table 3.6.3, below shows, for instance, that 75 percent of the poor population attains a level of education no higher than primary and only 0.5 percent attains a university education. The corresponding figures for the non-poor population are 68percent and 3.3percent.

**Table 3.6.3: Highest Level of Education of Poor and Non Poor in St Lucia, 2001**

Highest Level of Education Attained	percent of poor population	percent of non poor population
Nursery	1.6	0.6
Primary	75.0	67.6
Secondary	17.7	21.2
Post Secondary	3.6	5.0
University	0.5	3.3
Other	1.6	2.2
Not Stated	0.0	0
Total	100	100

Source: OECS Human Development Report 2002

<sup>36</sup> Source: Ministry of Finance



The Ministry of Planning, Development, Environment and Housing invests in programmes such as Shelter Development Programmes and those concerned with sustainable development. Both recurrent and total expenditure have experienced growth as a percentage of GDP over the years. There is more than ample justification for such an increased commitment. As shown in Table 3.6.4 below, the Sustainability Index<sup>37</sup> for St. Lucia in 1999 was 0.35, the lowest value in all the OECS countries. Indeed it is much lower than the overall Latin American and Caribbean value of 0.58. Hopefully, there will be an improvement in this state of affairs given the increasing expenditure devoted to education.

Country	Sustainability Index value(1999)
United States	0.479
Middle Income Countries	0.473
Latin America and the Caribbean	0.580
Barbados	0.466
Dominica	0.473
St. Lucia	0.35
St. Vincent	-
Grenada	0.517
Anguilla	0.489
St. Kitts and Nevis	0.518
Antigua and Barbuda	0.489
Montserrat	0.489
British Virgin Islands	0.570

Source: OECS Human Development Report 2002

The Ministry of Home Affairs and Gender Relations invests in programmes such as prisons, fire services and probation. Over the years, there has been an increase in the amount of funding allocated to this ministry for recurrent expenditure. Its recurrent budget increased as a percentage of GDP from 0.79 percent in 2000 to 1.1 percent of GDP in 2003/4. This ministry has also commanded an increasing proportion of GDP over the years. This positive trend is a strong indication of the government's commitment to the social protection programme for which this ministry is responsible.

The Ministry of Agriculture too, benefited from an increase in expenditure on social protection over the period 2001 to 2003. Over the period 2002 to 2003, the Ministry of Agriculture had a constant rate of recurrent expenditure as a proportion of GDP of 0.83percent. In the year 2004, however, the rate of recurrent expenditure increased to 0.86percent of GDP. Over this same period it must be noted that the percentage contribution of agriculture to GDP fell steadily with corresponding increasing levels of unemployment. The increasing commitment to social protection in agriculture seems to be more than justified.

<sup>37</sup> See Glossary of Terms

The Office of the Prime Minister, which is responsible for programmes such as NEMO, the National Emergency Office, which assists citizens in times of natural disaster, has experienced an increase in the level of total expenditure over the years. However, the amount committed to recurrent expenditure has experienced no change at all. The Office of the Prime Minister established a constant rate of recurrent expenditure over the period 2002 to 2004 of 20 percent of GDP. The NEMO agency has proven to be effective in many cases and the level of expenditure given to this programme appears to be sufficient since, recently, the agency has had no need to seek external donor assistance as was done many times in the past. For example, in 1999, following the passage of Hurricane Lenny, the agency asked assistance of the CDB and World Bank. In 2002 when the Gros Piton fire occurred external assistance was also sought. However, in 2003 after the occurrence of the tropical wave and in 2004 after the heavy rain no donor assistance was needed. This indicates that the agency is better able to provide for its citizens now.

Issues of access, quality of service will be dealt with in the next section when the match between risks and the provision of social protection is analyzed.

### **3.7. MATCHING RISKS AND SOCIAL PROTECTION INSTRUMENTS**

In this section we examine the match between the risks identified in Chapter 2 and the current provision of social protection instruments. The risks are ranked from high to low and so too, the adequacy. In Table 3.7.1 the risks identified in Chapter 2 are reviewed based on the adequacy of the social protection instruments provision. Their adequacy has been assessed based on their ability to prevent, mitigate and cope with risks.

**Macroeconomic environment:** There is high risk in this area. The openness of the economy and its dependency on international markets renders the country very vulnerable. The adequacy of the current social protection instruments remains low as the current economic structures are not prepared for the increased competitiveness from the CSME, FTAA, WTO and EPAs. CARICOM has itself recognized that some of the Caribbean countries may not be ready for the CSME and is considering setting up a Regional Development Fund to facilitate the necessary structural changes. St. Lucia may need to utilize this fund in order to participate meaningfully in the CSME. The level of indebtedness in St. Lucia is also an issue for concern. Too much of the economic stability is based on the success of the tourist and agricultural industry. A lot has been spent on agricultural diversification. Research is needed to evaluate the impact of this expenditure.

**Labour market:** Unemployment remains a serious problem. The key resource that St. Lucia has is its human resources. However, to succeed in this increasingly globalized economy, trained personnel are needed. Education is not only a liberator of poverty; it is the only asset that can ensure that the opportunities presented by globalization can be grasped. In this regard, St. Lucia is not ready. There is still a large proportion of the population that has no certification. As we saw in Chapter 2, the percentage of adults with no certification is 37. Tertiary education is a luxury for a small percentage and despite the promised increase in grants and loans, it is not certain that the very poor will be able to access these facilities. There are not enough places at the secondary school level to guarantee some social protection in education. Most of the social protection instruments are geared towards short-term employment. This short-term employment cannot ensure an escape from poverty. The emphasis must shift from short-term

employment to quality education and a trainable work force. A two-pronged approach to the unemployment situation is what is necessary-increased access to good quality education and to decent paying jobs in the labour market. St. Lucia's labour market is also affected by the migration of skilled labour. Recruitment drives out of the United States and England are currently underway, targeting trained nurses as well as trained teachers in St. Lucia and other Caribbean countries. Better working conditions, better opportunities for training as well as better pay are cited as some of the factors associated with the movement of these trained persons. THE CSME with the free movement of labour may intensify the flight of human capital.

**Social insurance** is another important aspect of human development and the current focus is on employed persons. More social insurance is needed for the persons in the informal sector. Like in many other Caribbean countries, insurance among those in the informal sector is highly inadequate. Plans are underway to provide a pension plan for the fishers, farm labourers and ex-farmers. Currently the risks are high in this social protection area and the adequacy of the social protection instruments remains low.

**Human development:** Health, education and social security are the main aspects of social protection in this area. The Social Policy for Human Development prepared by the Ministry of Social Transformation serves as recognition of the important role of human development. A Universal Health Plan will soon be implemented which will ensure better access to health. There is a school feeding programme and a daycare services for children at risk. In spite of all the available social protection instruments, risk remains high. The provision of social protection instruments in this area remains medium. There are 40 daycare services but the number of children at risk, served is inadequate. The elderly and disabled need special attention as they see their risks not only as income insecurity but also inadequate social integration. They feel socially excluded and are in desperate need of recreational centers where they can socialize with each other. Health insurance is low among the populace and especially among the elderly and the disabled. The HIV/AIDS epidemic is being seriously tackled with grants and loans and hopefully the impact will be felt soon. The public assistance benefit is less than adequate and there needs to be an improvement in its monetary value.

**Natural hazards:** The risks in this area remain medium to high as the natural hazards as the country as a whole is particularly vulnerable given its location. Environmental problems are intimately related to poverty in St. Lucia. Small farmers are particularly vulnerable since they occupy less fertile lands and steep slopes. Since the poor are the most dependent on near-shore resources, their livelihoods are extremely vulnerable and easily affected by ecological change and uncertainty. Social protection instruments in this area must be intricately linked to poverty reduction strategies.

**Participatory governance:** St. Lucians are not fully aware of their role in participatory governance. There is still a very heavy reliance on the State and very little demand to influence policy. The PRF and the BNTF have improved institutional capacity in the communities and social capital in the communities. Data from the qualitative research<sup>38</sup> for this study indicate that "*communities lack leaders*"; "*Nobody wants to come forward*" and "*the problem is good leadership*."

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<sup>38</sup> See Section 1.3.

<b>Table 3.7.1: Identified Risks and Adequacy of the state provided social protection instruments</b>					
<b>Social Protection Area</b>	<b>Main Risks and Level of Risk</b>	<b>Level of Risk Management</b>			<b>General level of adequacy of social protection instruments</b>
		<b>Prevention</b>	<b>Mitigation</b>	<b>Coping</b>	
<b>Macroeconomic environment</b>	<p><b>High Risk</b></p> <p>Openness of economy (integration into the global economy is 0.64)                      Un-preparedness for the increased competition arising from CSME, FTAA, EPAs and WTO conditionalities                      High volatility with respect to major industries (agriculture and tourism)                      Weak linkage between tourism and the smaller industries e.g. fishing and craft</p>	<p><b>Low</b></p> <p>Low capacity to control international events</p>	<p><b>Low</b></p> <p>Not enough action taken to reduce the magnitude of potential risk (e.g. increase oil prices, rise in terrorism)</p>	<p><b>Medium</b></p> <p>In the last fiscal year, the economy grew, despite adverse external shocks                      Much has been spent on agricultural diversification</p>	<p><b>Low</b></p> <p>Still too much dependency on tourism and agriculture</p>
<b>Labour market</b>	<p><b>High Risk</b></p> <p>High unemployment                      High youth unemployment                      Lack of technical skills and educational qualifications                      No minimum wage                      Poor working conditions                      Low pay                      A large informal sector                      Inadequate access to markets</p>	<p><b>Low</b></p> <p>Not enough is being done to increase access to “good quality” education for all.                      Education increases access to the labour market and reduces labour market risks</p>	<p><b>Low</b></p> <p>Current social instruments do not provide enough job opportunities. The poor still do not have jobs with “decent wages” which would ensure the break from the cycle of poverty.</p>	<p><b>Medium</b></p> <p>The current social protection programmes need to ensure a more effective link between skills training and job placement. The new programmes announced by the PM should strengthen that link.</p>	<p><b>Low to Medium</b></p>

Social Protection Area	Main Risks and Level of Risk	Level of Risk Management			General level of adequacy of social protection instruments
		Prevention	Mitigation	Coping	
<b>Social insurance</b>	<b>High</b> Smaller proportion of persons being asked to finance social security Informal sector workers have limited coverage	<b>Low</b> There is inadequate coverage of the population to prevent /reduce the risks associated with non-payment of health bills and no pension	<b>Low</b> Current programmes are inadequate to reduce the risks faced by the workers in the informal sector.	<b>Medium</b> NIC/government Recognize the gaps. For example, a pension is being set up for the vulnerable groups (e.g. fishers, ex-farmers and farm labourers).	<b>Low to medium</b>
Human development	<b>Medium to High Risk</b> Low school attendance at the primary level Inadequate number of daycare services Lack of secondary school places Poor technification of post primary education Dysfunctional families Social exclusion of the elderly, the youth and the Disabled Low health insurance coverage HIV/AIDS	<b>Low</b> The preventive strategies for these risks are few. Social exclusion of vulnerable groups not given enough importance on the policy agenda.	<b>Medium</b> Currently, funding in HIV/AIDS programme has improved.	<b>Medium</b> The National Council of and for Older Persons and the National Council for the Disabled are receiving more assistance from the government and relevant policy documents are being drafted.	<b>Medium</b>
<b>Micro and area-based Schemes</b>	<b>High</b> Limited access to credit by small entrepreneurs	<b>Low</b> Few instruments in place to prevent risks	<b>Low</b> Training and access to market for the products inadequate to reduce risks in the labour market.	<b>Low</b> Not enough future funding identified for the micro and area based schemes.	<b>Low</b>

Social Protection Area	Main Risks and Level of Risk	Level of Risk Management			General level of adequacy of social protection instruments
		Prevention	Mitigation	Coping	
<b>Natural hazards</b>	<b>Medium to High Risk</b> High Exposure to Natural disasters (hurricanes, storms, flooding, landslides) Land degradation Coastal and marine habitat degradation	<b>Low</b> Not enough in place to prevent land degradation and coastal and marine degradation	<b>Low</b> Some natural disasters are not preventable but much more can be done to reduce the risks associated with the natural disasters e.g. proper drainage, reduction in deforestation.	<b>Medium</b> NEMO does a good job with disaster preparedness by there is very little in place for any recovery programme should a disaster occur.	<b>Low to Medium</b>
<b>Participatory governance</b>	<b>Medium Risk</b> A highly politicized nation Enduring divisions between government and opposition Citizen's unclear concept of the role of his participation	<b>Low</b> Local government reform is too slow to improve the quality of governance in St .Lucia	<b>Low</b> Not enough agencies are informing citizens of their rights and many service providers still do not see the beneficiary as an equal partner in the provision of service.	<b>Medium</b> PRF, BNTF are attempting to cope with the issue of governance by improving institutional capacity in the communities. Community organizations generally do a good job.	<b>Low to Medium</b>

It is quite evident that there are several social protection instruments in St. Lucia. There is no disputing that the government is committed to human and economic development. There are two main problems, however. **There is no integrated development strategy**, which takes into consideration the seven social protection areas discussed in this report. The strategies do not deal with risk management and prevention of certain vulnerability. Apart from these deficits, the following analysis will show that **the institutional framework for the efficient and effective delivery of social protection is weak**. There is no general coordination.

Devereux and Cook (2000:4) lament that the long-term developmental effects of social services are not holistically envisioned and planned for. The intended and unintended effects of a policy are not examined.

The end result is that there are misfits between the needs of the poor and the provision for them. Devereux and Cook (2000:4) put forward the criteria for assessing these misfits:

- **Access:** Are the social goods and services designed to assist the poor and the vulnerable accessible both physically (in terms of coverage) and financially (in terms of cost)? Are all the poor able to access these services or is the programme limited?
- **Quality:** Are the social services provided to the poor and the vulnerable of an adequate standard or do the poor get poor services? Are these services always available?
- **Relevance:** Do the services provided for the poor and vulnerable address their needs and provide relevant solutions to their self-reported problems?
- **Fit:** Are the design and delivery mechanisms of social services sensitive to the livelihood systems, activities and constraints of the poor and the vulnerable?

We use these same criteria to examine the current provision of social protection services in St. Lucia. These misfits highlight the institutional weaknesses of the social protection services. The data analysis relies heavily on data collected during the qualitative research from the beneficiaries and those providing the social protection instruments. It was important to interview the beneficiaries as ultimately, they are the ones who will benefit from the programme. It does not matter what the providers say or do; for social protection to be effective, the beneficiaries need to believe that the programmes are accessible, relevant and of good quality.

**Access:** For social protection programmes to be effective, it is essential that the poor access them and also perceive that they are accessible. For those in the rural areas, access to social protection programmes remains to some extent limited. Although officials from the NSDC state that there are several satellite centers, some of the young unemployed males in the rural areas knew nothing of the NSDC. This may be linked to inadequate public information on the programme. Those who tried to access the programme had to wait long for acceptance. According to some respondents, travel costs remain a deterrent to the very poor.

- **Female Member of the Laborie Village Council:** *NELP and NSDC tend to bypass Laborie.*
- **Male Member of the Laborie community:** *Everything dead in Laborie*
- **Community Member in Choiseul:** *All the programmes are currently based on the Ministry of Social Transformation policy; the community needs to be given the freedom to initiate its own programmes thus providing the community with a sense of ownership.*

The disabled claimed that the buildings where they were to receive their benefits were not always physically accessible. The elderly complained that the exemption cards (for payment of medicine at the public health facilities) become invalid without their

knowledge. They were told that their cards had expired and when asked why, they were told that there were now “needier” persons who needed the cards.

