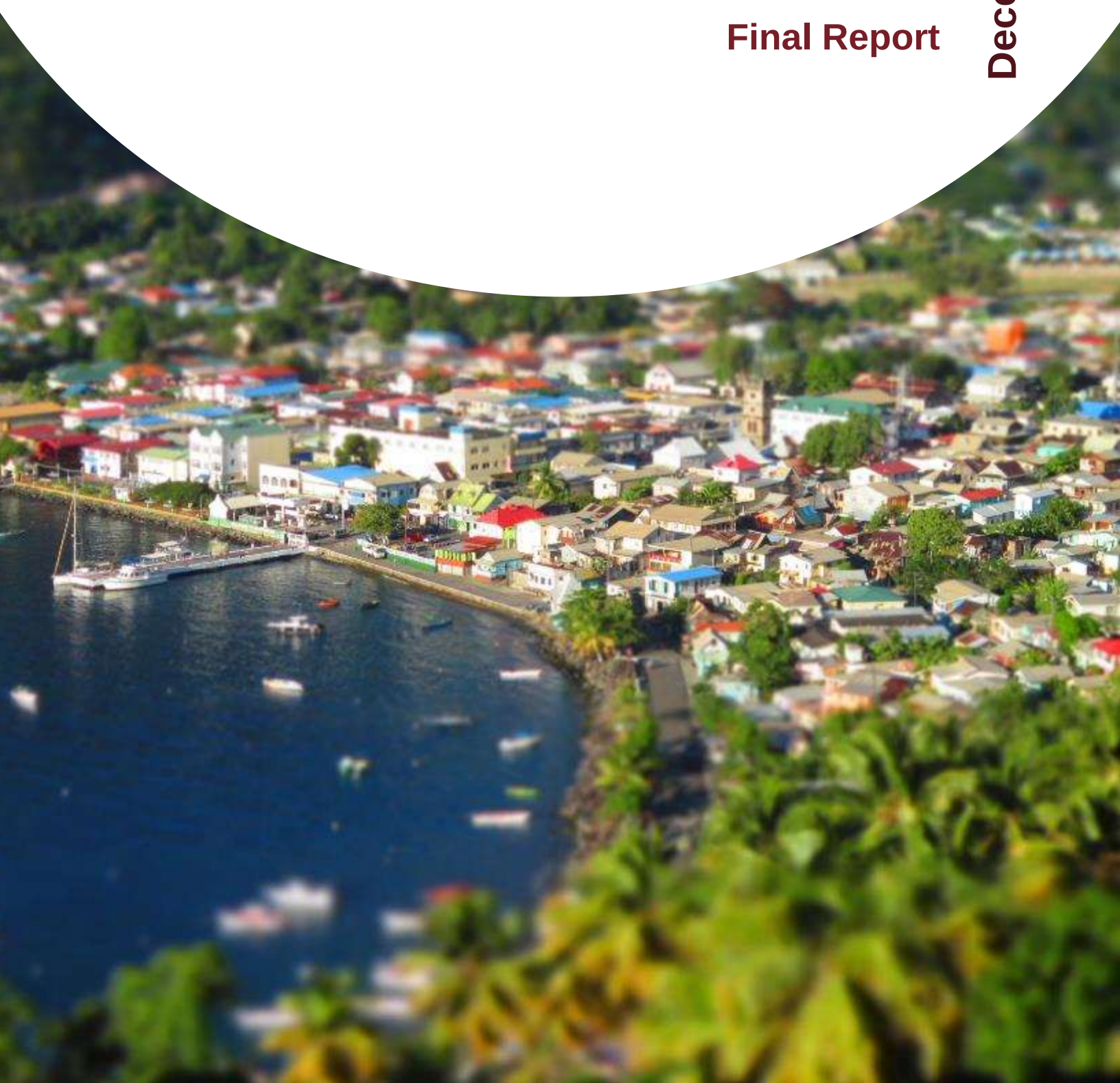
Saint Lucia National Report of Living Conditions 2016

Final Report

December 2018



Saint Lucia National Report of Living Conditions 2016

Final Report

Submitted to:

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LIST OF ACRONYMS AND ABBREVIATIONS

ALBA	-	Bolivarian Alliance for the Peoples of our America
BNTF	-	Basic Needs Trust Fund
CAPI	-	Computer-Assisted Personal Interviewing
CARE	-	Centre for Adolescent Rehabilitation and Education
CARICOM	-	Caribbean Community
CARIFORUM	-	The Forum of the Caribbean Group of African, Caribbean and Pacific (ACP) States
CARIFTA	-	Caribbean Free Trade Association
CDB	-	Caribbean Development Bank
CEDAW	-	Convention on the Elimination of All Forms of Discrimination against Women
CET	-	Common External Tariff
CFNI	-	Caribbean Food and Nutrition Institute
CIP	-	Citizenship by Investment Programme
CPI	-	consumer price index
CSME	-	CARICOM Single Market and Economy
CSO	-	Central Statistical Office
CVQ	-	Caribbean Vocational Qualification
CXC	-	Caribbean Examination Council
ECCB	-	Eastern Caribbean Central Bank
ECCE	-	Early Childhood Education
ECCU	-	Eastern Caribbean Currency Union
EU	-	European Union
FAO	-	Food and Agriculture Organisation of the United Nations
FDI	-	foreign direct investment
FIES	-	FAO Food Insecurity Experience Scale
FY	-	Fiscal Year
GDP	-	Gross Domestic Product
GOSL	-	Government of Saint Lucia
ICT	-	Information and Communication Technology
ILO	-	International Labour Office
IMF	-	International Monetary Fund
LFS	-	Labour Force Survey
LSMC	-	Living Standards Measurement Committee
MOESJ	-	Ministry of Equity, Social Justice, Empowerment, Youth Development, Sports and Local Government
MPI	-	Multidimensional Poverty Measurement
NEET	-	Not in Education, Employment, or Training
NELP	-	National Enrichment and Learning Programme
NSDC	-	National Skills Development Centre
OECD	-	Organisation for Economic Co-operation and Development
OECS	-	Organisation of Eastern Caribbean States
OPHI	-	Oxford Poverty Human Initiative
PPP	-	Purchasing Power Parity
PRS	-	Poverty Reduction Strategy
RGSM	-	Regional Government Securities Market

RTB	-	Revised Treaty of Basseterre
SALCC	-	Sir Arthur Lewis Community College
SDG	-	Sustainable Development Goals
SLC-HBS	-	Survey of Living Conditions and Household Budgetary Survey
SSDF	-	Saint Lucia Social Development Fund
UK	-	United Kingdom
UNDP	-	United Nations Development Programme
UNICEF	-	United Nations Children Fund
UWI	-	University of the West Indies
VAT	-	Value Added Tax
WHO	-	World Health Organization

EXECUTIVE SUMMARY

The project involved the preparation of a National Report of Living Conditions and Programme of Action for Addressing Critical Issues and Priorities Identified in the 2016 Survey of Living Conditions-Household Budgetary Survey (SLC-HBS) for Saint Lucia. It was initiated in December 2017. The main objectives of the consultancy were to:

1. Prepare a National Report which presents a detailed analysis of the living conditions in Saint Lucia;
2. Develop a Programme of Action which sets out strategic options targeting impoverished population groups and for addressing critical issues/priorities emerging from the research and presents proposals for improving existing social development programmes, as well as investment projects to strengthen or enhance the effectiveness of Government, NGOs, and CBOs efforts to sustainably reduce poverty.