**Quality** Respondents complained about the low monetary value of the public assistance, the less than adequate comfort at the Malgretoute (State Home for the Elderly) and the poor quality services at the daycare centers. The community development officers (who see themselves as “frontline soldiers in the war against poverty”) are afraid of being massacred in the battle. They are not fully equipped to fight poverty as they themselves receive poor services from their ministry. They are hardly able to play an active role in poverty reduction.

**The basic offices of the CDO lack:**

- Computers
- Telephones without facility to call cellular phones as many of the poor only have cellular
- Fax machines
- Internet access
- LCD projector
- PA system
- Large screen TV to show promotional videos

There is too much bureaucracy and “red tape” involved in the accession of services for the poor. One CDO complained that after waiting for years for a response from BNTF about a proposal, a request for another copy of the proposal came as the officers at the BNTF admitted that the original proposal was lost. Clients of the Family Court complain that they are sometimes given the “run-around”. They are sent and re-sent to various departments because there appears to be no clear role of the various departments. Unless there is improvement in the institutional framework, the poor and the vulnerable will continue to receive poor services.

**Relevance:** The government sometimes provides services to the vulnerable that are not deemed appropriate. Some young persons indicated that the training offered by the NSDC would not equip them to find employment that would help them break out of the cycle of poverty. The training was mainly in sewing, bartending, etc. and these skills would not attract “decent wages”. There is a need to examine all programmes and determine their relevance to this increasingly globalized economy.

**Fit:** Linked to relevance is the “fit” of some programmes. The efforts made by the NSDC to provide daycare services for the children of trainees must be lauded. However, the link between training and job placement remains weak. The Prime Minister, himself has recognized the deficiency and has introduced the new programmes (YAP and YELP). The same can be said for micro-enterprise. During the qualitative research, a story was told of a young man who borrowed money to buy a boat. Fish sales were low and he was unable to pay his loan. He then had to sell the boat very quickly in order to meet his loan payments. This highlights the need to ensure that markets can be accessed for small enterprises. It is not surprising that the craft persons in the focus group claimed that they would not be borrowing any money because “things were too slow”.



The following five cases highlight what works and doesn't work. From the five state managed cases we learned that what works is:

- Removal of barriers to participation
- The development of a culture of employment
- Clearly set goals and objectives
- Linkages between the various social protection areas, e.g. education and labour

What does not work is:

- Counterproductive dependency
- Lack of creation of jobs for trained persons
- Poor criteria for targeting
- Inadequate coverage
- Lack of improvement in the quality of services provided
- Poor monitoring and evaluation

Another case study was done on a non-state organization- The St. Lucia Craft and Dry Goods Association. The issues highlight the need to strengthen the link between the formal and informal sector. The vendors feel "socially and economically excluded" from the main stream tourist industry. They are clamouring for more opportunities to earn the tourist dollar.

## **CASE STUDY 1: DAYCARE SERVICES (SOCIAL SERVICES)**

**Name of Programme:** Daycare Services

**Type of Programme:** State managed.

**Origin:** In the 1970s, the State provided only annual grants to specific organizations. Government's involvement in the provision of daycare increased in 1979, when UNICEF at the request of the government funded a three year programme for developing and educating children throughout the country, The programme supported the establishment of six government sponsored day care centers catering mainly for the children of agricultural workers. They were opened in the 1980 and were managed by the Ministry of Community Development. In 1985, a unit was established within the Ministry of education with responsibility for developing a comprehensive pre-school education programme for three to five year old. By June 2003, there were 152 centers, 40 of which were daycare centers.

**Sources of Funding:** Local Government revenue funds; and some amount of external funding for capital expenditure.

**Number of beneficiaries:** 800 per year.

**Coverage:** Less than 20% of the eligible cohort

**Targeting:** There is no systematic reliable method of ensuring that the poorest of the poor are targeting there is a plan to identify the under served communities and areas with significant numbers of children at risk.

**Lessons Learnt:** *What worked* –Link between the labour market and education. Providing the daycare centers increased employment.

*What does not work* – lack of improvement in the quality of service provided at the centers with serious implications for future human resource development; lack of systematic, reliable method to assess targeted children and communities at risk; inadequate provision of service and duplication of efforts of the two executing ministries.

**Recommendations:** Improvements in the quality of daycare services provided through an institutional programmatic review of Daycare Services and their management to ensure implementation of recommendations concerning physical facilities, staff expertise, attitudinal change of practitioners; reliable method to assess children at risk and their communities, adequacy in the provision of services and removal of the duplication of efforts of the two executing ministries.

**Source:** Social Protection Field Notes, 2004

## CASE STUDY II: NATIONAL INSURANCE CORPORATION (INSURANCE)

**Name of Programme:** National Insurance Corporation

**Type of Programme:** State managed.

**Origins of Programme:** Social Security came to St Lucia in 1970 in the form of the National Provident Fund. The National Provident Fund had provisions for three main benefits: - old age benefit, survivors' benefit, and invalidity benefit.

The National Provident Fund worked well for a while. However, it failed to take care of its contributors between the time they registered at sixteen years and when they were ready to retire. It was inevitable that workers would get sick, women would have babies and for a host of other reasons persons would be incapable of earning for short periods during their working life; and there was no means of financial benefits from the system if they were not receiving wages from their employer. For those and other reasons, the Provident Fund was repealed and replaced by a National Insurance Scheme in April 1979. The National Insurance Act No. 10 of 1978 converted the NPF into the NIC. The Act became effective in April 1979. The Act together with the Regulations (No. 10 of 1984) guides the operations of the NIC in St. Lucia.

Short-term benefits include sickness allowance, maternal benefits, employment injury, medical expenses and funeral grant. Long term benefits include retirement pension; survivor's pension, invalidity pension, and disablement pension. The active insured population is 39,194 (2002-03).

**Sources of Funding:** Contributions

<b>Number of beneficiaries:</b>	2003: -	10, 170
	2002:-	10, 450
	2001:-	10, 299
	2000: -	10, 467
	1999:-	9,189

**Coverage:** Reasonably high for employed persons but low for unemployed.

**Targeting:** The agency has now targeted the ex-farmers, the fishers and the farm labourers for the establishment of a pension scheme. The NIC needs to include other vulnerable groups.

**Lessons Learnt:** *What works:* establishment of short-term and long-term benefits; providing benefits to dependents and not named beneficiaries.

*What does not work:* The contribution of 10 per cent in place since 1970 is too low. The rate is far below what present contributors need to pay to purchase the benefits they are promised.

**Recommendations:** Increase contribution rate. Hospitalization and medical benefits should be expanded to provide coverage for NIC pensioners. Pensionable civil servants should be integrated into the national insurance programme. Employment injury should be provided for workers above the pensionable age.

**Source:** (1) Field Notes, Social Protection Study, 2004. (2) *The ILO Actuarial Report*, June 30<sup>th</sup>, 2003.

### CASE STUDY III: NATIONAL SKILLS DEVELOPMENT CENTRE (LABOUR MARKET)

**Name of Programme:** National Skills Development Centre (NSDC)

**Type of Programme:** State managed.

**Origins of Programme:** Originates from a Ministry of Education policy aimed at providing a skilled and marketable labour force through:

- Skills training
- Counseling services
- Information provision
- Trainee placements and assistance with job searches
- Childcare services to trainees
- Other support to the unemployed
- Assessment of job market demands

**Sources of Funding:** EC- funded Special Framework of Assistance; Government of St. Lucia; CDB through BNTF; Inter-American Institute for Cooperation in Agriculture and the OAS.

**Beneficiaries:** Since it opened in February 2001, it has registered 987 persons in its programmes.

**Coverage:** Based on the high number of unemployed youth, the programme needs to expand coverage.

**Targeting:** According to the qualitative research collected for this study, there is a need to target specifically those in deep rural St. Lucia.

**Lessons Learnt:** *What worked* - Market needs-based training for the training of several hundred persons in different skill areas such as front desk operations, electrical installation and dressmaking; decentralization of training and the removal of participation barriers (e.g. by providing traveling stipend and child care services).

*What does not work* - Insufficient private sector response to determine market needs-based training and problems encountered with apprenticeship programmes.

**Recommendations:** There is the need for project and outcome-oriented private sector involvement (not just for policy and programme guidance); for assessment/evaluation of the impact of the training on employment and the life chances of the trainees; for a broad poverty reduction framework with skills training as a significant pillar; for a literacy and numeracy programme for persons lacking such skills; for efficient administering of the programme (training for persons employed in lower end jobs to improve rank and create employment); for proper targeting of those most vulnerable for training and better agency collaboration.

**Sources:** (1) Field Notes, Social Protection Study, 2004

(2) *Interim Poverty Reduction Strategy and Action Plan for St. Lucia, The Institutional Landscape: Roles and Capacities for Poverty Reduction*

**Case Study IV: James Belgrave Micro Enterprise Development Limited (Micro Enterprise)**

**Name of Programme:** James Belgrave Micro Enterprise Development Limited (BELfund)

**Type of Programme:** State managed.

**Origins of Programme:** The creation of an institution dedicated to the creation and promotion of micro-enterprise with conditions accessible to the poor originates from a 1999-2000 budget speech by the Prime Minister. BELfund was incorporated as a Government-owned company under the Companies Act in December 1999, and it began operations in May 2000.

**Sources of Funding:** Financed by the Government of St. Lucia and the European Commission through the STABEX 1996/1997 programme.

**Number of Beneficiaries:** 120 beneficiaries since its launch

**Coverage:** Needs to expand its programme

**Targeting:** Well targeted but need to target the very poor in the rural areas.

**Lessons Learnt:** *What worked* - Provision of credit, counselling, enterprise training, technical assistance and other support services to poor people (unemployed, micro-entrepreneurs and other underprivileged persons) who would not have access to credit otherwise for micro enterprise development, job creation, income generation, and diversification of economic activity; BELfund to make direct payment to suppliers on behalf of clients and preference given to new businesses.

*What does not work* - Decentralization of the Fund's operations; counterproductive dependency syndrome, and lack of preparedness to create jobs; lack of systematic methods to reach those persons highly vulnerable; the lack of detailed guidance and the similarity of businesses proposed by potential clients.

**Recommendations:** There is the need for a broad integrated poverty reduction framework using micro-business as one important poverty reduction strategy; for the evaluation of the effectiveness and efficiency of the programme/institution through its impact on lives of clients; for an institutional strengthening of the Fund (financial and human resources); for public education on the Fund to potential beneficiaries; for the availability of grants for persons needing loans who do not meet the Fund's set requirements; and for greater involvement from the private sector, in support of micro-enterprise.

**Sources:** (1) Field Notes, Social Protection Study, 2004

(2) *Interim Poverty Reduction Strategy and Action Plan for St. Lucia, The Institutional Landscape: roles and capacities for poverty reduction*

**Case Study V: National Conservation Authority (Environmental)**

**Name of Programme:** National Conservation Authority (NCA)

**Type of Programme:** State managed.

**Origins of Programme:** The National Conservation Authority (NCA) was established under the National Conservation Authority Act No. 16 of 1999. It began operations on May 1, 1999. The Act gives the NCA the broad mandate of conserving the country's natural beauty and topographic features, and of managing beaches and protected areas. In practice, the NCA is primarily involved in beach management and in general beautification programmes. The NCA was created following the completion of the Short-Term Employment Programme (STEP) that began in October 1997 and ended in April 1999. During that period, the programme provided short-term employment to 3,587 people. Since the end of the programme, the NCA has assumed responsibility for the management of permanent and short-term workers assigned to beautification programmes.

**Sources of Funding:** Government funded. The act also allows for the Authority to collect fees and to engage in contractual work. Financial: in fiscal year 2002-2003, the Authority's budget allocation is approximately XCD \$2 million. To this amount, smaller allocations are occasionally added for short-term programmes, e.g. XCD \$400,000 in August 2002 for beautification.

**Number of beneficiaries:** 300 persons employed

**Coverage:** More unemployed persons need to benefit from the programme

**Targeting:** Well targeting but could improve with more public education

**Lessons Learnt:** *What worked* – Management and Beautification of public spaces, provision of occasional employment, including tasks related to beach management, disaster prevention and mitigation; income provision to people who would not otherwise be employable in the formal sectors (e.g. geographical marginalized); and the support of the creation of a “culture of employment”

*What does not work* – Inadequate monitoring, evaluation and documentation of interventions and impact of NCA activities.

**Recommendations:** There is the need for project and outcome-oriented private sector involvement (not just for policy and programme guidance); for assessment/evaluation of the impact of the training on employment and the life chances of the trainees; for a broad poverty reduction framework with skills training as a significant pillar; for a literacy and numeracy programme for persons lacking such skills; for an efficient administering of the programme (training for persons employed in lower end jobs to improve rank and create employment); for proper targeting of those most vulnerable for training; and for better agency collaboration.

**Source:** Field Notes, Social Protection Study, 2004

## **CASE STUDY VI: THE ST. LUCIA CRAFT AND DRY GOODS ASSOCIATION (CIVIL SOCIETY)**

**Description:** The St. Lucia Craft and Dry Goods Association was established in 1994. The association currently serves on the vendors in Castries. Membership stands at 100 with a monthly subscription fee of EC\$5. The President of the association, Mr. Peter Isaacs stated that the main objectives of the association were to: promote the industry, liaise with the public and private sectors on behalf of the vendors and ensure the well-being of the vendors. To this end, the general executive meets monthly to review relevant issues pertaining to the vendors.

**Main issues:** Although the President expressed gratitude for the assistance received, thus far, from the government and the private sector (e.g. sponsorship from the private sector for their fund raising events and training seminars), there was still much that could be done. Their main social protection issues are:

- The limited access to markets and buyers- most of their members are at the Castries arcade and there are currently no mechanisms that ensure that the tourists visit their stalls. There needs to be “equal opportunity for all” in the Tourist Industry said Mr. Isaacs.
- Because of financial difficulties, many vendors owe rent to the Castries City Council and there is limited flexibility exercised by the Council. Rent is high at EC\$120 a month. The members of the Council are reportedly disrespectful to the vendors whose rent is not paid and eviction is the preferred option.
- The construction of the stalls did not take into account the rainy season and in adverse weather conditions, the vendors must lock up to preserve their goods from destruction. The buyers also do not visit their stalls if it rains. There is poor drainage so that when it rains, their stalls are flooded out.
- There is no place in the stalls to secure their goods nightly and the daily packing and un-packing has damaged their goods.
- Although they have complained bitterly about “hawkers” no attempt has been made to stem the illegal trade. They also have to deal with threats from the “hawkers” and their physical safety at the arcade is not assured.
- The stipulated early closure of the arcade limits their sales, especially on “heavy tourist days”.
- They want to be part of the 2007 World Cup Cricket that is scheduled to take place in St. Lucia and other Caribbean islands but they have not been formally invited to contribute to the event.

### **Recommendations**

- ❖ A directory at the wharf advertising their products to the tourists from the cruise ships.
- ❖ A flexible payment plan for rental of the stalls
- ❖ Need to be part of the planning committees for the World Cup Cricket
- ❖ Proper drainage for the arcade and a “face lift” (there has been none since first built) and structural changes to ensure protection for their goods and shelter from the rain
- ❖ More training and research – tourism industry is dynamic and the vendors need to adapt to the global changes. These training sessions must be affordable and accessible to the vendors
- ❖ Need training in conflict resolution.

### **3.8. THE NATURE AND SCOPE OF THE SOCIAL PROTECTION SYSTEM IN ST. LUCIA**

*The measures proposed in this year's estimates are to safeguard the gains we have made over the years and to provide additional security for our nation's future.*

(Prime Minister of St. Lucia, Budget Speech, p.2)

To a large extent, the provision of social protection is about safeguarding a country's gains and ensuring that the country's economic and human development is sustainable. It is about effective risk management, preventing certain eventualities and managing and overcoming the unavoidable ones in efficient and effective ways. In the analytical section in Chapter One, it was noted that successful risk management should include both ex-ante and ex-post strategies to ensure that risks are prevented, managed and overcome. In this chapter, we summarized the main features of the social protection system in St. Lucia.

The social protection system in St. Lucia is varied and multi-dimensional. In all seven areas of social protection under review, the government has provided programmes and projects. The social protection areas with a smaller number of social protection instruments are social insurance and micro-enterprise. There are several social protection instruments that provide social services. *The critical issue, though, is to what extent they are ex-ant (prevention strategies) as opposed to ex-post strategies.*

Generally, social protection in St. Lucia is *ad hoc* and reactive rather than proactive. The social protection programmes are set up as reactions to risks and vulnerabilities that have emerged in the local scenario and are, more often than not, attempts to manage a situation that has got out of control. For example, the establishment of NSDC was due to the severe youth employment problem. However, the root of the problem may lie not in the labour market but more in the education sector and results partly from poor quality education. For the youth unemployment problem to be solved, what is needed is a linkage between the labour market and the education system. The quality of education must improve in tandem with the creation of jobs.

Social protection programmes are also influenced by the availability of funds from the development partners and the emphases on the international development agenda. Consequently, funds can be easily obtained for poverty reduction and HIV/AIDS as these are the current foci of the development partners. Funds need to be allocated to the development of **an integrated development agenda** which incorporates all the various goals of the different agendas, e.g., risk management, Millennium Development Goals, the Social Summit 1995. Civil servants claim that all these different set goals are confusing and although they are crosscutting, pull them in different directions. At one point, they were told to monitor the progress made towards the goals set by the 1995 Social Summit. Another time, they are told that the Millennium Goals are the foci. Now, some are hearing for the first time the term "social protection" which has to be defined for them before they can provide any meaningful information. The St. Lucian Government has to develop an integrated development plan and policy which has at its base "**risk management**" and which utilizes the targets and indicators set out in the Millennium Development Goals as monitoring and evaluation devices.



Social protection is still seen as “something for the poor” and not as a right of every citizen. Therefore quality is not the predominant concern of the providers. That is why the daycare services are said to be in need of improvement. Until social protection is seen as a right and not “charity” then the quality will not improve. As stated by the World Bank Report 2004, there needs to be a shift in the accountability paradigm in order that the quality of social services is improved. At present, consumers blame the State for the poor services. What is needed is for the frontline providers, e.g., the teachers, nurses and doctors to be more scrutinized and their performance rewarded or punished. Until incentives and disincentives are set up then, a poor quality of services will be the complaint for a long time. The role of the citizen as an active client/consumer demanding good quality services did not emerge in this study.

The poor quality of the services is also a reflection of the inherent weaknesses of the institutional framework. All ministries to some extent provide social protection and there is no one ministry which oversees the various strategies and programmes. As a result, there is little coordination of deliverables and no clear definition of roles. Consequently consumers walk from ministry to ministry to seek assistance and are frustrated in the process. Due to lack of funds, many offices lack the necessary tools that would enable effective social protection, e.g., a phone, a computer or a fax machine.

Civil society provides a strong system of social protection in St. Lucia as evident in Appendix 3.3.4b. The Church stands out in this regard, especially St. Vincent De Paul. However, these CBOs lack coordination and cannot negotiate with the government because there is no umbrella agency to negotiate their common issues. There is much replication of services, which results in some vulnerable groups receiving a high level of attention, while others, receive barely any. In order to provide more effective social protection, an umbrella group needs to be set up.

The private sector has increased its role in the social protection system. Hopefully, the recent tax incentives announced by the Prime Minister in his budget speech will invigorate them into a more active role in the provision of social protection.

There were few developmental strategies noted in the examination of coping/livelihood household strategies. Dependence on relatives and friends living elsewhere in the country was a predominant livelihood strategy. Surprisingly, dependence on remittances did not feature predominantly as a household risk management strategy in St. Lucia. A strategy that has survived several generations is the “*coup de main*” - a method of pooling labour in a community, usually to complete a building or a house. The owner of the house/building provides meals and drinks in exchange for free labour. The PRF and the BNTF should use this method more effectively.

In conclusion, there is commitment by the government to social protection, evident in its policies and programmes. In fact, the Prime Minister’s budget speech with its emphasis on “youth at risk” seems to have pre-empted this study. However, the social protection programmes will generally remain ineffective if there is not an integrated approach to development which sees risk management as the ultimate goal and if the institutional framework for the delivery of these programmes is not strengthened.

## **CHAPTER 4: STRENGTHENING ST. LUCIA'S SOCIAL PROTECTION STRATEGY – MEETING THE CHALLENGES AHEAD**

### **4.1. INTRODUCTION**

This chapter provides some recommendations for the improvement of the social protection programmes in St. Lucia. This research advocates for a preventative and holistic approach to social protection in order to *prevent, manage and overcome the defined set of risks and vulnerabilities identified in the study*. Social risk management should be implemented at the national level and also at the individual or household level.

### **4.2. DEVELOPING SOCIAL PROTECTION FOR GROWTH AND OPPORTUNITY**

A comprehensive social protection strategy is needed for St. Lucia. There are certain basic requirements in the preparation of a social protection strategy of a country. First, the risks and vulnerabilities of the country must be determined. This study has identified those. Some strategies are proposed for the prevention, reduction and management of the risks. After this, the country must seek to put in place programmes that reduce the possibility of occurrence of these risks.

Social protection programmes are created in response to risks to which a country is vulnerable. In the case of St. Lucia, we have identified these risks as social, economic, health-related and natural. The programmes are crucial for the proper functioning of a modern economy and can enhance the lives of citizens in many ways. This social comprehensive protection strategy must form part of an integrated development strategy that sees **risk management** as its primary goal. It must have as its specific objectives “sustainable economic growth” and “access to opportunity for “self-development”. The strategies to fulfill self - development can only be realized if a country makes available equitable access to the tools for self-advancement.

### **4.3 RETOOLING FOR A GLOBAL ECONOMY: SKILLS AND SOLIDARITY**

Education and training can serve as “spring boards” for individuals in a society. With education, one’s vulnerability is reduced. Two key tools are education and training. These objectives must seek to prevent certain risks and to mitigate and manage them when they occur.

Every country in the world must now adapt to the demands of the global economy. This stems from the fact that, in today’s world, largely because of technological advances, markets are opening up and economies and businesses alike are becoming more globally oriented. Employees are now trained to serve not only in one country but also in any country of the world. Businesses are expanding to take advantage of production opportunities existing in the global marketplace. For example, many manufacturing businesses are opening plants in countries such as China and India where labour is much cheaper than in the developed world.

St. Lucia must attempt to become competitive on a global level. It is the development of its human resource that will allow St. Lucia to participate more effectively in the international market. This is all the more important as St. Lucia is committed to membership of international groupings such as the CARICOM Single Market and Economy (CSME) and FTAA. In addition to the complete elimination of tariffs and quotas between member states, the CSME envisages the free movement of labour, capital, goods and services. The implication of this is increased competition for each country. Each country must now treat the businesses in the CSME equally and will be unable to impose taxes to favour local businesses.

Many experts view the free movement of labour as the most important aspect of the CSME, and that is clearly true for St. Lucia. St. Lucia must be prepared to welcome other CARICOM citizens into its workforce and have its own citizens take up work elsewhere in the CARICOM region. In addition to preparing its workforce to compete within the borders of St. Lucia, the country must of necessity consider training employees for the purpose of going to work in other countries, for export, so to speak. This is a key strategic matter.

Such a policy need not involve, and indeed should be structured so as not to result in, a brain drain. It is often the case, after all, that if an individual goes to another country to work, and he or she may not take his /her entire family along. In such cases, the working person will send money to his/her family in the form of remittances. This is money coming back to the economy to be spent and invested. In this way, the economy benefits, as it has been doing for years now. St. Lucia may even enter into innovative agreements with its citizens. For example, a person trained at the expense of the St. Lucian taxpayer may be required to provide a certain level of service to the country, either directly or through remittances (or some variant thereof). The Government of Trinidad and Tobago has entered into a similar arrangement with its young citizens under its “dollar-for-dollar” programme.<sup>39</sup> In that case individuals must agree to work in Trinidad and Tobago for a specified time period after graduation. If St. Lucia implements such a programme it stands to gain the benefits of training its citizens.

It is thought that many economies in CARICOM are not ready for the CSME. To become ready the country must implement certain measures to make its businesses more competitive on a regional scale. St. Lucia must implement a social protection programme that assists its local businesses to become prepared to compete on an inter-regional basis. This may include the provision of preferential funding, that is, loans with preferential interest rates for businesses that hold promise. In addition, the government may decide to implement training programmes for business managers to ensure that they are knowledgeable in matters such as keeping the books of the business, and co-coordinating resources in a capable manner.

St. Lucia must make a deliberate attempt to wean its citizenry away from banana production. Given the historical role of banana production, and its social and economic

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<sup>39</sup> This example is provided to show that although the brain drain exists, there are many ways in which the government can train personnel and have them stay and work in the country. The benefits of such a move would include a boost to productivity since a workplace that is composed of highly skilled persons is more likely to thrive than the one without such persons.

ramifications, this is not going to be easy. But the fact is that St. Lucia and other Windward Island banana producers have lost preferential favour with Europe and must now sell their bananas in a more competitive manner. Banana farming will no longer be profitable to the mass of banana producers and only an efficient few should remain in this trade. Others should be encouraged to learn new skills. In all fairness, some attempt at agricultural diversification has been attempted, although without much success. The St. Lucia Review of 2003 notes that on many occasions banana farmers have tried to grow new crops but they are not very efficient at doing so and are soon out-competed in the international market. The government should provide funding towards the retraining specifically of banana farmers. To encourage the success of such programmes, training programmes should be implemented in communities where most banana farmers are found. This will make the programmes easily accessible and thus more easily accepted.

The FTAA is a threat of sorts to the economy of St. Lucia since the aim of this agreement, like the CSME, is to promote free trade among the member states. These include all the countries of North and South America and the Caribbean. It is a well known fact that businesses in North America are more competitive than those in South America or the CARICOM region. It is thought that such an agreement will put St. Lucian and CARICOM firms out of business since they will be unable to compete on such a scale without preferential treatment by their own governments. The St. Lucian economy must put the necessary measures in place to allow their businesses to become more competitive on a global level.

#### **4.4: STRENGTHENING THE INSTITUTIONAL FRAMEWORK FOR THE DELIVERY OF SOCIAL PROTECTION PROGRAMMES**

No matter what policies are in place, if the administrative structures to deliver these services are weak, the impact on the poor and needy will be negligible. The researchers propose **the establishment of a Council** (chaired by the Minister of Social Transformation) with representatives from the various ministries to coordinate social protection strategies and to recommend policies/strategies to the Cabinet. This type of council has worked effectively in Jamaica and improved the coordination of the various social programmes.

##### **A Proposed Coordinating Entity**

Problems of coordination and the need for a coordinating entity have been highlighted in the study. In an earlier draft of this report, a recommendation was made for the setting up of a Human Resource Council which would coordinate all social protection interventions. However, based on discussions with the Minister of Social Transformation and the relevant stakeholders, suggestions were made that social protection issues could be dealt within the ambit of the existing National Economic Council. The researchers maintain that their preferred choice would a new body that would have as its objectives *risk management* and the implementation of social protection interventions to prevent, manage and cope with risks. It is felt that the current emphasis of economic issues by the National Economic Council would decrease the importance of social protection issues. A new entity could indeed work with the National Economic Council and ensure that

economic risk management is effected. The Government and the stakeholders are presented with two options:

- (1) The Establishment of A Human Resource Council or Social Protection Council  
Or
- (2) Re-naming the National Economic Council to National Economic and Social Council of St. Lucia.

### **Option One**

The preferred choice is the establishment of a new entity with its emphasis on “social protection”. The Technical Working Group (TWG) expressed preference for the group/committee to be called “Social Protection Council”. The researchers do not envisage any problem with that arrangement. In fact, on reflection, the entity would serve as an advocate for the necessary change in the governance mode whereby *risk management* is the main thrust and policies are formulated based on prevention, mitigation and coping. The Minister of Social Transformation whose ministry is responsible for many social protection instruments would chair this council. Representatives of the various ministries especially at the permanent secretary levels would be members of the council. The council would meet monthly and discuss issues, relevant to the seven social protection areas examined in this study. The Minister of Social Transformation would present these recommendations to the Cabinet.

### **Option Two**

The other option is to expand the composition, roles and structure of the National Economic Council of St. Lucia. The National Economic Council (NEC) was established by Cabinet Conclusion No. 63 of 2002 and was inaugurated on September 13, 2002<sup>40</sup>.

The broad objectives of the council include the provision of recommendations and policies to:

- i. Stimulate economic growth and development
- ii. Raise standards of living
- iii. Meet manpower requirements
- iv. Overcome unemployment and underemployment and reduce poverty and the attendant social risk of social dislocation, particularly among our youth.

While some/all of these objectives include issues of social protection, risk management is not explicitly stated and therefore would have to be embraced by the Economic Council. Suggestions from the TWG have called for a renaming of the Council to *National Economic and Social Council*. Past experiences have shown that it is extremely difficult to change well established attitudes and dispositions. Therefore, it would be the responsibility of the members of the Technical Working Group to ensure that the members of the National Economic Council are introduced to the concept of *risk management* and consequently pursue the relevant strategies to ensure effective social

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<sup>40</sup> National Economic Council Towards an Integrated Development Strategy. Inaugural Report of the National Economic Council, October 2003. p.5

protection. It would be left to the TWG to decide which option is the preferred one based on the prevailing circumstances.

An effective council can only work if there are structural changes within the ministries themselves. Recommendations to strengthen the institutional framework are provided at the macro, meso and micro levels:

**Macro policy issues (System level)**

- Strengthen the network among public, private and community-based organizations.
- Focus on the infrastructure, laws, procedures and rules that guide the management of social protection. This involves ensuring that the processes are not time-consuming, that there are strict standards and that there are strict rules.
- Establish an incentive-driven institutional system. With respect to staff, this entails finding the right persons to do the job effectively and providing them with incentives. Clients should also have easy access to benefits, effective and friendly customer relations services, and pleasant and comfortable surroundings. This should accord very well with the New Public Management -induced public sector reform to which the Government of St. Lucia has been committed since 2000. The design of the system should ensure that all of the partners honour their commitments. Irrespective of the human resource constraints we alluded to previously, there is still the need to ensure that the system provides for an adequate number of professional social workers.
- Strengthen the current system and bridging gaps, through research and making use of research information to effect changes at the level where good and services are delivered (that is, at the street level).
- Make extensive use of information and telecommunications technology (ICT). Today's economically disadvantaged are more sophisticated than yesterday's. Public service, especially information about availability and eligibility, should be widely disseminated. Collaboration with the media can assist in such public knowledge building. To this extent, information bureaus should be set up at all the town/village council offices.

**Meso Policy Issues (Organizational level)**

This is effectively the level where management capacity could be built. The content of such a policy should consider some or all of the following:

*Building management capacity by:*

- Establishing clear service standards through the use of citizen's charters.
- Ensuring that the management of capacity is in place to make decentralized units effective.

- Ensuring that the systems have mechanisms to monitor and evaluate service delivery.
- Ensuring that there is accountability.
- Ensuring that the staff has the skills necessary to negotiate with local, regional and international bodies.
- Providing the staff with the necessary equipment to carry out their work effectively.