The project embraced a new approach on the part of the Caribbean Development Bank (CDB) in its partnership with the Organisation of Eastern Caribbean States (OECS) Commission in the implementation of Enhanced Country Poverty Assessments (eCPAs). There were a number of limitations. It was expected that the data could be compared with the previous survey of 2006. The structure of the new questionnaire did not lend easily to a comparative analysis on all counts.

Another constraint has to do with the fact that it has not been possible to capture fully the context which generated the data revealed in the survey. There was some secondary information provided by some of the agencies that were interviewed. However, the assessment conducted in this exercise has not been complemented by a full Macro-Social and Economic Analysis, nor were an Institutional Analysis and Participatory Poverty Assessment which, together would have established the effectiveness of measures adopted in the most recent past, in determining and explaining the present reality.

The survey in 2016 has to be seen in the context of the macro-economic and social evolution of Saint Lucia after the Great Depression in the 1930s, and into the last half of the 20th century and then over the beginnings of the present millennium, which included the Great Recession of 2008/09. The colony that was formed under British control in the imperial age, secured self-Government and then independence in 1979. Its independent Governments pursued strategies for diversification and for a while there was success as the export of bananas was supplemented by the export of light manufactures and tourism services in earning the country foreign exchange and in creating employment. However, changes in the terms of trade and the new rules system in international trade left Saint Lucia in the lurch, relatively uncompetitive in its exports except for tourism which has come to be the main source of foreign exchange earnings in an economy in which exports are a critical driver of economic activity. The Great Recession of 2008/09 exacerbated a trend that was already evident in 2006.

The country has only recently shown signs of growth, enough to reverse unemployment that soared to over 25 percent at one stage. The return to growth in tourism, an increase in the room stock and an associated increase in construction activity have been the main factors explaining this improvement. The Citizenship by Investment Programme (CIP) has also stimulated the real estate sector. In respect of fiscal operations, the growth in total government expenditure outstripped that of total revenue, with notable dispersion occurring between fiscal year 2008/09 to 2012/2013. A large public-sector wage bill remained a key driver of the expanding public expenditure. Relative to other expenditure items, compensation of

employees is high when compared to social expenditure. An onslaught of natural disasters over the period has entailed significant economic costs in terms of investment in restoration of infrastructure, lost GDP, unemployment, poverty and collapse of fiscal revenues.

Limited information available from a Report of 2015 on the condition of children and families generally suggests that with the decline that took place in the economy at the beginning of the present decade, children, women, the elderly and people living in rural areas would have become more vulnerable or would have remained poor (UNICEF et al, 2015). Much of the poverty reduction thrust of the Government falls within the portfolio of the Saint Lucia Social Development Fund (SSDF), which pulls together resources drawn from the Basic Needs Trust Fund (BNTF) provided by the CDB and the SSDF financed by the Government itself. In the more recent past, the focus of this organization has been on Education and Human Resource Development, Water and Sanitation and Drainage and Access to Communities.

The survey design of the 2016 SLC-HBS survey was based on a stratified, two-stage probability design of clusters of households, stratified by geography and the administrative structure of the country. The survey instrument was administered by the Central Statistical Office (CSO) to a randomly selected sample of 1,493 households, which represented 2.7 percent of the population of Saint Lucia. The poverty statistics derived from this 2016 SLC-HBS covers the nine-month period from November 2015 to July 2016.Detailed information on these selected households and their members – including but not limited to employment status, occupation, education, income, expenditure patterns and housing conditions – was collected.

For the 2016 survey, there was an adjustment to the approach: the sex specific equivalence scale in assessing household food requirements was dropped. Moreover, on this occasion, the approach to poverty measurement extended beyond just monetary measures. A multi-dimensional poverty measurement was applied: it is based on the capability approach to measurement which argues that the quality of life should be conceived and measured directly in terms of 'functionings' and 'capabilities' instead of resources or utility as is reflected in the consumption expenditure-based measurement of poverty. Households were measured on the basis of eighteen indicators and five dimensions: the dimensions utilised were education, living standards and security, employment, health, dimension and environment, climate change, and vulnerability. Households can be assessed on the basis of their level of deprivation, the most deprived being those that are deprived on all dimensions, as against those at the other end of the scale who have no deprivation on any dimension.

As a first step, a monetary measure of poverty was used, with poverty defined as *"a pronounced deprivation in well-being".* However, it was extended to a more general level of the consumption of goods and services, to embrace access to proper health care, political freedoms, quality education and earning a living wage. The monetary poverty line was based on expenditure, firstly of food and of non-food. The tradition has been to use the minimum daily cost diet that provides 2,400 kilocalories for an adult, and adjust the food requirements for the size and structure of the household.

Main Findings

The findings of the 2016 SLC-HBS data points to these key situations noted in Saint Lucia.

Poverty estimates	∇ *The annualized poverty line for St. Lucia was $6,443 EC Dollars in 2016* ∇ *The indigence line was 2,123 EC Dollars in 2016* ∇ *The head count poverty level fell during the 10-year period 2006 and 2016 from 28.8 percent to 25.0 percent, based on the money metric measure.* ∇ *Decline most pronounced in the rural areas of Saint Lucia where a decline in poverty levels from 41 percent to 32.9 percent occurred.* ∇ *Poverty gap fell nationally by 1.5 percent between 2006 and 2016 to 7.5 percent.* ∇ *The Gini coefficient of inequality did not change really - 43.1 in 2006 to 43.2 in 2016.* ∇ *On basis of an international poverty line set at US $1.90 per day, 0.7 percent of the population was poor.* ∇ *At US $4.00 purchasing power parity, 4.4 percent of the population was poor. Using the multidimensional approach, 24.2 percent of the population was considered poor.* ∇ *In applying the multidimensional approach, 24.2 percent of the population was found to be poor.*
Child Poverty and Vulnerability	∇ *In 2016, around 16,800 children on the island were poor - a poverty rate of 34.5 percent or 13.2 percentage points higher than the equivalent adult rate of 21.3 percent* ∇ *the child proportion of the poor population - 38.9 percent – was greater than their share of the total population - 28.3 percent: just over one in three children were poor compared to one in five adults.* ∇ *Between 2006 and 2016, the child poverty rate in Saint Lucia fell from 36.7 percent in 2006 to 34.5 percent in 2016, a decrease of around 2.3 percentage points Allied to demographic change, the number of poor children in Saint Lucia decreased from 22,400 in 2006 to 16,700 in n 2016 – a reduction of 25 percent.* ∇ *The child poverty rate was appreciably higher in rural areas - 41.4 percent compared to 32 percent in urban areas.* ∇ *The child poverty rate increases sharply with the number of children in the household: in 2016, the child poverty rate in households with 4 or more children was 66 percent, almost double the rate of all children, and 8 percentage points higher than it was in 2006. These households account for 43 percent of all poor children.* ∇ *Children living in extended family households are twice as likely to be poor than if they live in a nuclear family – 44 percent compared to 21 percent. In single parent households, the child poverty rate is 34 percent.* ∇ *Given that the majority of the population lives in urban areas, the majority of poor children – almost 69 percent – live in urban areas.* ∇ *Notwithstanding the higher poverty rate in female-headed households (42.3 percent) and the increase in the share of poor children living in female-headed households from 48.6 percent in 2006, to 58.2 percent in 2016, over 40 percent of poor children continue to live in male-headed households.* ∇ *The child poverty rates increase sharply with the number of children in the household: the child poverty rate in households with 4 or more children rose by 8 percent, comparing to 2006 and exceeded 66 percent ten years later.*

	∇ *The availability of the School Feeding Programme (SFP is high for the 5 to 11-year age group at around 80 percent; there is little difference between poor and non-poor children. The SFP has had a small pro-poor focus: 76 percent of poor children had access compared 69 percent of the non-poor.* ∇ *The SFP has had a small pro-poor focus: 76 percent of poor children had access compared 69 percent of the non-poor.* ∇ *The MPI for children is 67.2% which differs little from the MPI for adults. The primary reason for this lack of variation is that several of the MPI component indicators are independent of the presence of children in the household. While the two approaches to poverty measurement (the income poverty and the MPI deprivation) give consistent results, as the great majority of income poor children are also MPI deprived, the MPI deprivation is also a more all-embracing concept 'casting a wider net' which includes a sizeable proportion (39%) of children who are not income poor.*
Labour Market	∇ *The percentage of wage and salary workers fell between 2006 and 2016, reflecting the underlying weakness in the economy and in the competitiveness in particular sectors.* ∇ *The increase in the percentage engaged in own account agriculture and in Wholesale and Retail Trade mirrors an increase in informal sector activity as some workers sought to eke out a living in the face of an increase in overall unemployment.* ∇ *Unemployment increased substantially over the period and with that, female unemployment and youth unemployment.* ∇ *There was upgrading in educational levels in the work-force, with the universalising of secondary education and an increase in access to post-secondary and tertiary education: yet, over 33 percent of work-force had achieved only primary level education, although this was still an advance on 45 percent in 2006.* ∇ *Poverty in urban areas being almost half of the level in rural areas, would have encouraged rural-urban migration.*
The Gender Dimension	∇ *Their higher life expectancy guaranteed that women were more likely to be left as widows than men as widowers* ∇ *Female heads of households with no education, were a larger percentage of female heads than were male heads with no education.* ∇ *Rural households headed by males were on average 2.8 persons compared to those headed by females at 3.1 persons, and among poor households, male-headed households were 3.4 persons on average compared to female headed with 4.8 persons.* ∇ *Overall, households in St. Lucia have three members on average and are headed by females in two out of every five cases.* ∇ *Males experienced a larger increase in median earnings than females.* ∇ *lower labour force participation rates among women pervade – 81.8 percent vs 68.1 percent, which two latter statistics mirror the share of the population not in the labour force. For the most part, higher unemployment rates obtain for women also – 16.9 percent for men and 17.5 percent for women.* ∇ *There remain substantial differentials in participation by industry and by occupation between men and women. A higher percentage of men were in Agriculture, Hunting, Forestry and Fishing, Transport, Storage and Communication, and of course Construction. While the service industries attracted a higher percentage among women in generally – Accommodation and Food Service, Educational and Public Services.*

	∇ *A higher percentage of women were involved as professionals, clerical support workers, and in sales and services. Men were more heavily involved as skilled agricultural workers, in craft and related trades and in plant and machine operations.* ∇ *Invariably, earnings of women were lower in almost every case.* ∇ *The Gini coefficient for male wage and salary workers was 0.359 while for female wage and salary workers it was 0.4, suggesting that there was greater disparity between the highest paid female workers and the lowest paid among them.* ∇ *The share of the working poor in total employment fell for men but not for women in whatever age group, again indicative of the inferior labour market experience for women in both survey years.*
Household Asset Ownership	∇ *The majority owned the homes in which they lived, and likewise owned the land on which the dwelling was located.* ∇ *Poor households were ten percentage points less likely than their rich peers to hold title.* ∇ *The proportion of households living in housing with concrete outer walls and sheet metal roofing increased with wealth status.* ∇ *Just over half of the housing stock was constructed between 1980 and 2004.* ∇ *Ownership of household assets – furniture, basic appliances, including stove and refrigerator and a mobile phone - was widespread at above 8.0 percent nationally.*
Health (self-reported)	∇ *Diabetes was prevalent across all quintiles, and the poor and non-poor were equally represented with the incidence of diabetes.* ∇ *The poor reported a higher percentage with heart disease, 30.3 percent relative to 25 percent among the non-poor.*
Crime and Violence	∇ *The poorest were exposed to greater violence than the better-off.* ∇ *Fear of crime was more pronounced among the non-poor households.* ∇ *Among households surveyed, 4.5 percent contained one or more victims of assault, with proportionately more non-poor households experiencing this type of assault when compared to poor households.*
Environment	∇ *Some 94 percent reported access to a piped main water supply.* ∇ *The poorest 20 percent of households were the most disadvantaged in terms of water provision, in terms of a seven-day supply of water.* ∇ *There was little difference between rural and urban areas, in access to electricity, reflecting success at universal service.* ∇ *Cooking fuel was almost universally provided by gas although five per cent of Saint Lucian households still burned coal or wood.* ∇ *At 38.9 percent, pit latrines were the sanitation facility among poor households, while one in every 20 households reported no toilet facilities.* ∇ *On the basis of the MPI, 65.4 percent of the population in Saint Lucia were deprived because they lived in homes not covered by homeowner insurance.* ∇ *Some 7.8 percent of households were affected significantly by three key climatic events in the past five years – the Christmas Eve Trough (December 2013), Hurricane Tomas (October/November 2010), and the Drought of 2009/2010.* ∇ *Both poor and non-poor households were affected (8.8%) compared to richer households (7.6%) by the events.* ∇ *Survey data suggest that non-poor households may have greater potential to adapt to anticipated impacts of climate change and natural disasters.*

The findings also highlighted in the changes in living conditions that occurred in Saint Lucia over the last 11 years (2006-2016), as measured by the poverty headcount rate, poverty gap, Gini Coefficient and distribution of population across quintiles at the district level (Figure 1-4).