*Building socio-technical capacity by:*

- Earning the trust of clients, potential users of the system and partners.
- Gaining the co-operation of social partners.
- Ensuring that staff has the knowledge and experience.
- Implementing an on-line real time computerized system to increase efficiency.
- Using the computerized system as a monitoring tool.

### **Micro Level Policy Issues (Individual level)**

*Reforming the ethical bases of social protection by:*

- Depoliticizing access to and distribution of benefits.
- Establishing an anti-corruption framework to ensure fairness, equity and equal access.
- Removing the stigma associated with social protection.
- Showing respect to clients (Policy Development Round Table on Social Protection 2002).

### **Short to Medium Term Organisational Capacity Building for Transforming Social Protection Administration in St Lucia**

Institutional development requires government to take action at two levels- (1) national policy level (budgetary and restructuring) and (2) Individual agency level (in terms of redefinition of mission and strategy, making service provision customer friendly).

Discerning what kind of change strategy:

1. Government needs to re-examine its commitment to social protection in light of dwindling budgetary resources and growing public indebtedness. This line of action should be pursued, irrespective of the economy emerging onto a path of growth, because as a small island state Saint Lucia's is subject to economic volatility.
2. A rationalisation of social protection programmes needs to be done, determining priorities and concentrating available funding for maximum results.
3. The vision and strategy of achieving the revised missions of social protection agencies need to be re-set to fit current conditions. A new strategy is

transformative if it is used to align other aspects of organisational capacity, according to Hudson (2003). This could be seen as a first step in achieving improved institutional performance.

4. Champions of improved services must be fully incentivised to boost their commitment.
5. Commitment to capacity building and ownership among senior managers are essential. Appointing a chief operating officer to take on responsibility for line management.
6. Patience is essential – implying that capacity building has a long gestation period.
7. The social protection agency must pursue explicit policies for increasing impact. Here, the suggestion is that the organisation can pursue four different strategies –
  - (a) diversify
  - (b) specialise
  - (c) scale up, and
  - (d) scale deep (Hudson 2003: 55).

#### **4.5 ALIGNING DEVELOPMENT PARTNERS AND CIVIL SOCIETY**

Donor agencies play an integral role in social protection provision in St. Lucia. These actors provide resources in the form of loans and grants; they offer guidelines with respect to policy formulation and they impose conditionalities. About one third of the resources going towards social protection in St. Lucia comes from donor agencies. For the period 2003-04, St. Lucia received grants to the value of EC\$60,662,937 for the financing of capital projects. The total value of loans towards capital financing was EC\$281,553,433. Appendix 4.5.1 provides projects expected annual expenditure for the next five years.

The European Commission is playing a significant role in the realm of development financing, providing support for a wide variety of programmes (social recovery, vocational training and skills development, water projects, agricultural diversification programmes, assistance with the construction of a new hospital and so on). Other agencies involved in supporting social protection in St. Lucia include the World Bank (poverty reduction and disaster management, HIV/AIDS), UNICEF, DFID, CDB, UNDP and CIDA.

In light of St. Lucia's precarious fiscal situation, donor agencies should continue to remain involved and committed to social protection provision. However, future efforts must be directed at developing a well coordinated approach to social protection by developing the appropriate policy framework at the national level. This would encourage sustainability as well as a greater degree of efficiency with respect to social protection provision. Donors can only respond to a well articulated social protection strategy.

Civil Society has been quite active in risk management. With the assistance to vulnerable groups, they have managed to reduce the vulnerability of certain groups e.g., disabled and the elderly. Trapped for funds, they can do little to prevent risks but they have managed



to fill the gap left by state agencies. The State need to recognize the role of the community based organizations and work with them in the formulation, implementation and evaluation of programmes. For example, at the conceptualization stage of a social protection programme, representatives from civil society should meet with donors and state representations to ensure that the relevant issues are addressed.

#### **4.6 THE SOCIAL PROTECTION MIX**

From this review of social protection in St. Lucia, some broad priorities can be identified. However, a well articulated social protection strategy is needed to ensure that the appropriate social instruments are identified for each of the priorities.

The main general recommendations are:

1. Promote “risk management” at the regional level through CARICOM and the soon to be established CSME.
2. Develop a social protection strategy within an Integrated Development Plan with a vision of where St. Lucia should be in 20 years time and what the basic skills of every St. Lucian should be.
3. Establish a Council to coordinate the social protection programmes with the Minister of Social Transformation as Chairperson. More details were provided in the section entitled *A Proposed Coordinating Entity*.
4. Institutionalize the 20/20 vision (developed by UNICEF/UNDP), which advocates that 20 percent of public expenditure and donor funds should be allocated to the basic social services – primary health, nutrition, family planning and rural sanitation.
5. Encourage development partners to invest in institutional capacity building to ensure effective delivery of social protection instruments.
6. Invest in “good quality education” so that the “jobs with decent wages” can be obtained.
7. Encourage the establishment of an umbrella organization to coordinate and promote social protection activities by non-governmental organizations.

#### **Targeting**

Targeting is key for effective social protection programmes. The social protection instruments should ensure that the most vulnerable receive the benefits targeted to them. The World Bank (2001)<sup>41</sup> has advocated effective targeting mechanisms. The characteristics of these targeting systems are as follows:

- *Uniform and objective- nationals in all geographic locations should be measured with the same standards and criteria.*
- *Based on poverty indices.* The poverty map and the poverty index developed by the Department of Statistics would be most useful. The census also provides invaluable information.

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<sup>41</sup> The World Bank (2001) Social Safety Net Assessment (SSNA) A Toolkit for Latin America and the Caribbean

- *Easy to administer and apply.* With the effective use of technology, the system can be simple and easy to administer and update.
- *Cost effective.* The cost of the application and administration of the system should be low relative to the amount of the benefits targeted.

### **Monitoring and Evaluation**

All social protections programmes should ensure that there is constant monitoring and evaluation. Baseline (ex-ante information) and ex-post data must be collected to facilitate impact analysis. Targeting should also be set at the design of the programme or project to inform the evaluation of the fulfillment of objectives. The views of the beneficiaries are important and should be sought in all evaluations. Monitoring provides quick and timely information on the programme and its beneficiaries and whether the programme is being implemented as planned. Impact evaluation is costly, time consuming but essential and provides information on the effectiveness of the programmes. It also evaluates to what extent the programme has reduced the risk and vulnerability of the beneficiaries. Information should be supplied to the various government ministers and the Social Protection Council in a timely fashion for inclusion and adjustment in budgetary expenditure. The information should include:

- Levels of vulnerability of Children aged 0-5 years and the Level of coverage of programs
- Demand and supply issues with respect to pre-primary education
- Demand and supply issues with respect to primary and secondary education
- Reasons why children are absent from school
- Social protection issues with respect to the elderly and the disabled.
- Incidence and coverage of social protection programmes, including income support programmes, education-based transfers, community-based strategies, labour market programmes, subsidized drug programmes, feeding programmes, etc.
- Social protection issues with respect to the farmers, ex-farmers, the fishers, the crafts persons and the vendors
- Social protection issues with respect to the HIVIDS victims

**Adequacy of information systems for the design and the implementation of social protection programmes**

A single uniform data base of current and potential beneficiaries should be established. This database should be shared via internet or intranet with all institutions (government and non-government organizations). Thus, when a potential beneficiary is applying for a benefit and is already a recipient of another social protection programme, all relevant bodies can access information on that person. It would also assist in automatic qualification e.g., a person receiving poor relief would automatically qualify for a health-fee exemption card. This would also greatly improve the coordination of the programmes and to some extent reduce administrative and participation costs.

The priorities by social protection areas are presented in Table 4.5. However, unless the institutional framework for the delivery of the social services is improved, these proposed strategies will have little positive impact.

**Table 4.5.1: Specific Recommendations**

<b>Priority and Social Protection Area</b>	<b>Objective</b>	<b>Short term (within 1 year)</b>	<b>Medium term (1-5 years)</b>	<b>Long Term (Over 5 years)</b>
<b>General policy framework</b>	Institutionalize local and regional approach to risk management.	Government Minister should be encouraged to examine the risks In reply in reply to: their respective areas and set up strategies to prevent, mitigate and cope with them. Educate the relevant stakeholders on risk management.	Public education for the political actors (e.g. the members of the Opposition) to ensure the sustainability of the social protection strategies. Public education of public sector worker and members of civil society	Regional approach to risk management
<b>Expenditure on social protection</b>	Link social protection with the provision of access to basic social services	Implement the 20/20 initiative so that 20percent of public expenditure is spent on basic social services	Ensure rationalization in expenditure to ensure where possible that administrative costs do not far exceed the actual interventions	Sustained emphasis on health and education.
<b>Targeting</b>	Effective targeting	Establishment of common criteria for accessing the social protection programmes that target the poor. Improve Geographic targeting based on information from the poverty map and the information provided in the Special Development Areas Act. Establishment of an information bureau (a one stop shop) in all districts which can provide information on all social protection programmes.	Public education on the various social protection programmes on the radio, television and print	Use census and other data (from impact assessments) to inform targeting mechanisms Constant review of the vulnerable persons and groups at the community level One-to-one contact with vulnerable persons and groups.

<b>Priority and Social Protection Area</b>	<b>Objective</b>	<b>Short term (within 1 year)</b>	<b>Medium term (1-5 years)</b>	<b>Long Term (Over 5 years)</b>
<b>Information technology</b>	To enhance the information base on the beneficiaries of social protection programmes To improve coordination in the delivery of social services To strengthen link between research and policy formulation and implementation	Development of database on beneficiaries starting with the poor relief. Ensure that information on those on poor relief is fed to the various social services e.g. data on recipients of poor relief will ensure that they receive health exemptions cards	Use data from the census to inform research	Ensure that all departments have on-line data on all beneficiaries. Ensure that providers/assessors can send information electronically and receive quick responses to their requests for assistance for their community members.
<b>Institutional capacity building</b>	Improve coordination among social protection instruments	Establish Social Protection Council	Clarification of roles and responsibilities e.g. services offered by the Family Court and Division of Human Services need to be clarified to the users Rationalization of services, determining priorities and concentrating available funding for maximum results.	Provide incentive system (not necessarily monetary) for agencies and persons who provide excellent quality services. Education of citizens of their rights as consumers.

Priority and Social Protection Area	Objective	Short term (within 1 year)	Medium term (1-5 years)	Long Term (Over 5 years)
<p><b>Marco economic environment-ensuring St. Lucia's preparedness for the increased competition from CSME, FTAA, EPAs, WTO</b></p>	<p>Implement Regional approach to risk management And sustained Sound fiscal management</p>	<p>Review of legislation likely to affect CSME, FTAA entry. De-emphasizing banana production and laying plans for use of land now under bananas to other agricultural and non agricultural uses; Seminars for government and business leaders on meaning an implications of globalization for St Lucia; Ad campaign on importance of tourism sector and on matters like CSME, FTAA etc.; Training of the business sector to prepare them for the challenges ahead.</p>	<p>Development of other "short" crops on former banana plantations; Introduction of legislation facilitating entry into CSME, FTAA; Introduce measures (including building codes) to limit the effects of natural disasters. Make the necessary links between tourism and other small businesses e.g. craft and fishing. Agricultural Diversification Proper management of the Tourist Industry Debt Management</p>	<p>Sound macroeconomic management Sustained regional cooperation Implement the recommendations put forward by the National Economic Council in their first annual report.</p>

<b>Priority and Social Protection Area</b>	<b>Objective</b>	<b>Short term (within 1 year)</b>	<b>Medium term (1-5 years)</b>	<b>Long Term (Over 5 years)</b>
<b>Labour market-Educated and technologically equipped labour force</b>	Reduce youth unemployment. Reduce the percentage of persons with no certification. Improve quality of education at all levels.	Begin re-training of workers in banana industry. Review education system to make it more relevant to workplace. Organize campaign to prepare the population for alternatives to banana (other crops and tourism). Review the training provided by NSDC, review their targeting and coverage strategies to ensure that the marginalized, especially those in the Rural Areas are covered Make link between the skills training and the labour market. Seek to provide long-term employment for those who are trained. Skills training must be the type that attracts more “decent wages”	Implement Curriculum reform (introduction of foreign languages at primary level, inter alia); Implement adult literacy programmes; Implement computer literacy programmes in schools and in communities;	Develop entrepreneurial culture in schools
<b>Social Insurance</b>	Improve access to social insurance Make more concerted efforts to improve access to social insurance by persons in the informal sector by setting up micro-insurance/pension.	Determine a minimum coverage for workers in the informal sector and encourage them to join the social insurance schemes. Set up immediately the proposed pension scheme for farm labourers, fishers and ex-farmers.	Other workers in the informal sector should be gradually included in the social insurance schemes Implement Universal Health Plan.	In collaboration with the civil society groups, provide more health insurance and pension schemes to vulnerable groups Increase range of benefits.

<b>Priority and Social Protection Area</b>	<b>Objective</b>	<b>Short term (within 1 year)</b>	<b>Medium term (1-5 years)</b>	<b>Long Term (Over 5 years)</b>
<b>Social Assistance, social services, health and education</b>	Provide equitable access to all basic social services Ensure that adequate and good quality services are provided Construct a labour force that is prepared for the challenges of increased globalization.	Improve monetary value of public assistance. Review the system of the exemption cards (until the Universal Health Plan is place), to improve coverage. Building Code to ensure that disabled have physical access to all government buildings.	The elderly and the disabled need special targeting e.g. daycare centers for the elderly, more job opportunities for the disabled. Increase links with the St. Lucians living abroad in order to tap into the vast amounts of resources and expertise available The quality of all social services need improvement e.g. Daycare Services, family services and school feeding programme	A possible strategy to improve school attendance and access to health facilities by the most vulnerable could be modeled after the cash-transfer programme in Jamaica
Micro and Area-based Schemes	Increased access to markets and credit must form part of schemes Effective management of small businesses	More public education in the rural areas so that they can learn more about the programmes	Training workshops on marketing of products.	More funds for micro and area-based schemes.
Natural Hazards and Environmental Protection	A high level of preparedness and adequate “recovery strategies”	Public education on strategies for environmental protection	Examine how the practices of the poor have contributed to environmental degradation and seek to provide alternate income generating strategies	Strengthen link between state and non-state involved in recovery programmes.
Participatory Governance	A populace informed of their rights and responsibilities in the development of St. Lucia	Develop Citizens’ Charter of Rights- the rights of citizens in the governance process Re-activate Local Government Reform	Encourage the establishment of a Coordinating agency which can seek funding on behalf of NGOS e.g. Associations of Development of Agencies in Jamaica	Encourage genuine participation of the community members by ensuring that there is time for citizens to engage in the conceptualization, implementation and monitoring of the programmes



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**APPENDIX 1.3.1: LIST OF PERSONS INTERVIEWED, COMMUNITY MEETINGS AND FOCUS GROUPS**