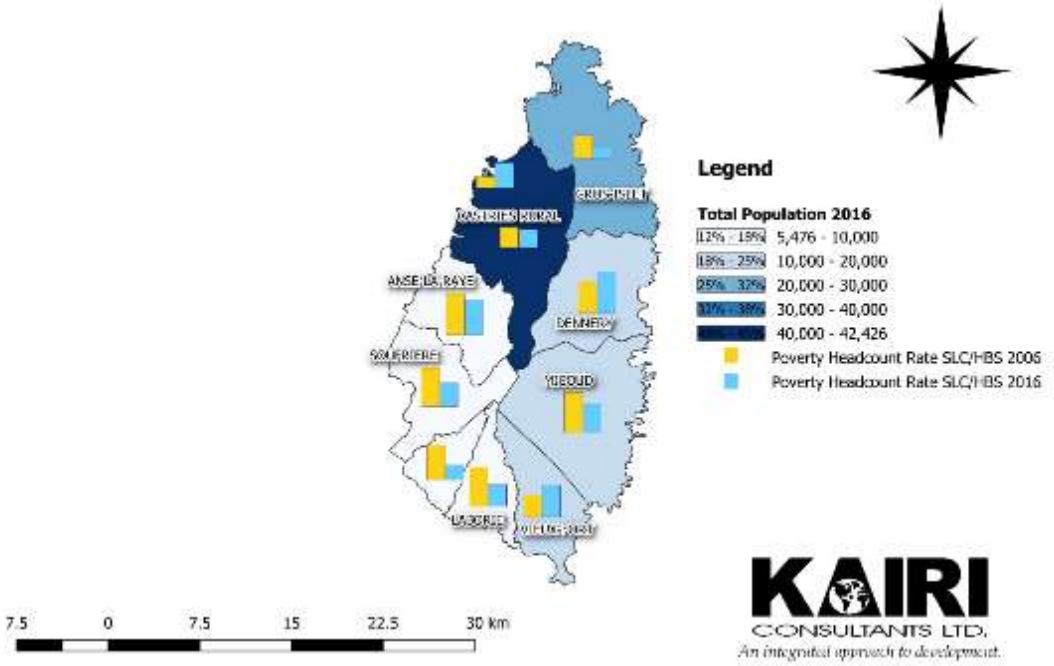

Figure 1: Poverty Headcount Rate 2006 versus 2016

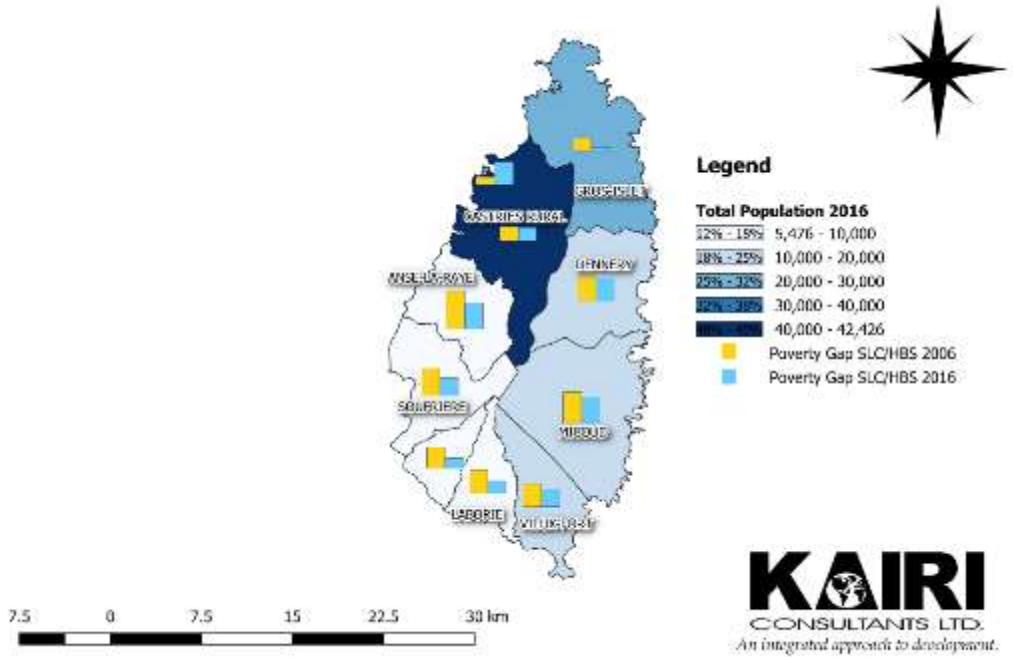

Figure 2: Poverty Gap 2006 versus 2016

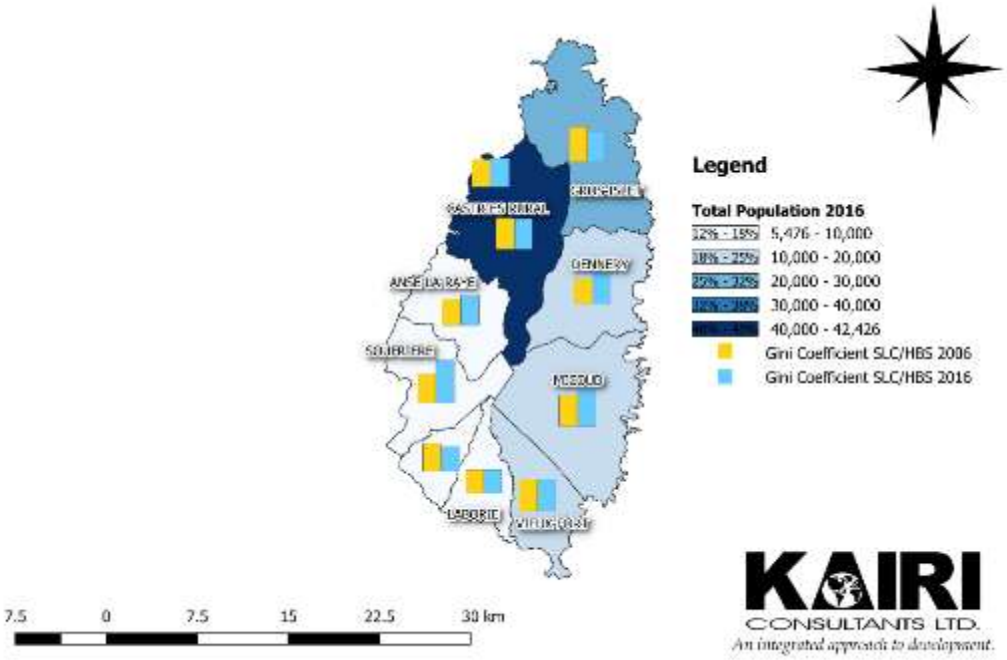

Figure 3: Gini Coefficient 2006 versus 2016

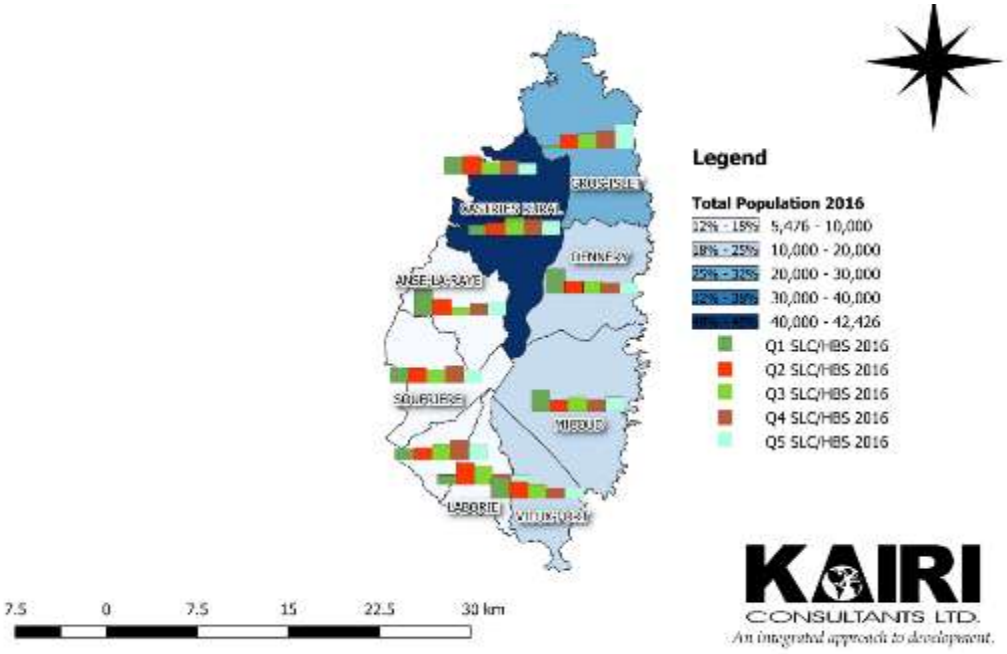

Figure 4: Distribution of Population across quintiles by Subnational Regions in 2016

Poverty reduction measures that emerged from the last report led to a five-point platform comprised of:

- Development of people to participate fully in the knowledge economy of the 21st century;
- Mobilisation of financial resources from nationals residing abroad;

- Coherent and systematic physical planning in the management of land resources for agriculture, industry, and tourism including eco-tourism and for housing;
- The development of the safety net to provide social protection with clear guidelines for graduation out of the system for those no longer in need of transfers; and
- The reorganisation of Community Development to assist in social integration in the face of rapid rural urban flight, leading to urban concentration and rural depopulation.

A number of specific measures derived from this platform. Many of them were expected to be adopted in keeping with a revised poverty reduction strategy. The following table recounts these measures and the status of implementation.

Table 1: Recommended Measures from the 2005/06 CPA and their Status as at 2018

Measure	Status
Workforce upgrade	Bee-keepers programme, programme for taxi-drivers and tour operators at Sir Arthur Lewis Community College and Programme in Agriculture at Sir Arthur Lewis Community College
Special Provisions for educational and training upgrade for Mothers for entry into labour market	No evidence available
Macro-economic adjustment and industrial policy	Ongoing but diversification component weak
Renewed effort at agricultural diversification with support systems	Limited response
CDB and donor coordination	Ongoing, with Enhanced Poverty Reduction Framework being elaborated
Social Marketing of Wellness in fight against chronic disease incidence	No evidence
New nodes of growth through comprehensive physical Planning	Intermittent interest apparently
Upgrade of building codes	OECS code being adopted
Redoubled efforts at squatter regularisation and slum clearance	Addressed in some communities like Anse la Raye, and George Charles Boulevard
Land Titling to treat with scarcity of land and coherence in arrangements for agriculture and tourism	No evidence of this, and introduction of CIP might have negative impacts on national population
Coordination of social interventions through Ministry of Social Transformation	Successor agency involved in promoting collaboration and social registry being developed to rationalise on transfers to households and individuals
Entrepreneurial Development with special reference to Saint Lucian presence in the expansion of hotel and guest house plant	Village tourism being promoted as an element of this

Measure	Status
Upgrade of public assistance in keeping with costs of living	Some commitment evident
Empowerment through local government reform	Limited response
Mobilising resources of Saint Lucians abroad	No evidence available

The national development planning thrust of the country has made significant strides in the last decade, culminating most recently with the elaboration of 6 pillars for long term national development:

1. Building Productive Capacity and Expanding Growth Opportunities
2. Strong Institutions that are a Platform for Growth and Development
3. Infrastructure, Connectivity and Energy – Key for Growth and Competitiveness
4. Adaptation for Environmental Sustainability and Climate Change
5. Social Transformation, Building Social Resilience and Social Capital
6. Enhancing the Labour Force Through: Education, Training and Workforce Development.

These six pillars have been integrated with the SDG framework and now form the basis for the main recommendations and strategies being put forward in keeping with three of the sustainable development goals set in consensus in the United Nations System, with human capital included as a fourth element.