<b>List of individuals interviewed</b>	
Mr. Ezra Jn. Baptiste	Deputy Permanent Secretary, Ministry of Social Transformation
Mr. Leisley Modeste	NSDC
Mrs. Jackie Allain Francois	Community Development Officer- Soufriere
Mrs. Perpetua James	Community Development Officer- Dennery
Mrs. Arthur Phillip	Community Development Officer- Choiseul
Ms. Lydia Charlemagne	Executive Officer of Laborie Development Foundation
Mr. Augustus Cadet	Community Development Officer- Vieux-Fort South
Community Members	Laborie, Soufriere, Vieux-Fort, Choiseul, Laborie
Mrs. Caesar (School Feeding Programme); Mrs. Weekes (Special Education Programme); Miss Portia Martial (Student Welfare Assistance); Marcia Polius (School Attendance Officer); Mrs. Marius (Head of Human Resource Development Section)	Ministry of Education
Mr. Marcel Joseph (Manager BELfund); Mr. Clive Hippolyte (Manager BNTF); Julie Nurse (Monitoring and Evaluation Officer , Poverty Reduction Fund); Mr. Henry Charles (Manager of the National Conservation Authority)	Ministry of Social Transformation
Lera Pascal (Director of the Department of Gender Relations); Antoinette Joseph (Acting Director of Human Services); Director of the Upton Gardens Girls Centre; Jackie Massiah Former Director of the Massade Boys Training Centre	Ministry of Health
Mr. Braithwaite and Mr. Hubert James (Senior Labour Officers)	Ministry of Labour
Mr. James (Manager)	National Farmers Cooperative Credit Union
Miss James (Senior Officer)	St. Lucia Crisis Centre
Mrs. Jackie Scott	Office of the Prime-Minister
Mr. Peter Isaacs	The St. Lucia Craft And Dry Goods Association
Mr. Adrian Augier	Director, Office of Private Sector Relations
Mrs. Rumelia King (Director of the Family Court); Clementia Eugene (social worker attached to the Family Court)	Ministry of Justice
Focus Group Discussions	<ul style="list-style-type: none"> <li>a) Community development officers</li> <li>b) Elderly</li> <li>c) Youths who completed the NSDC skills training programme</li> <li>d) The disabled</li> <li>e) Youth in Bocadere Vieux-Fort South</li> <li>f) Youth in Dennery</li> </ul>

**Appendix 1.5.1: Selected Socio-Economic Indicators for St. Lucia**

<b>Characteristic</b>	<b>Distribution</b>
<b>Total population</b>	160,986 <sup>42</sup>
<b>Population 15 years and over</b>	116,761 <sup>43</sup>
<b>Population growth rate (2001)</b>	1.24 <sup>44</sup>
<b>Total fertility rate</b>	2.1 <sup>45</sup>
<b>Infant mortality rate</b>	13.6 <sup>46</sup>
<b>Maternal mortality ratio reported (1985-2001)</b>	30 <sup>47</sup>
<b>Life expectancy at birth (2001)</b>	72.2 <sup>48</sup>
<b>Percentage of individuals in poverty</b>	25.1 percent <sup>49</sup>
<b>Percentage of households in poverty</b>	18.7 percent <sup>50</sup>
<b>Adult literacy rate ( percent Age 15 and above) 2001</b>	90.2 percent <sup>51</sup>
<b>UNDP HDI Value (2001)</b>	0.775 <sup>52</sup>
<b>UNDP HDI Rank (2001)</b>	71 <sup>53</sup>
<b>Percentage of population with sustainable access to improved:</b>	
<b>Water source (2000)</b>	98 percent <sup>54</sup>
<b>Sanitation (2000)</b>	89 percent <sup>55</sup>
<b>Percentage of children &lt;1 year old fully immunized against: (2002)<sup>56</sup></b>	
<b>Tuberculosis</b>	95 percent
<b>Measles</b>	97 percent
<b>Polio</b>	90 percent
<b>DPT</b>	74 percent
<b>Unemployment rates</b>	
<b>Total<sup>57</sup> (2002)</b>	16.2 percent
<b>Male (Jul.- Dec. 2000)</b>	13.4 percent
<b>Female (Jul.- Dec. 2000)</b>	22 percent

Source: St. Lucia Statistical Department and UNDP Human Development Report

<sup>42</sup> Estimates of Expenditure Budget Speech 2004

<sup>43</sup> Oct-Dec. 2002. <<http://www.stats.gov.lc/main3.htm>> Retrieved April 6, 2004. Last Updated on March 26, 2001 By Richard K. Harris

<sup>44</sup> <<http://www.stats.gov.lc/demosum.htm>> Retrieved April 6, 2004.

<sup>45</sup> Ministry of Health (2001-2002) Chief Medical Officer's Report.

<sup>46</sup> <<http://www.stats.gov.lc/demosum.htm>> Retrieved April 6, 2004.

<sup>47</sup> UNDP Human Development Report (2003).

<sup>48</sup> <<http://www.stats.gov.lc/demosum.htm>> Retrieved April 6, 2004.

<sup>49</sup> <<http://www.caribank.org>> Retrieved March 30, 2004.

<sup>50</sup> <<http://www.caribank.org>> Retrieved March 30, 2004.

<sup>51</sup> UNDP Human Development Report (2003).

<sup>52</sup> UNDP Human Development Report (2003).

<sup>53</sup> UNDP Human Development Report (2003).

<sup>54</sup> UNDP Human Development Report (2003).

<sup>55</sup> UNDP Human Development Report (2003).

<sup>56</sup> <[http://www.unicef.org/infobycountry/stlucia\\_statistics.html#7](http://www.unicef.org/infobycountry/stlucia_statistics.html#7)> Retrieved April 6, 2004.

<sup>57</sup> Jul.-Sept. 2002. <<http://www.stats.gov.lc/main3.htm>> Retrieved April 6, 2004. Last Updated on March 26, 2001 By Richard K. Harris. Census 2001=17.3 percent & (Jul.- Dec. 2000) =17.5 percent.

<b>Appendix 2.3.1: Poverty Profile in St. Lucia</b>	
◆	The monthly Poverty Line and the Indigence Line were estimated at \$156.37 and \$83.55 respectively.
◆	18.7 percent of households and 25.1 percent of the population were poor.
◆	5.3 percent of households and 7.1 percent of the population were indigent in that their expenditures were inadequate to cover their dietary requirements.
◆	17.4 percent of households headed by males and 20.4 percent of households headed by females were poor.
◆	16.3 percent of the urban population and 29.6 percent of the rural population were poor.
◆	The Poverty Gap for the country was 8.6 percent, but 6.6 percent for the urban population and 9.9 percent for the rural population.
◆	The working poor were concentrated in agriculture and in manufacturing. The poor involved in the agricultural sector, particularly the banana industry, face the risk of loss of income resulting from a declining banana industry. A stagnated manufacturing sector also presents some concern among the urban poor employed in this sector.
◆	The lowest quintile had the highest average number of children 2.7, compared to 0.7 in the highest quintile.
◆	The two lowest quintiles spent more than half of all expenditures on food.
◆	The lowest quintile had a lower participation rate in the labour force and a higher unemployment rate than the highest quintile.
◆	Most heads of poor households had had access to primary school education but the heads of households in the higher quintiles had a higher level of education.
◆	Poor households were less likely to have their children enrolled in pre-schools, thereby setting the stage for differential educational attainment very early in life.
◆	The poor did not seem to be specifically favoured by the arrangements for educational subsidies.

Source: <<http://www.caribank.org>> Retrieved March 30, 2004.



**Appendix 2.3.2: Some Vulnerabilities of Quintile One**

<b>Characteristics</b>	<b>National Population</b>	<b>Quintile One</b>
<b>Highest Level of Education Attained:</b>		
Nursery/Kindergarten/Infant	0.8	1.1
Primary	68.5	76.7
Secondary	20.7	17.8
Post Secondary	4.8	2.9
University	2.9	0.4
Other	2.3	1.1
<b>Highest Examination Passed:</b>		
None	38.7	47.6
School leaving/Standard 6	36.9	36.2
CXC Basic	2.5	2.6
GCE 'O' / CXC Gen. Prof. 1 or 2	5.4	4.1
GCE 'O' / CXC Gen. Prof. 3 or 4; SC Grade III	4.2	5.2
GCE 'O' / CXC Gen. Prof.5 & over 4; SC Grade I & II	2.3	1.8
GCE 'A' / HSC 1 or 2	0.5	-
GCE 'A' / HSC 3 or over	0.2	-
Diploma/ or Equivalent; Certificate of Achievement	5	0.7
Degree	1.8	-
Other	2.6	1.8
<b>During the Past Week:</b>		
Worked	68.4	57.6
Had job, but not at work	3.1	2.3
Look for work	3.5	6.5
Wanted work and was available	1.1	0.9
Housework/Home duties	12	15.7
Attended school	1.1	1.4
Nothing	9.3	13.4
Other	1.6	2.3

Source: St. Lucia Poverty Data set.

**Appendix 2.3.3: Poverty Scoring System**

<b>Item</b>	<b>Response</b>	<b>Score</b>
Wall type	Brick/Block/Concrete	3
	Wood and Concrete	2
	Wood	1
	Wattle/Tapia	0
Toilet type	WC to sewer/cess pit	1
	Pit latrine/None	0
Light Source	Electricity or gas	1
	Kerosene/none	0
Possessions***	TV/Telephone/Video/Stove/ Fridge/Washing machine	0.5 each**** only for HBS
	Car/pick-up	1**** only for HBS
No. of persons per bedroom	<1	3
	1-1.99	2
	2-3	1
	3.01 or more	0
Education of head (summary)	Tertiary/university	5
	Secondary complete	4
	Secondary incomplete	3
	Primary complete	2
	Primary incomplete	1
	None	0
No. employed to total number of persons	1	3
	$x < 1, x > 0.49$	2
	$x < 0.5, x > 0.25$	1
	$x < .25$	0
<b>Maximum Score</b>		<b>20</b>

Source: Department of Statistics, St. Lucia

<b>Appendix 2.3.4 (i).: Some indicators of quality of life from the census data</b>	
<b>Indicator</b>	<b>Percent Distribution</b>
<b>Type of land ownership</b>	
Owned/freehold	57.6
Leasehold	2.5
Rented	14.4
Permission to work land	3.6
Sharecropping	.1
Squatting	9.3
Other	6.1
Not Stated	6.2
<b>Main source of water supply</b>	
Private piped into dwelling	2.4
Private catchment not piped	1.2
Private catchment piped	.6
Public piped into dwelling	58.6
Public piped into yard	19.3
Public standpipe	8.5
Public well or tank	.3
Other	7.0
Not Stated	2.1
<b>Type of toilet facilities</b>	
W.C. (flush toilet linked to sewer)	5.5
W.C. (flush toilet) linked to Septic Tank/Soak away	47.4
Pit latrine (VIP)	35.3
Other	1.0
None	9.1
Not Stated	1.7
<b>Type of lighting</b>	
Gas	.2
Kerosene	5.1
Electricity (public)	85.7
Other	1.0
None	4.5
Not Stated	1.0

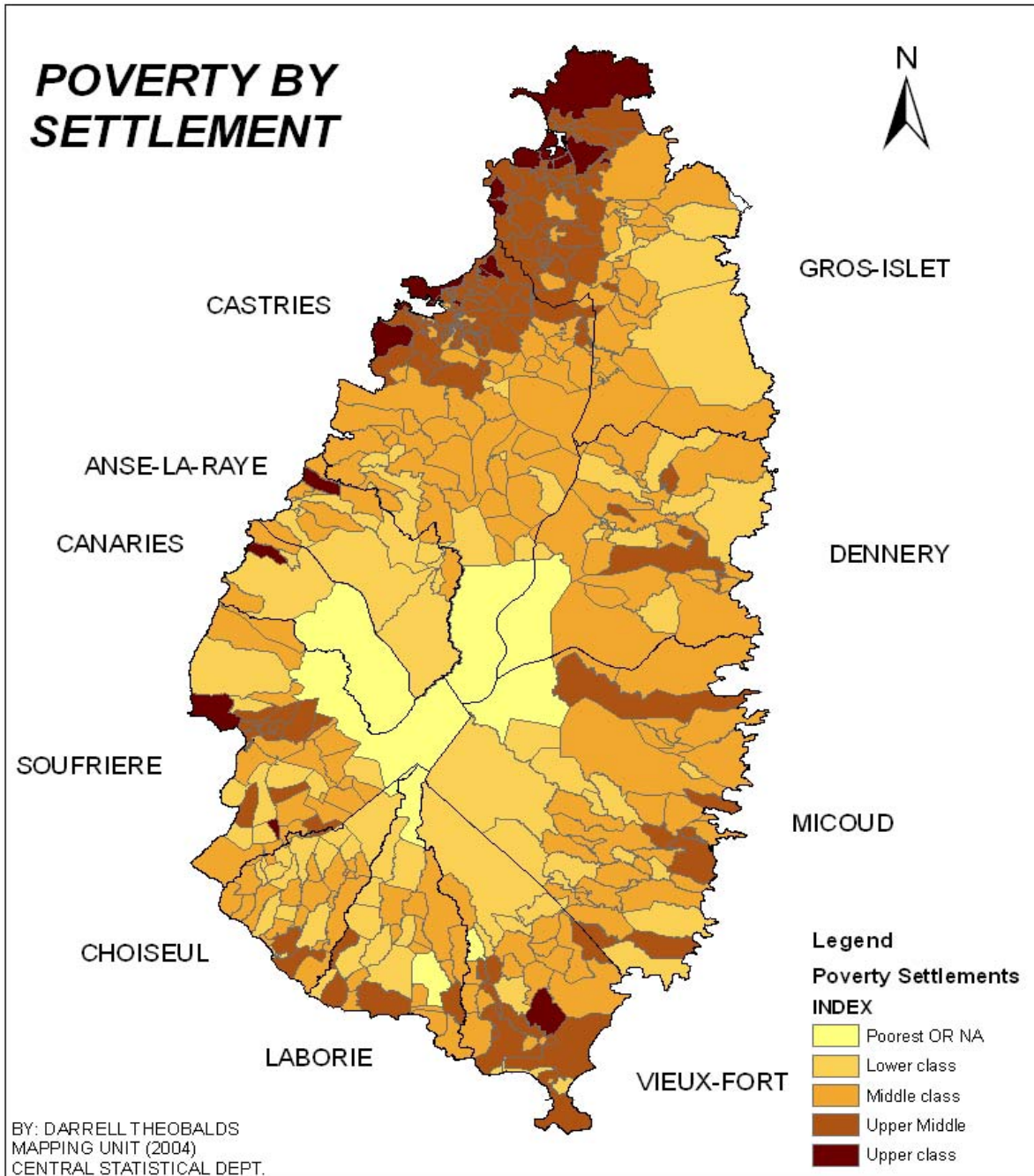
Source: Census data from the Department of Statistics, St. Lucia

**Appendix 2.3.4(ii): Percentage Distribution of Select Household Items in St. Lucia**

Household Items	Distribution ( percent)			
	Yes	No	Not Stated	Total
Water heater	(n=5145) 12	(n=36688) 85.9	(n=865) 2.0	(n=42698) 100
Television	(n=33795) 79.1	(n=8319) 19.5	(n=584) 1.4	(n=42698) 100
Cable TV	(n=18834) 44.1	(n=22756) 53.3	(n=1108) 2.6	(n=42698) 100
Video	(n=16042) 37.6	(n=25763) 60.3	(n=893) 2.1	(n=42698) 100
Radio or stereo	(n=36167) 84.7	(n=5649) 13.2	(n=882) 2.1	(n=42698) 100
Refrigerator	(n=32369) 75.8	(n=9618) 22.5	(n=711) 1.7	(n=42698) 100
Microwave oven	(n=6885) 16.1	(n=34866) 81.7	(n=947) 2.2	(n=42698) 100
Stove	(n=38027) 89.1	(n=4014) 9.4	(n=657) 1.5	(n=42698) 100
Telephone	(n=25806) 60.4	(n=16183) 37.9	(n=709) 2.8	(n=42698) 100
Cellular telephone	(n=5873) 13.8	(n=35640) 83.5	(n=1185) 2.8	(n=42698) 100
Washing machine	(n=16987) 39.8	(n=24877) 58.3	(n=834) 2.0	(n=42698) 100
Water pump	(n=1777) 4.2	(n=39814) 93.2	(n=1107) 2.6	(n=42698) 100
Computer	(n=5622) 13.2	(n=36161) 84.7	(n=915) 2.1	(n=42698) 100
Internet connection	(N=3404) 8.0	(N=34841) 81.6	(N=4453) 10.4	(N=42698) 100

Source: St. Lucia 2001 Census, St. Lucia Statistics Department

**Appendix 2.3.4(iii): St. Lucia Poverty Map**



**Appendix 2.3.4a: Soufriere: The Poorest District**

**Basic Profile**

- ❑ Location: South-East
- ❑ Population: 7293
- ❑ Gender ratio: 50.1 percent (male) and 49.9 percent (female)
- ❑ Population aged under 15 years: 30.7 percent
- ❑ Population aged over 60 years: 12 percent
- ❑ Female -headed households: 42.3 percent
- ❑ % of persons with disability: 4.7 percent
- ❑ % of population covered by any type of insurance: 41.7 percent
- ❑ % with primary school as the highest level of education: 52.5
- ❑ % with no certification: 68.8 percent
- ❑ % employed: 36.4 percent
- ❑ % who were victims of crime: 2.7 percent
- ❑ Ownership of dwellings: 55 percent
- ❑ % with concrete as outer wall: 53.8 percent
- ❑ % of households with no toilet facilities: 18.8 percent
- ❑ % with computer: 6.4 percent

**Main Issues Identified**

- In spite of being the tourist capital, limited benefits from tourism
- Youth unemployment
- Idleness of youth
- Crime – tourist harassment
- High level of mental illness
- Lack of significant benefits from tourism
- Need for increased presence of police
- Lack of functioning youth organizations
- Poor quality of teachers and management persons in education system
- Poor quality care for the elderly
- Poor access to land for youth – high surveying costs etc.