Element 1: Economic	***Key Strategies***
	∇ *Adopt a fiscal policy framework which ensures the development of a robust and competitive economy while at the same time controlling inflation and debt escalation* ∇ *Diversify exports beyond improving banana production, other agriculture, horticulture, manufacturing, and food processing* ∇ *Concentrate on the development of Medium, Small, and Micro Enterprises MSMEs, recognising the importance of MSMEs in job creation, value chain development, and poverty reduction* ∇ *Promote Foreign Direct Investment but with complementary support for the domestic small-scale sector e.g. agro-processing* ∇ *Adopt Quality Standards for tourism services to help improve and maintain the quality of its products and services and to promote competitiveness within the industry.* ∇ *Promote Community Tourism by the development of enabling infrastructure which ensures that small indigenous hotels, guest houses, inns and products and services will continue to be increasingly involved in catering for an expanding clientele, not only from the USA, but also from Europe and other source markets* ∇ *Explore and strengthen the French Connection with France itself and from Germany, as source market in Europe.* ∇ *Develop other tourism services such as entertainment, festivals, French connection, community tourism, all inclusive, backward linkages to agriculture, fishing, and creative industries* ∇ *Renew efforts at agricultural diversification paying special attention to the needs of farmers, marketing, agro-processing, infrastructure, support mechanisms, including access to credit* ∇ *Develop stronger backward and forward linkages between key sectors – agriculture, tourism, manufacturing and emerging sectors* ∇ *Upgrade the farming community through: technical training of farmers and support for them with technical and extension services* ∇ *Institutionalise labour force upgrading with opportunities for engagement in life-long learning*

Element 2: Human Capital	***Key Strategies*** ∇ *Promote gender sensitivity across socio-economic programmes;* ∇ *Strengthen and expand quality post-secondary and tertiary education opportunities and access for all* ∇ *Develop initiatives to deal with education inequity and inequality with special focus on the needs of vulnerable groups such as at-risk youth, young mothers, single mothers, unemployed persons and persons with disabilities* ∇ *Facilitate the adoption of flexible working arrangements and expansion of child-care facilities like nurseries and after-school-care to afford greater participation of women in labour market and in educational and training programmes including in those offered on evenings;* ∇ *Revisit training programmes to Improve gender equity in education and training, as the basis for removal of gender segmentation of the labour market;* ∇ *Review operations of agencies involved in the supply of credit, supply of land for agriculture, technical assistance to micro-enterprises and in entrepreneurial training with the objective of ensuring gender equity;* ∇ *Promote individuals' commitment to life-long learning and self-upgrading and provide easy access through free Wi-Fi to close the knowledge gap between the Saint Lucian workforce and competitors in the rest of the world* ∇ *Inculcate from early in life individual responsibility for good body health through exercise and diet*
Element 3: Social	***Key Strategies*** ∇ *Strengthen existing, and introduce new interventions to enhance the existing social protection system to ensure that the needs of the poor and the vulnerable are adequately met and strengthen and directly address child poverty, and unemployment persons*

Element 4: Environment	***Key Strategies***
	∇ *Extend and improve water infrastructure and servicing provisioning efforts that would result in more indoor delivery and a regular and safe supply, including in existing under-provisioned areas* ∇ *Pay greater attention and provide direct resources to the construction, upgrading and maintenance of home sanitation facilities that meet basic sanitation standards, particularly among poor households* ∇ *Increase community environmental (public) health education* ∇ *Encourage the development of household water storage and safe rainwater harvesting* ∇ *Adopt and implement the 2015 OECS Building Code with a supporting robust legislative framework and strengthening the operation of the Development Control Authority* ∇ *Conduct vulnerability assessment of communities prone to climate change and to different natural hazards and to earthquakes in the nation at large* ∇ *Introduce social protection measures which target low income households to enhance adaptive capacity and build resilience to climate change and natural hazards* ∇ *Develop and invest in initiatives that result in the reconstruction/renovation existing homes and infrastructure* ∇ *Address property rights and encourage investments in squatter communities* ∇ *Increase collaboration and work between the State and players in the financial and insurance market in developing and promoting products that can result in greater pick up rates of insurance* ∇ *Continue climate change and natural disaster building awareness and knowledge, particularly in at risk communities, to the health-related impacts of climate hazards*

The Government of Saint Lucia, through its various agencies, has maintained poverty reduction at centre of socio-economic policy. Its commitment to the fulfilment of the Millennium Development Goals (MDGs) ensured that in the elaboration of policy in the first decade of the 21st century, state and non-state actors employed measures founded on the evidence provided by the SLC 2006. The country has recommitted to poverty reduction within the framework set by the SDGs.

Over the last two decades, it has reorganised its institutional structures specifically designed to treat with poverty. In spite of slow growth or even decline in the economy, there was a reduction in poverty and indigence over the ten-year period since the SLC 2006, possibly because of the better performance of the institutions engaged in poverty monitoring and alleviation.

As a SIDS, Saint Lucia has to continue to address the problems of economic transformation compounded by burden of the impact of climate change and natural hazards on its physical infrastructure.

The most recent SLC-HBS provides a solid base for redoubling efforts with a poverty reduction strategy, that tweaks proposals made before and acted upon – human resource development

– or implements some of those measures that remain relevant but have not been acted upon – land titling project.

This report in identifying measures to be adopted has sought to allow the lessons of experience and an assessment of deficiencies in previous approaches to guide policy making as the country tackles the problems of poverty reduction over the next seven years of the SDG framework. The challenge is daunting as Saint Lucia adjusts to a changing international economy that conditions much of what transpires on the domestic front, and all in the context of undeniable climate change.

The SLC-HBS 2016 has laid a solid data base from which to plan and to assess the country's performance in combatting poverty as a continuing development challenge into the third decade of the 21st century, and over the fifth decade of its efforts at transforming a social and economic construct created in the colonial period of the last millennium, into a viable independent nation-state providing a high quality of life to its citizenry.

1 INTRODUCTION

1.1 BACKGROUND AND OBJECTIVES

This project involves the preparation of the National Report of Living Conditions and Programme of Action for Addressing Critical Issues and Priorities Identified in the 2016 Survey of Living Conditions and Household Budgetary Survey (SLC-HBS) for Saint Lucia. It was initiated in December 2017. The main objectives of the consultancy are to:

1) Prepare a National Report which presents a detailed analysis of the living conditions in Saint Lucia, including the determination of the characteristics, extent, geographic concentration (by local government administrative jurisdictions and urban versus rural where applicable), and severity and causes of poverty.
2) Develop a Programme of Action which sets out strategic options targeting impoverished population groups and for addressing critical issues/priorities emerging from the research and proposals for improving existing social development programmes, or changes to social and economic policy, as well as investment projects to strengthen or enhance the effectiveness of Government, non-governmental and community-based organisations (CBOs) efforts to sustainably reduce poverty, and to address the root causes of poverty.