**Main Recommendations**

- ✚ Income- generating activities for youth
- ✚ Improve facilities at Malgretoute (home for the elderly)
- ✚ Increased access to recreational activities for the youth
- ✚ Improved access to quality education
- ✚ More support for children with special needs
- ✚ More institutional support for the community development officers.

Sources: Basic Profile: Data from the census

Main issues identified: interviews and focus group discussions

Recommendations: interviews and focus group discussions

**Appendix 2.3.4b: Dennery- The Managing District**

**Basic Profile**

- ❑ Location: East Coast
- ❑ Population: 12,710
- ❑ Gender ratio: 49.1 percent (male) and 50.9 percent (female)
- ❑ Population aged under 15 years: 33.2 percent
- ❑ Population aged over 60 years: 11.1 percent
- ❑ Female-headed households: 59.3 percent
- ❑ % of persons with disability: 4.5
- ❑ % of population covered by any type of insurance: 39.7
- ❑ % with primary school as the highest level of education: 49.2
- ❑ % with no certification: 78.2
- ❑ % Employed: 30.2
- ❑ % who were victims of crime: 2.9
- ❑ Ownership of dwellings: 80.4
- ❑ % with concrete as outer wall: 30.5
- ❑ % of households with no toilet facilities: 18.1
- ❑ % with computer: 4.6

**Main Issues Identified**

- Unemployment esp. among youth and women
- Lack of recreational activities for youth
- Children whose parents have migrated – many do not receive emotional support and guidance
- Destitute persons
- Poorly equipped CDO

**Main Recommendations**

- ✚ Support systems for unemployed
- ✚ Support for and access to credit and loans for entrepreneurs
- ✚ Recreational centre for youth
- ✚ Support system for barrel children
- ✚ Expansion of current services and support for older persons
- ✚ Camera, LCD projector and internet access for office of CDO
- ✚ Institute that facilitates exchange knowledge

Sources: Basic Profile: Data from the census

Main issues identified: interviews and focus group discussions

Recommendations: interviews and focus group discussions

**Appendix 2.3.4c: Laborie: A Fishing District**

**Basic Profile**

- ❑ Location: West Coast
- ❑ Population: 7,940
- ❑ Gender ratio: 49.5 percent (male) and 50.5 percent (female)
- ❑ Population aged under 15 years: 31.6 percent
- ❑ Population aged over 60 years: 12.6 percent
- ❑ Female headed households: 42.1 percent
- ❑ % of persons with disability: 5.7
- ❑ % of population covered by any type of insurance: 39.6
- ❑ % with primary school as the highest level of education: 53.9
- ❑ % with no certification: 69.7
- ❑ % employed: 30.3
- ❑ % who were victims of crime: 2.3
- ❑ Ownership of dwellings: 83.2
- ❑ % with concrete as outer wall: 42.3
- ❑ % of households with no toilet facilities: 8.9
- ❑ % with computer: 6.8

**Main Issues Identified**

- Unemployment of youth
- Idleness of youth
- Lack of recreational activities for youth
- Lack of access to services and programmes i.e. NSDC, NELP, PRF pilot programmes
- Lack of support for mentally unwell youth
- Destitute older persons
- Many older persons live in houses with no toilet facilities
- Lack of meeting place for community
- Lack of marketplace for craft workers
- Overflowing ravine
- Bad roads (damaged by lorries and trucks)
- Derelict buildings and cars (no dumping ground for old cars)
- Lack of coordination between government departments and village council
- Lack of access to land
- Lack of funds for medical attention for needy persons with life-threatening conditions that may require surgery, e.g., cancer
- Lack of effective community policing

**Main Recommendations:**

1. Training and education (basic) programmes
2. Support for and access to credit and loans for entrepreneurs
3. Investigation into tourism as source of employment for area
4. Recreational centre for youth
5. Rejuvenation of youth clubs
6. General sensitization and awareness programmes for youth
7. Improved access to services and programmes
8. Daycare centre for older persons
9. Housing codes
10. Enforcement of regulations by Solid Waste Management Authority
11. Meeting place for members of the community
12. Craft market
13. Needy cases fund for medical attention
14. Legislature for community management of land

Sources: Basic Profile: Data from the census  
Main issues identified: interviews and focus group discussions  
Recommendations: interviews and focus group discussions



**Appendix 2.3.4d: Choiseul: St. Lucia's Craft District**

**Basic Profile**

- ❑ Location: West Coast
- ❑ Population: 6,341
- ❑ Gender ratio: 49.3 percent (male) and 50.7 percent (female)
- ❑ Population aged under 15 years: 30.7 percent
- ❑ Population aged over 60 years: 17.3 percent
- ❑ Female headed households: 44.1 percent
- ❑ % of persons with disability: 6.7
- ❑ % of population covered by any type of insurance: 37.6
- ❑ % with primary school as the highest level of education: 52.5
- ❑ % with no certification: 75.7
- ❑ % employed: 30.0
- ❑ % who were victims of crime: 1.2
- ❑ Ownership of dwellings: 88.7
- ❑ % with concrete as outer wall: 53.2
- ❑ % of households with no toilet facilities: 10.7
- ❑ % with computer: 4.9

**Main Issues Identified**

- Seasonal employment for general population and youth
- Unprepared and poorly supported young parents
- Lack of adequate recreational activities for youth
- Absence of marketplace for craft workers
- Lack of private toilet facilities
- Poor access to /lack of transportation for daycare centre
- Destitute older persons
- Poorly equipped daycare centre (Mongouge) and CDO's office
- Bad roads
- Lack of leadership in community

**Main Recommendations:**

- ✚ Training skills programme for self-employment with more programmes that appeal to males
- ✚ Rejuvenation of youth clubs
- ✚ Night classes for youth
- ✚ Safety net for children of young parents
- ✚ Counseling services for young parents
- ✚ Parenting skills classes for young parents
- ✚ Recreational centre for youth
- ✚ Support for and access to credit and loans for entrepreneurs
- ✚ Community officer that solely addresses the needs of craft workers
- ✚ Marketplace for craft workers
- ✚ Basic office equipment<sup>1</sup> for daycare centre and office of the CDO
- ✚ Expansion of services of daycare centre (more opening hours)
- ✚ Transportation for daycare centre

Sources: Basic Profile: Data from the census

Main issues identified: interviews and focus group discussions

Recommendations: interviews and focus group discussions

**Appendix 2.3.4e: Vieux-Fort: A city with a major drug problem**

**Basic Profile**

- ❑ Location: South- East
- ❑ Population: 16, 251
- ❑ Gender ratio: 49.7 percent (male) and 50.3 percent (female)
- ❑ Population aged under 15 years: 32.9 percent
- ❑ Population aged over 60 years: 14.5 percent
- ❑ Female headed households: 38.5 percent
- ❑ % of persons with disability: 5.9
- ❑ % of population covered by any type of insurance: 44.3
- ❑ % with primary school as the highest level of education: 47.4
- ❑ % with no certification: 63.4
- ❑ % employed: 35.3
- ❑ % who were victims of crime: 1.1
- ❑ Ownership of dwellings: 81.5
- ❑ % with concrete as outer wall: 84.8
- ❑ % of households with no toilet facilities: 9.6
- ❑ % with computer: 10.2

**Main Issues Identified**

- Unemployment, esp. youth
- Drug abuse
- High incidence of teenage pregnancy resulting from incest
- Lack of access to training programmes
- High crime rate and gang violence
- Lack of recreational activities for youth
- Weak community organizations
- Lack of leadership in community
- Lack of motivation and institutional support for social workers
- Poorly equipped CDO
- Mortality rate of young males
- Bureaucracy and red tape of coordinating ministry (Social Transformation)
- Corruption of land sales and use of disaster relief
- Community's dependency on government

**Main Recommendations**

- ✚ Support for and access to credit and loans facilities for entrepreneurs
- ✚ Decentralization of services, e.g., NSDC
- ✚ More effective marketing of training programmes
- ✚ More effective training of instructors at programmes, e.g., NSDC
- ✚ Rejuvenation of youth clubs
- ✚ Recreational centers for youth
- ✚ Rejuvenation of football activities
- ✚ Creation of a football school
- ✚ Basic office equipment for CDO<sup>1</sup>
- ✚ Training geared towards values and cultural changes
- ✚ Access to rehabilitation programmes for substance abuse

Source: Basic Profile: Data from the census

Main issues identified: interviews and focus group discussions

Recommendations: interviews and focus group discussions

**Appendix 3.3.1: STATE AGENCIES/PROGRAMME BY SOCIAL PROTECTION AREA**

<b>Social Protection Area</b>	<b>State Agency</b>	<b>Programmes/Benefits</b>
Macroeconomic environment	Ministry of Finance, International Financial Services and Economic Affairs  Office of the Prime Minister (Office of Private Sector Relations)  Ministry of Commerce, Investment and Consumer Affairs	Private Sector Development Programme: Grants/Funding to entrepreneurs (private & NGOs); Direct Business Support Services
Labour market	The Ministry of Labour Relations, Public Service and Cooperatives; the Ministry of Education Human Resource Development, Youth and Sports, the National Insurance corporation and the Ministry of Social Transformation	Maternity/illness benefits, pension scheme, Labour Redress STEP
Social insurance	NIC	National Health Insurance Scheme (being worked on)
Social assistance, social services, health and education	Ministry of Education	Early Childhood Education; NSDC, NELP, Student Welfare Assistance Programme, School Feeding Programme, Special Education Programme
	Ministry of Health, Human Services and Gender Relations	Counselling, child protection, welfare, stipend to the elderly, exemption cards to the elderly and the poor, HIV/AIDS, housing to the elderly, immunization, free medication, care and protection of women

<b>Social Protection Area</b>	<b>State Agency</b>	<b>Programmes/Benefits</b>
	Ministry of Social Transformation, Culture and Local Government	PRF, BNTF, BELFUND, NCA, STEP, day care services, children's home
	Ministry of Physical Development, Environment and Housing	PROUD – Programme for the Regularization of Unplanned Development
	Ministry of Human Services	Boys Training Centre
Environmental/natural hazards	Ministry of Finance, International Financial Services and Economic Affairs; Ministry of Physical Development, Environment and Housing	NEMO – National Emergency Management Office
Micro insurance, micro saving	SEDU, BELfund	
Participatory governance	Ministry of Social Transformation, Culture and Local Government	PRF, BNTF, town and village councils

Source: Compiled by consultants with assistance from CDOs, Ministry of Social Transformation.

**Appendix 3.3.2: COMMUNITY BASED ORGANIZATIONS/PROGRAMME<sup>58</sup> BY SOCIAL PROTECTION AREA**

<b>Social Protection Area</b>	<b>Agency</b>
Macroeconomic environment	Banks/credit unions, Chamber of Commerce, St. Lucia Hotel and Tourism Industry.
Labour market	Trade unions, workers associations, St. Lucia Chamber of Commerce, St. Lucia Mortgage and Finance, FICS, St. Lucia Employers Federation
Social insurance	Mothers and Fathers Groups, Friendly Societies, faith based organisations and over twenty commercial insurance companies.
Social assistance, social services, health and education	National Council of and For Older Persons, National Council for and of the Disabled, HELPAGE, National Association for Early Childhood Education, Blind Welfare Association, Pensioners' Association, St. Vincent De Paul, LUSAVE, Peace Corps volunteers, Japanese volunteers, St. Lucia Crisis Centre, National Youth Council, St. Lucia Red Cross,
Environmental/natural hazards	Churches, St. Lucia Red Cross
Micro insurance, micro saving	Credit unions, Farmers Cooperative Credit Union, NRDF
Participatory governance	Radio talk shows, community based organisations e.g., Soufriere Regional Development Foundation, Laborie Development Foundation

<sup>58</sup> Examples only

**A REVIEW OF SOCIAL PROTECTION IN ST. LUCIA**

**Appendix 3.3.3: ODA/PROGRAMME BY SOCIAL PROTECTION AREA  
(CAPITAL EXPENDITURE)**

<b>Social Protection Area</b>	<b>Agency/Programme</b>	<b>(2003-04) Sources of Funding</b>
Macroeconomic environment	Office of the Prime-Minister: Private Sector Development Programme	Funded by the European Union EC\$6m
Labour market	Banana Emergency Recovery Plan	EU
	Basic Education Project	Commonwealth Youth Enterprise
	Technical and Vocational Education	
Social assistance, social services, health and education	Ministry of Health: HIV/AIDS Programme Integrated Child Protection and Development Programme Women's Support Centre Men's Resource Centre Care for the Elderly Shelter Development Programme National Skills Development Centre Rural Employment Programme NELP Low Income Housing Grant National Skills Development Centre Poverty Reduction Fund Establishment of a low-income grant facility	World Bank EU, CDB, PAHO, UNFPA
Environmental/natural hazards	NEMO OECS Emergency and Disaster Management PROUD Wildlife Conservation Project Coastal Zone Management Unit Black Mallet/Landslide Response	CDB, EU, IBRD, OECS/NRMU, UNDP
	Water Sector Reform Project	
	Environment Capacity Development	
	Green house Gases	
Micro insurance, micro saving	Rural Small Business Credit Facility SEDU BEL fund	EU

Source: Ministry of Finance

**APPENDIX 3.3.4 (A): STATE PROVIDED SOCIAL PROTECTION INSTRUMENTS<sup>59</sup>**

Social Protection Area	Ministry	Name of programme	Description of programme	Beneficiaries	Budget	Financing	Assessed Impact	Adequacy of benefit	Targeting	Coverage
Macroeconomic protection	Ministry of Agriculture and Rural Development	St. Lucia Rural Enterprise Development Project	Project started in 1997 to assist with rural development and productive activities in the southern regions	Residents in the rural areas	XCD 10 million in total funding. Project ended September 2003	Government of St. Lucia	Project has made significant impact on small farmers. Successes in marketing were noted	High	Medium	Medium Sustainability issue is main concern
	Ministry of Commerce, Industry and Consumer Affairs	National Development Corporation	Created in 1971 Administers government's incentives regime Promotes investment Manages land and industrial estates	Potential investors			The issue of land management, including squatting, remains a source of concern, especially in and around Vieux Fort. Need for closer linkage between NDC and local communities	Medium	Medium	Low