1.2 SPECIFIC TERMS OF REFERENCE

In working closely with counterparts from the Central Statistical Office (CSO), Ministry of Equity, Social Justice, Empowerment, Youth Development, Sports and Local Government (MOESJ), Kairi is required to use the results of the analysis of SLC-HBS 2016 to develop a comprehensive national report that reflects the disaggregation of data by sex and mainstreams gender in the analysis. Thus, Kairi will:

(a) Examine living conditions in Saint Lucia and determine characteristics, extent, geographic concentration (by local government administrative jurisdictions and urban versus rural where applicable), and severity and causes of poverty;
(b) Analyse the demographic distribution of poverty taking account of the following: headship characteristics, household size, age cohort, and ethnicity;
(c) Analyse living conditions by District (multi-dimensional poverty line – asset poverty line, poverty line, vulnerability line, international poverty line), the poverty rating of communities and review of secondary information about environmental conditions (e.g. risk of landslides, coastal erosion, flooding, excessive heat, environmentally induced illnesses), occurrence of natural events (including flooding, landslide, hurricanes, temperature rise);
(d) Analyse the Report on Disaster Preparedness Survey by District, national climate change policies, etc. to explore the link between poverty and climate change and climate variability and the short and medium-term impacts of natural hazards and disasters on the poor;
(e) Analyse the links between crime and poverty, particularly in inner-city and other urban areas;
(f) Provide a comparative analysis of poverty, social and economic conditions in relation to results of previous SLC-HBSs or other poverty analyses and examine the impact of social and economic policies and the institutional and legal environment on poverty;

(g) Identify and analyse the dynamic links between poverty and the following related variables with regard to:
   i. health concerns and issues;
   ii. living standards;
   iii. employment, unemployment, and conditions in the formal and informal sectors and poverty;
   iv. social and economic inequality;
   v. social development issues (such as housing and crime);
   vi. migration;
   vii. access to housing and housing conditions;
   viii. governance (e.g. democratic processes, participation of Civil Society including child-focussed organisations, youth and women's NGOs, government transparency and accountability, capacity within Government to plan, deliver and monitor pro-poor and participatory programmes);
   ix. analyses of the level of social vulnerability including the conduct of sensitivity analysis, the construction of an index and characteristics of vulnerable households;
   x. other dimensions of poverty including quality of work, environment, physical safety etc.;
   xi. social and economic inequality and vulnerability; gender equality with a focus on education, employment intra-household dynamics, including allocation and the use of time and income within the household; and

(h) Propose a Draft Programme of Action which sets out strategic options for addressing critical issues/priorities emerging from the research and proposals for improving existing social development programmes, or changes to social and economic policy, as well as investment projects to strengthen or enhance the effectiveness of Government, NGOs, and CBOs efforts to sustainably reduce poverty.

1.3 LIMITATIONS AND CONSTRAINTS

This SLC-HBS is expected to be the first that embraces a new approach on the part of the Caribbean Development Bank (CDB) in its partnership with the Organisation of Eastern Caribbean States (OECS) Commission in the implementation of Enhanced Country Poverty Assessments (eCPAs). It is also expected that the 2016 SLC-HBS will provide data that would allow for a comparison with the SLC-HBS conducted in 2006. There are a number of limitations that arise immediately. Firstly, the 2016 SLC-HBS is much advanced as a questionnaire than the instrument used in 2006 SLC-HBS. Thus, it has not been possible to conduct comparisons across the board, since there are data that were not solicited in the earlier effort.

Secondly, notwithstanding the advances reflected in the instrument of 2016 SLC-HBS, there are shortcomings now recognised in the wake of the devastation occasioned by the hurricanes of 2017 in the Caribbean. The section of the questionnaire treating with the environment falls short in identifying vulnerability of households and individuals in the face of climate change impacts and acts of nature.

A third limitation is the fact that while the survey was well conducted overall, there are items for on which there were high non-response, possibly because respondents did not quite understand the question, or the selected respondent at the household level was not fully aware of access other members might have had to certain services. Thus, for example, even though there is a wide range of programmes of social protection and transfers delivered to members of households, the responses were too few to establish their efficacy in poverty mitigation. Also, there were a few areas that were not captured in the instrument. One such field was the

incidence of disability. In treating with such lacunae, the Consultants had to rely on secondary data and information provided by institutions and agencies, to comment intelligently on issues.

A major constraint in the preparation of this report is in contextualising the data analysis against the backdrop of the macro-economic, socio-political and institutional factors that create the milieu which the data and indicators portray. In the conduct of the exercise, an attempt was made to secure secondary data, and additionally l, to conduct interviews with representatives of major agencies to establish how what they do might have influenced the outcomes revealed in the analysis of the data. While interviews were conducted with a number of agencies, the information provided was not exhaustive across the board and would have been of differential quality.

1.4 Structure of the Report

The National Report of Living Conditions is comprised of ten chapters and is structured as follows: Chapter 2 contextualises the results of the SLC-HBS for Saint Lucia against the backdrop of the prevailing international, regional and national macro socioeconomic environment. Chapter 3 explores the methodology behind the generation of monetary and multidimensional poverty measures, highlighting not only the steps involved but also key definitions of statistics and analytical variables generated. Chapter 4 reports on the key findings of the 2016 SLC-HBS. Chapter 5, which was prepared by United Nations Children Fund (UNICEF), puts child poverty in focus and explores the relationship between child poverty and various household characteristics. Chapter 6 examines in-depth the survey data on labour and employment in the wider context of the sources of income of households. Chapter 7 explores the relationship between living conditions and education, with a focus on those factors that enhance opportunities and outcomes of individuals in the education system and the labour market. Chapter 8 provides perspectives on the relationship between poverty and access to health services throughout the country. Chapter 9 highlights physical living conditions, with an emphasis on asset ownership and dwelling characteristics. Chapter 10 explores living conditions and environment interactions, with a focus on dependency and use of its natural resources, access to safe water supply, and the risk faced by households to climate and other natural hazards. Lastly, the concluding Chapter 11 highlights key findings of the SLC-HBS and provides general and specific recommendations deriving from the findings on each thematic area covered in the report.

2 MACRO SOCIOECONOMIC CONTEXT

2.1 BACKDROP

This chapter outlines the macro economic and social context within which the livelihoods of the various sections of the society have evolved over the years and are reflected in the snapshot revealed in the 2016 SLC-HBS. The socio-economic conditions of 2016 would have been set by a range of factors playing themselves out over decades. Thus, the chapter has to treat with some of the more important developments in the history of Saint Lucia. In the post-World War II period, the countries of the then British West Indies anticipated that the decolonisation process would have been completed under the umbrella of a Federation of the British West Indies. This was formally launched in 1958. However, frictions among the leadership of the island states, and then the negating referendum in 1962 in Jamaica led to the break-up of the Federation. The individual islands went on to secure political independence over the next two decades but agreed early to the formation of Free Trade Area among them – the Caribbean Free Trade Association (CARIFTA) in 1968, which was later to become a Common Market.