<sup>59</sup> Data provided as available

**A REVIEW OF SOCIAL PROTECTION IN ST. LUCIA**

Social Protection Area	Ministry	Name of programme	Description of programme	Beneficiaries	Budget	Financing	Assessed Impact	Adequacy of benefit	Targeting	Coverage
	Office of the Prime Minister	Office of the Private Sector Relations	Provision of assistance to private sector to enhance international competitiveness and productivity, and accelerate investment growth and employment	St Lucian companies Business Associations Public Sector Agencies engaged in provision of services to private sector	Phase I: (Feb 1998 – Mar 2003) <b>EC\$4.6m</b>  Phase II: (Apr 2003 – Mar 2006) EC\$15.8m	European Union and Government of St Lucia	<p><b>Phase I:</b></p> <p>36 Business Enterprises</p> <p>6 Business Associations</p> <p>3 Public Sector Agencies</p> <p><b>Phase II</b></p> <p>63 Business Enterprises assisted with conduct of diagnostic studies and production of Business Review Reports</p> <p>13 Business Enterprises assisted with Design and Development of Business Plans</p> <p>27 Business Enterprises assisted with Business Plan Implementation</p> <p>A group of 77 small hotels assisted with development of a joint marketing plan.</p> <p>1 Business Association assisted with improving service delivery to 115 business enterprise members</p>	High	Medium- Usually self-targeted but has been positively received by the private sector	Medium-increasing its coverage



**A REVIEW OF SOCIAL PROTECTION IN ST. LUCIA**

Social Protection Area	Ministry	Name of programme	Description of programme	Beneficiaries	Budget	Financing	Assessed Impact	Adequacy of benefit	Targeting	Coverage
Labour market	Ministry of Education, Human Resource Development, Youth and Sports	National Conservation Authority	Conserving the country's natural infrastructure and managing beaches and protected areas	Employment of 300 workers and up to 600 for exceptional periods (e.g., August 2002)	XCD 2 million annual budget	Government	Employment of persons who would otherwise not be employed	Low	Medium	Low
		National Skills Training Centre	Training (production and business skills, information technology and computer skills, job searching skills) Counselling, some placement of trainees and assistance with jobs searching Provision of child care of trainees Assessment of job market demands	The unemployed	XCD 90,000.00	Grant Funding from EU	Positive impact on youth unemployment but needs to strengthen links with the private sector	Medium	Medium some young unemployed respondents in the rural areas said that they had never heard for NSDC	Medium Many Applicants Waiting for a Response for several months
		The National Enrichment Learning Programme (NELP)	Provides adult education	Adults who need educational enrichment	Beneficiaries pay XCD 2.50 per credit	Government of St. Lucia	NELP represents a new approach to adult education. There are enrichment programmes such as music and flower arrangements	Medium	Medium	Medium Some respondents complain that they cannot pay for the services.

**A REVIEW OF SOCIAL PROTECTION IN ST. LUCIA**

Social Protection Area	Ministry	Name of programme	Description of programme	Beneficiaries	Budget	Financing	Assessed Impact	Adequacy of benefit	Targeting	Coverage
Social Assistance, Social Services, Health and Education	Social Transformation, Culture, Local Government And Ecclesiastical Affairs	The Poverty Reduction Fund (PRF)	Established by the Poverty Reduction Act No. 7 of 1998. Its mission is to reduce poverty, build social capital, improve socio-economic conditions, increase access to and improve quality of basic social services	2002-2003: (some projects) 16 economic infrastructure projects: 10 water and sanitation projects: 2 community empowerment 1 health projects 1 sports facility (1 project-income generation project information technology centres in rural primary schools valued at XCD569,359.00	XCD 2,620,977.00 (2000-2001)	European Commission (grants from STABEX programme and Special Framework of Assistance) and the World Bank (through a loan agreement). During fiscal year 2000-2001, PRF received XCD 5,451,778 from the EC and XCD 737,182 from the World Bank	Programme spoke highly of by community members interviewed. PRF had done a good job. Weak on developing institutional capacity in communities.	Medium	High	Medium
		Basic Needs Trust Fund (BNTF)	To improve the social and economic status of the poor by increasing productivity and economic and social infrastructure	At December 31, 2003 BNTF 4 programme concluded with 119 projects: 23 large projects; (XCD53,898.00 71 small projects ; (XCD 538899 to XCD 347,450) 19 maintenance; projects, 6 skills training projects	BNTF 5 has a total budget of USD 4.2 million	CDB- grant of USD 2,750,123.00 Government of St. Lucia	Some respondents complained of slow response to proposals (as much as 3 years). Community participation in the programme has improved. Monitoring and evaluation mechanisms weak. Too much administrative bureaucracy	Medium Reported cash flow problems	Medium	Medium

**A REVIEW OF SOCIAL PROTECTION IN ST. LUCIA**

Social Protection Area	Ministry	Name of programme	Description of programme	Beneficiaries	Budget	Financing	Assessed Impact	Adequacy of benefit	Targeting	Coverage
		Day care Services	40 day care centres throughout the island.	800 children a year	Beneficiaries pay XCD 30 .00 per month	Government of St. Lucia	Has provided for children at risk and helped working parents	Poor quality service has been reported	Medium	Low Less than 20 percent of eligible age cohort
	Ministry of Physical Development, Environment and Housing	PROUD programme	Shelter for the vulnerable	Low income		Loan from CDB	Has provided some shelter for the poor but housing solutions for the poor still remain inadequate	Low	Medium	Low
	Ministry of Education, Human Resource Development Youth and Sports	School Feeding Programme	Provide meals to disadvantaged children in urban and rural areas	10,000 students yearly	XCD 1,978866.52 (2001)	Currently funded by Government but in the past received assistance from the World Food programme and Stabex Funds	Described as very expensive to run but alleviates hunger, encourages attendance, generates employment	Medium limited funding and theft of supplies	Medium	Medium
		Welfare Assistance Programme	Assist needy students at infant, primary and tertiary levels	3000 students yearly. Assistance given with tuition fees and transportation costs		Government of St. Lucia	Has helped several needy students but they only receive XCD167.00 annually	Low limited funding	Medium	Medium
		Special Education Programme	Deaf, blind and physically challenged receive special education			Government of St. Lucia	Some respondents question quality of education and indicate limited access to the higher levels of education	Low	Medium	Low

**A REVIEW OF SOCIAL PROTECTION IN ST. LUCIA**

Social Protection Area	Ministry	Name of programme	Description of programme	Beneficiaries	Budget	Financing	Assessed Impact	Adequacy of benefit	Targeting	Coverage
		Student Support Programmes	Psycho-educational testing and providing for special education needs	729 students in 2003		Government of St. Lucia	Has helped several needy students but coverage should be better	Low	Medium	Low
		Book Lending Scheme	Aimed at providing bursaries/book s/ uniforms for the poorest children attending infant, primary, secondary and some of the tertiary schools	3000 recipients a year	XCD300,000 Per annum	Government of St. Lucia	Has helped several needy students but coverage should be better	Low	Medium	Low
	Ministry of Health, Human Services and Family Affairs	Public assistance	Provision of social/public assistance to vulnerable persons	2848 in 2003 majority assistance of XCD 60.00 Monthly		Government of St. Lucia	Programme provides some poverty alleviation but value is too low. Poverty line in 1995 was XCD 156.37	Medium For those with dependents, monthly benefit would be low	High	Low
		HIV/AIDS programme	Started in 2002: prevention of further infection, institutional strengthening, advocacy and legislative framework and care and support of those living with HIV	Persons living with HIV/AIDS (PLWHA) receive monetary assistance to cover food, rent and school expenses	XCD 15,000	Government of St. Lucia, UNFPA, the Clinton Foundation and the Irish Government. XCD 20 million 5 year programme is to come on stream with World Bank, Global Fund, PAHO, UNFPA/OPEC and EU	PM has acknowledged in his 2004 budget speech that the monthly assistance of XCD 60.00 is inadequate and will be increased to XCD 250.00 monthly.	Currently low but should improve with increased funding	Currently low should improve with new initiatives	Currently Low should improve with new initiatives

**A REVIEW OF SOCIAL PROTECTION IN ST. LUCIA**

Social Protection Area	Ministry	Name of programme	Description of programme	Beneficiaries	Budget	Financing	Assessed Impact	Adequacy of benefit	Targeting	Coverage
		Child and family Services	Children at risk, abused, neglected and from dysfunctional families are given care, protection and	Children at risk	Funding has been approved for by EU/ STABEX for XCD 773,000	EU/ STABEX for XCD 773,000, Government of St. Lucia is expected to fund the staffing component of the programme	Proposal submitted to UNICEF in 2001 acknowledged the need for a monitoring system for children in need of protection	Low Respondents complain about the referral system and being sent back and forth from department to department e.g., from Family Court to Children Services	Low should improve with new initiatives	Low should improve with new initiatives
Social Insurance		NIC	Social Insurance with short term benefits including sickness allowance, retirement pension etc.	The employed	Total expenditure for 2003-2004 42,601,021	Contributions	Beneficial to the workers in the formal sector	Medium	Medium Not all persons in the labour force coverage	Medium Pension Plan to be set up for ex-farmers, fishers and farm labourers
Environment / national hazards	Office of the Prime Minister	The National Emergency Management Office (NEMO)	Disaster/Emergency Management	National scale	XCD 149,771.51 for 2002/3	Government of St. Lucia	NEMO has made tremendous progress in improving the level of disaster management	Medium	Medium	Medium
Micro insurance and micro savings schemes	Social Transformation, Culture, Local Government And Ecclesiastical Affairs	James Belgrave Micro Enterprise Development Limited (BELfund)	Provision of credit to poor persons for micro enterprise development	Loans and counselling to >120 clients since launch. Total loans disbursed XCD 1,126,918.05.00	XCD 1,755,000 .00 for 2002-2003	Government of St. Lucia, EC grants	Focussed, receiving persons who would otherwise not have access to credit	Low	Medium	Low

**A REVIEW OF SOCIAL PROTECTION IN ST. LUCIA**

Social Protection Area	Ministry	Name of programme	Description of programme	Beneficiaries	Budget	Financing	Assessed Impact	Adequacy of benefit	Targeting	Coverage
	Ministry of Commerce, Industry, and Consumer Affairs	Small Enterprise Development Unit (SEDU)	To create and expand employment opportunities, develop entrepreneurial skills, enhance market opportunities and encourage export promotion and import substitution	Courses one-on-one management training Counselling Marketing and promotion Business planning for micro-business		Funding from government and support from UNDP, ILO and OECS	Significant investments in small business development, and has developed specialised expertise in training and technical assistance. There is need to assess the impact of small business development programmes and a need to address constraints to small business development, including crime. Made significant investment in small business	Medium	Medium	Low

**A REVIEW OF SOCIAL PROTECTION IN ST. LUCIA**

Social Protection Area	Ministry	Name of programme	Description of programme	Beneficiaries	Budget	Financing	Assessed Impact	Adequacy of benefit	Targeting	Coverage
Participatory governance	Social Transformation, Culture, Local Government And Ecclesiastical Affairs	The Poverty Reduction Fund (PRF)	Established by the Poverty Reduction Act No. 7 of 1998. Its mission is to reduce poverty, build social capital, improve socio-economic conditions, increase access to and improve quality of basic social services	2002-2003: (some projects) 16 economic infrastructure projects: 10 water and sanitation projects: 2 Community empowerment 1 health projects 1 sports facility (1 project), 1 income-generation project information technology centres in rural primary schools valued at XCD569,359.00	XCD 2,620,977.00 (2000-2001)	European Commission (grants from STABEX programme and Special Framework of Assistance) and the World Bank (through a loan agreement). During fiscal year 2000-2001, PRF received XCD 5,451,778 from the EC and XCD 737,182 from the World Bank	Programme spoken highly of by community members interviewed. PRF had done a good job. Weak on developing institutional capacity in communities	Medium	High	Medium
		Basic Needs Trust Fund (BNTF)	To improve the social and economic status of the poor by increasing productivity and economic and social infrastructure	At December 31, 2003 BNTF 4 programme concluded with 119 projects: 23 large projects; (XCD53,898.00) 71 small projects ; (XCD 538899 to XCD 347,450) 19 maintenance; projects, 6 skills training projects	BNTF 5 has a total budget of USD 4.2 million	CDB- grant of USD 2,750,123.00 Government of St. Lucia	Some respondents complained of slow response to proposals (as much as 3 years) Community participation in the programme has improved. Monitoring and Evaluation mechanisms weak. Too much administrative bureaucracy	Medium Reported cash flow problems	Medium	Medium

**A REVIEW OF SOCIAL PROTECTION IN ST. LUCIA**

Social Protection Area	Ministry	Name of programme	Description of programme	Beneficiaries	Budget	Financing	Assessed Impact	Adequacy of benefit	Targeting	Coverage
	Ministry of Tourism	St. Heritage Tourism Programme	Supports community-based initiatives such as festivals and cultural evenings. Support to business development, skills training (e.g., in tour guiding)	communities	EC funding, XCD 4.5 million for the next three years	Tourism and Community Development project, 2002 – 2005. Financing Agreement between the European Union and the Government of Saint Lucia	In its first phase (1998 – 2002), the programme has demonstrated the potential linkages between poverty reduction and heritage tourism	Medium Need to monitor heritage sites, their sustainability and their impacts on communities	Medium	Medium



**APPENDIX 3.3.4B PRIVATE SECTOR AND CIVIL SOCIETY INSTITUTIONS AND PROGRAMMES<sup>60</sup>**

Social Protection Area	Name of institution	Mandate	Primary function(s)	Role(s) in social protection	Current activities social protection	Resources and capacity	Discussion (impacts, issues)
<b>Macroeconomic</b>	Banks and Credit Unions	Credit Unions are registered as co-operatives Commercial banks are registered as companies	Financing Credit Investment	Savings for social and financial protection Credit in support of income generating and employment creating activities	Same	Well-developed banking sector Several active credit unions with large membership and significant capital	Important role of Credit Unions Need and opportunity to promote equity financing to businesses of various sizes
	Chamber of Commerce and Industry		Representing the interests of the private sector	Private sector involvement in poverty reduction initiatives	Serves on the Board of the National Skills Development Centre and on the Project Steering Committee of BNTF Junior Achievers programme	One staff person dedicated to Junior Achievers programme	The Chamber could play a lead role in mobilising private sector involvement in social protection The Junior Achievers programme has great potential for expansion
	Saint Lucia Hotel and Tourism Association	Legal status unclear	Representing the interests of the tourism sector, including hotels, restaurants and providers of ancillary services	No specific role	Serves on the Board of the National Skills Development Centre		The Association could play a lead role in mobilising private tourism sector involvement in poverty reduction The Association promotes innovative programmes that link tourism businesses, farmers and community initiatives

<sup>60</sup> Source of information: *Interim Poverty Reduction Strategy and Action Plan for St. Lucia , The Institutional Landscape: roles and capacities for poverty reduction*

**A REVIEW OF SOCIAL PROTECTION IN ST. LUCIA**

Social Protection Area	Name of institution	Mandate	Primary function(s)	Role(s) in social protection	Current activities social protection	Resources and capacity	Discussion (impacts, issues)
Social Assistance/ Social Services	Saint Lucia Save the Children (LUSAVE)	Registration under the Companies Act as a not-for-profit company	Support child development and advocate for the rights of children	Feeding, nutrition and medical assistance programmes for vulnerable children and households Advocacy Early childhood services	Sponsorship of children and families Counselling Feeding programme	Donations from corporate and private sponsors Buildings and facilities in Castries, Anse la Raye and Jacmel Volunteers, and 1 staff (cook)	LUSAVE does not have adequate funding, does not receive any subvention from government Need to focus role in light of growing number of organisations involved in social development LUSAVE wishes to restart its youth development programme Needs to strengthen linkages with other agencies
	National Association for Early Childhood Education	Registration under the Companies Act as a not-for-profit company	Subventions and honoraria to teachers, training of teachers, provision of supplies to school and advocacy to protect the rights of children	Enhancing and facilitating access to early childhood education	Scholarships to centres including meals	Annual budget of XCD 170,000 Staff of two	Does not receive any subvention from government Need to strengthen linkages with agencies involved in child development issues

**A REVIEW OF SOCIAL PROTECTION IN ST. LUCIA**

Social Protection Area	Name of institution	Mandate	Primary function(s)	Role(s) in social protection	Current activities social protection	Resources and capacity	Discussion (impacts, issues)
	Saint Lucia Crisis Centre	Registration under the Companies Act as a not-for-profit company	Work towards zero tolerance of gender-based violence in society Provide support and counselling to victims of gender-based violence, in particular domestic violence Network with relevant agencies in seeking out opportunities for the psycho-social rehabilitation and economic empowerment of victims	Working towards the creation of “self managed” opportunities for the economic empowerment of persons in crisis Networking with agencies that support sustainable livelihoods	Assisting impoverished parents (particularly mothers) with the acquisition of educational supplies for their children Working with the PRF in the implementation of the Social Assistance Programme	Office, administrative staff, counsellors, volunteers, resource persons Subvention from Government Contributions from sponsors and fund-raising ventures	Has been in existence for 14 years, providing support and counselling to thousands (over 6,000 visits) of clients, many from poor and vulnerable segments of society The Centre is currently seeking to reach communities outside of the Castries area, and to engage in direct poverty alleviation initiatives Needs to increase its activities at the micro level
	National Council for Persons with Disabilities	Umbrella grouping of Blind Welfare Association, Society for the Hearing Impaired, Society for the Psychiatrically Affected, homes for the elderly and specialised schools and education centres.	Advocacy and procurement of resources, on behalf of persons with disabilities, and in support of its members organisations	Advocacy Fundraising Education of persons with disabilities Income generating activities	Schools for people with disabilities Workshop and production of wheelchairs and other equipment needed by persons with disabilities School Books project funded by PRF and implemented by the Blind Welfare Association	The Council and several of its member organisations receive financial subventions from government	The Council is aware of the need to ensure its own financial sustainability and that of its member organisations All civil society organisations need to take into account the needs of persons with disabilities
	National Council of and for Older Persons	Registered as a charitable organisation	Improve the quality of life and preserve the dignity of older persons in Saint Lucia through advocacy, empowerment and income security	Advocacy and public awareness Co-ordination Job creation Physical and moral support to poor people Project design and implementation	Provision of support to Club 60s and their activities Celebration of 1 October as UN Day for Older Persons	Three staff members Network of community-based groups Membership in HelpAge International	Receives a subvention from government Need for increased efforts towards training of caretakers, and training of trainers at local level

**A REVIEW OF SOCIAL PROTECTION IN ST. LUCIA**

Social Protection Area	Name of institution	Mandate	Primary function(s)	Role(s) in social protection	Current activities social protection	Resources and capacity	Discussion (impacts, issues)
	National Youth Council	Formed in 1985 and formally created in 1997 by an Act of Parliament	Youth development and empowerment Advocacy on behalf of young persons	Capacity-building for youth organisations Skills training Small business and enterprise development	Training programmes Small business programmes	Staffed by volunteers Membership of 162 organisations Would need a budget of approximately 200,000 per year to manage its operations and implement its programme	Need financial resources to recruit staff and have appropriate office space Receives a subvention from government Plays critical role in advocacy and capacity-building Very active at local level, but needs increased support
	All Churches, including Catholic Parish Councils, Holy Name Societies, Saint Vincent de Paul Societies, and local confraternities	Protect congregation and protect religious guidance	Religious organisations	Provision of financial support to poor people Management of homes for the elderly Counselling and assistance to vulnerable persons and households	Provision of school books and uniforms Provision of financial help to needy persons The Centre for Adolescent Rehabilitation and Education (CARE) provides training and manages permanent training centres St. Joseph's Villa in Dennery, Marian Home run by the Carmelites Sisters and Children's Home managed by the Dominican Sisters Salvation Army provides meals to poor persons	Large numbers of volunteers and strong networks of support BNTF and PRF support to CARE	CARE reports a high rate of success with employment of trainees All churches are active at community level, and play a key role in community development

**A REVIEW OF SOCIAL PROTECTION IN ST. LUCIA**

Social Protection Area	Name of institution	Mandate	Primary function(s)	Role(s) in social protection	Current activities social protection	Resources and capacity	Discussion (impacts, issues)
Micro credit	National Research and Development Foundation (NRDF)	Registered under the Companies Act as a not-for-profit company	Credit and counselling to small businesses Training in support of small enterprise and community development	Credit and counselling for micro business development	Provides credit to clients who can be considered as poor, and also to small contractors who implement projects funded by poverty reduction initiatives (e.g. BNTF) Provides training Refers to BELfund applicants and potential clients who are likely to qualify for funding under BELfund	Membership, including companies and individuals Staff Funding from funding agencies and financial institutions	NRDF occupies a clear institutional niche as the source of credit and counselling for small business Because of its lending policies, it does not reach the poorest
Participatory Governance	Soufriere Regional Development Foundation	Registered as a not-for-profit company under the Companies Act	Promote the integrated development of Soufriere (town and environs)	Development and management of sites, attractions and events Skills training Promotion of investment Community participation in development planning	Youth development programme Fisheries development Community-based tourism Cultural action	Membership limited to a small number of organisations, who form the Board of Directors Staff	SRDF has potential for greater involvement in poverty reduction and social development
	Laborie Development Foundation	Registered as a not-for-profit company under the Companies Act	Promote the integrated development of Laborie	Development and management of sites, attractions and events Skills training Promotion of investment Community participation in development planning	Recently created, no major activity yet	Membership to include all community organisations	This Foundation has potential to become involved in poverty reduction initiatives

**A REVIEW OF SOCIAL PROTECTION IN ST. LUCIA**

Social Protection Area	Name of institution	Mandate	Primary function(s)	Role(s) in social protection	Current activities social protection	Resources and capacity	Discussion (impacts, issues)
	Mothers and Fathers League and Groups	Registered with Ministry of Social Transformation	Community development and empowerment of members	Implementation of community projects	Provision of assistance to needy members	Large membership	The League and its member Groups have lost some of their momentum, and could be more involved in social development and poverty reduction Need for institutional support, capacity-building and programming
	Development committees, youth and sports councils and clubs, management committees, environmental groups, disaster preparedness committees, etc.	Many are informal, others are registered with Ministry of Youth and Sports or Ministry of Social Transformation	A wide range of community development functions	Project implementation Provision of assistance to vulnerable persons and groups Organisation of social events	Design and construction of facilities Donations Assistance to poor persons	A large number of people are involved in these organisations on a voluntary basis Most organisations do not have access to funding, except in the case of BNTF or PRF sponsored projects	Large number of organisations, most of them informal Important social capital, huge potential for expansion and formalisation

**Appendix 3.3.5: Social Protection by External Institutions**

Name of institution	Primary function(s)	Current activities in poverty reduction (in, or directly relevant to, Saint Lucia)
World Bank	Development financing	Funding to PRF OECS emergency recovery and disaster management project
United Nations Development Programme (UNDP)	Development financing Research and analysis Policy formulation International co-operation	Funding for IPRSAP and Social Development Policy Pilot poverty reduction project in Soufriere Funding for small business development
UNICEF	Financing and technical assistance in support of children	Funding for IPRSAP and Social Development Policy Funding for early childhood policy development and implementation
European Commission (EC)	Development financing Trade	Grant funding through: <ul style="list-style-type: none"> <li>➤ STABEX</li> <li>➤ Budget support</li> <li>➤ Special Framework of Assistance (SFA)</li> <li>➤ National Indicative Programme</li> <li>➤ Regional Indicative Programme</li> </ul> Social recovery programme, including work on HIV/AIDS (SFA 2001) and support to CBOs and NGOs (SFA 2001) Vocational training and skills development through the NSDC (SFA 1999, 2000 and 2001) Support to the health sector development policy, including construction of new hospital Economic diversification (all programmes), housing (SFA 2001), data capture and management (SFA 2001), and funding to poverty reduction programmes, notably PRF (SFA 1999, 2000 and 2001) Agricultural diversification programme Saint Lucia Heritage Tourism Programme Water Resources Management Project, including Water Policy
UK Department for International Development (DFID)	Development co-operation and aid	OECS Waste Management Project
Caribbean Development Bank (CDB)	Regional development financing, technical assistance and training	Funding to BNTF Road Development Programmes SLREP (with IFAD) PROUD Response to Hurricane Lenny in Soufriere and Gros Islet Shelter development programme
Canadian International Development Agency (CIDA)	Development co-operation and aid	Currently negotiating the provision of complementary funding to BNTF 5 OECS Education Reform Project Sulphur Springs development, Soufriere

Source: Interim Poverty Reduction Strategy and Action Plan for St. Lucia .The Institutional Landscape: roles and capacities for poverty reduction (January 2003)

**A REVIEW OF SOCIAL PROTECTION IN ST. LUCIA**

<b>Appendix 3.3.6: Sources of Income during the Past 12 Months in St. Lucia</b>				
Sources of Income During the Past 12 Months	Age Groups			
	18-64 Years		60 Years and Over	
	Total Pop.	Quintile One (1)	Total Pop.	Quintile One (1)
Support for children from parents living elsewhere in country	11.9	18	12.7	6.9
Support for children from parents who live abroad	5.1	5.6	9.9	3.4
Other relatives or friends who live elsewhere in the country	8.1	12.4	33.3	24.1
Other relatives or friends who live abroad	10	10.1	17	17.2
Rental payments for use of land or other property owned by household members	3.2	2.2	7	0
Social security (NIS)	6.4	2.2	7.6	6.9
Private pension fund	1.1	1.1	4.5	0
Government pension	1.3	0	6.4	3.4
Old age (non-contributory pension)	0.4	0	5.1	10.3
Other pension	0.2	0	1.9	3.4
Public assistance	1.5	4.5	5.7	13.8
Interests from loans made by household members or from money deposited in a bank or other financial institutions	3.2	1.1	3.8	3.4
Other sources	13.1	11.2	7.6	10.3
<b>Most reliable source of income:</b>				
Support for children from parents living elsewhere in country	14.8	21.6	7.5	-
Support for children from parents who live abroad	6.3	8.1	10.4	15.4
Other relatives or friends who live elsewhere in the country	9.1	13.5	19.4	23.1
Other relatives or friends who live abroad	7.4	2.7	13.4	15.4
Rental payments for use of land or other property owned by household members	3.4	-	6	-
Social security (NIS)	8	-	4.5	-
Private pension fund	1.1	-	1.5	-
Government pension	2.3	-	4.5	-
Old age (non-contributory pension)	0.6	-	7.5	15.4
Other pension	1.1	-	1.5	-
Public assistance	2.3	8.1	4.5	15.4
Interests from loans made by household members or from money deposited in a bank or other financial institutions	2.3	-	-	-
Other sources	41.5	45.9	19.4	15.4
Mean minimum income household needed per month for comfortable living:	1792.5	1468.3	1217.8	603.5



**A REVIEW OF SOCIAL PROTECTION IN ST. LUCIA**

<b>Appendix 3.3.7: Expenditure related to Social Protection by Ministry of Government</b>								
<b>(percent)</b>								
<u>Ministry:</u>	Recurrent expenditure as a percent of GDP				Total expenditure as a percent of GDP			
	2000/1	2001/2	2002/3	2003/4	2000/1	2001/2	2002/3	2003/4
Education	11.30	12.07	12.14	4.83	11.38	12.17	12.33	4.92
Social Transformation	0.51	0.65	0.91	-	0.51	0.65	2.00	-
Health, Human Services and Gender Relations	4.31	4.55	4.46	0.66	4.34	4.69	4.49	1.23
Planning, Development, Environment and Housing	0.35	0.48	0.86	-	0.35	0.48	5.11	-
Home Affairs and Gender Relations	0.79	0.90	0.93	1.19	0.79	2.43	1.46	1.22
Agriculture	-	0.83	0.83	0.86	-	3.82	4.15	2.88
Commerce, Investment and Consumer Affairs	-	0.20	0.21	0.21	-	0.26	0.31	0.30
Office of the Prime Minister	-	0.20	0.20	0.20	-	0.58	0.64	1.18
Communication and Works	-	1.69	1.46	1.32	-	4.78	6.12	8.87
Justice	-	-	-	0.04	-	-	-	0.04
Finance	-	2.10	1.84	2.09	-	2.10	1.84	2.09
Tourism	-	0.085	0.077	0.072	-	1.66	1.75	1.52

**Appendix 4.5.1: National Development Matrix - Expected Annual Expenditure (\$ EC) over 2 to 5 years**

	Infrastructure	Health	Agriculture	Education	Tourism	Environment	Private Sector Development	Housing	Poverty/Rural Development	GPS	Total
<b>Government</b>	75,400,000	1,400,000	0	8,900,000	70,030,000	16,800,000	0	12,000,000	5,600,000	30,000,000	<b>220,130,000</b>
<b>Private Sector</b>	0	0	0	250,000	0	0	0	0	820,000		<b>1,070,000</b>
<b>European Commission</b>	0	67,100,000	78,100,000	13,700,000	11,060,000		3,000,000	0	36,500,000	0	<b>209,460,000</b>
<b>CDB</b>	68,700,000	0	0	0	0	18,100,000	0	0	30,600,000	0	<b>117,400,000</b>
<b>World Bank</b>	0	0	0	0	0	25,000,000	0	0	3,230,000	0	<b>28,230,000</b>
<b>USAID</b>	0	0	0	0	0	0	0	0	0	0	<b>0</b>
<b>EC Member State – France (AFD)</b>	10,920,000	0	0	0	0	0	0	0	0	0	<b>10,920,000</b>
<b>Japan</b>	0	0	43,470,000		0	0	0	0	0	0	<b>43,470,000</b>
<b>CIDA</b>	1,310,000	0	0	6,000,000	0	0	0	0	0	500,000	<b>7,810,000</b>
<b>DFID (C)</b>		0	0	0	0	960,000	0	0	0	0	
<b>Chinese (PRC)</b>	45,000,000	0	0	0	0	0	0	0	0	0	<b>45,000,000</b>
<b>RMB</b>	0	0	0	0	0	0	0	0	0	47,320,000	<b>47,320,000</b>
<b>GETF</b>	0	0	0	0	0	1,240,000	0	0	0	0	<b>1,240,000</b>
<b>Other</b>	0	0	0	0	0	0	0	0	0	0	<b>0</b>
<b>Total</b>	<b>201,330,000</b>	<b>68,500,000</b>	<b>121,570,000</b>	<b>28,850,000</b>	<b>81,090,000</b>	<b>62,100,000</b>	<b>3,000,000</b>	<b>12,000,000</b>	<b>76,750,000</b>	<b>77,820,000</b>	<b>732,050,000</b>

Source: MOF