Meanwhile, the Eastern Caribbean Countries suffered an acute sense of abandonment by their larger neighbours when the Federation collapsed. Seven of "the Little Eight"[1], including Saint Lucia, formed the West Indies Associated States Council, to represent their collective interests in CARIFTA, and in other matters. In 1981, they created the Organisation of Eastern Caribbean States which was expected to deepen political and economic cooperation among themselves, and to be a solidary unit within any larger grouping. Saint Lucia itself, became independent in February 1979, as a constitutional monarchy and a member of the Commonwealth. As a constitutional monarchy, the Queen of England remained the Head of State, with the Governor-General as her local representative

2.2 LEGAL FRAMEWORK/INTERNATIONAL ACCORDS/SOCIAL JUSTICE AND HUMAN RIGHTS

On becoming an independent state, Saint Lucia became a formal member of the United Nations. However, even as a colony of the United Kingdom, on the formation of the United Nations in 1945, the constitutional order in Saint Lucia ensured that citizens in the colonial state enjoyed the provisions enshrined in the Universal Human Rights. As a signatory to the United Nations System, there are accords that it upholds and commitments that are reflected in its laws and regulatory system.

It has been a signatory to twenty-eight Conventions of the International Labour Office (ILO), including Freedom of Association, and the Right to Organise and Collective Bargaining, and the Equal Remuneration Conventions: most of these were signed soon after independence. Saint Lucia acceded in 1982 to the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) and ratified the Inter-American Convention on the Prevention, Punishment and Eradication of Violence against Women in 1995. The country has also ratified the Optional Protocol to the Convention on the Rights of the Child, on the Sale of

[1] In 1962 the four-year-old Federation of the West Indies, which comprised the British West Indian colonies of Jamaica, Trinidad and Tobago, Barbados and the Windward and the Leeward Islands, was dissolved, following a referendum in which Jamaica opted out of the federation. In August 1962, Jamaica and Trinidad and Tobago each proceeded to independence from Britain. The remaining territories - Barbados, the four Windward Islands of Dominica, Grenada, St. Lucia and St. Vincent and the Grenadines and the three Leeward territories of Antigua/Barbuda, St. Kitts- Nevis- Anguilla, and Montserrat, continued to negotiate with the British government for a new federation of the "Little Eight". - Organisation of Eastern Caribbean States. 2016. *"Our History | Key Milestones: Significant historical dates in the formation of the OECS."* accessed June 2018. http://www.oecs.org/history.

Children, Child Prostitution and Child Pornography. The Division of Human Services is the main Government agency responsible for monitoring these rights and also for the protection of the elderly.

Of importance to this project, is the commitment to the Sustainable Development Goals (SDGs) of the United Nations. Following the conduct of the last SLC-HBS in 2006, the country designed programmes to deliver on its commitment to the Millennium Development Goals (MDGs). This dictated the Poverty Reduction Strategy (PRS) which was adopted in keeping with policy. Indeed, given that some of the goals enunciated in the MDGs, were already achieved in most parts of the Caribbean – for example universal primary education, – Saint Lucia collaborated with other states and regional institutions to prepare Caribbean specific MDGs[2] (CSMDGs). These were to serve as the goals of social policy over the period ending in 2015. Likewise, this present project is expected to contribute to the country's report on its progress in the realisation of the SDGs.

2.3 ECONOMIC PERFORMANCE

2.3.1 International context

Saint Lucia achieved political independence in 1979. However, it was founded as a political entity in the post-Columbian dispensation, as a colony mainly of French settlers, their slaves, and their progeny thereof, producing at various stages, cotton, coffee, sugar cane and cocoa. In the period of self-government in the immediate post World War II years, it had already embarked on a transformation that would see it move from an externally propelled plantation and small holder agricultural economy to some level of diversification of its export sector.

In the second half of the 20th century, and by the time of its first SLC in 1995, Saint Lucia had developed a manufacturing base and a nascent tourism industry along with a banana industry. Favourable conditions in the international economy in the decades following independence had allowed the country to achieve decent rates of growth, with its tripod of export industries.

In the period from the mid-1990s to the present, Saint Lucia found itself beset by a number of challenges in the international economy. The entry of the United Kingdom (UK) into a deepening European Union (EU) spelt the death knell for the banana export regime. The country lost out in the competition from Central American and South American producers of bananas. Its export market in the UK was severely eroded as the latter became integrated into the one European market.

Meanwhile, the fledgling manufacturing sector of Saint Lucia could not compete with the huge export-processing operations in the Dominican Republic and Central America, under the Caribbean Basin Initiative provided by the United States. The country was forced to rely on its tourism sector, and an Offshore Financial Services Sector, which later fell under the watchful eyes of the Organisation for Economic Co-operation and Development (OECD) countries for any hint of protection of the super-rich in the developed countries seeking avoidance or evasion of taxes in their respective domicile.

The country was grappling with the process of adjustment in the emerging global system at the beginning of the new millennium and was hit by the escalation in food prices in 2007, which prompted a collective response among member states of the Caribbean with the relaxation of the Common External Tariff (CET). No sooner was this addressed that the Great Recession

[2] www.caribank.org/uploads/2012/03/MDGConfFullDoc05.pdf

befell the international economy, with major impact on the small island state Saint Lucia. The recovery since then has been sluggish at best for Saint Lucia.

The year 2018 has opened with brighter prospects for the international economy than has been witnessed since the Global Recession of 2008. In January 2018, the International Monetary Fund (IMF) released its review of global output which is estimated to have grown by 3.7 percent in 2017. The IMF forecasts even higher rates for 2018 and 2019, of 3.9 percent. Most of the advanced economies have shown signs of improved growth rates. The emerging and developing countries of Asia are expected to grow at around 6.5 percent over the period 2018-2019. These countries now account for over half of world growth, with China and India both growing at over 6.5 percent currently.

The North Atlantic countries to which the Caribbean is most closely linked as a source of investment and destination of exports and, in particular, as source markets for tourists - the United Kingdom, USA, Canada and Germany - are expected to grow at decent rates. The major risks foreseen are inward -looking policies on the part of the United States and the United Kingdom, geopolitical tensions and conflict in the Middle East and East Asia, and political uncertainty in some major countries. The volatility in stock markets witnessed in early February 2018 has not disturbed the fundamentals of an international economy set to grow in the short to medium term.

2.3.2 Regional context

The CDB's annual reports are an important source for documentation on the regional economies. Its most recent report notes that Borrowing Member Countries (BMCs) experienced a slight increase in economic performance in 2017, averaging 0.6 percent. Trinidad and Tobago and Suriname benefitted from higher oil prices, but, on the hand, this hike in energy prices in itself, put pressure on the external positions of other countries reliant on energy imports. The Bank notes that the region underperformed relative to other small developing states which averaged growth of 4.8 percent.

The year 2017 was one of hurricane devastation with ten countries impacted by Hurricanes Irma and Maria, which were category 5. Dominica, Anguilla, Antigua and Barbuda, the British Virgin Islands and Turks and Caicos suffered severe damage and loss of life. In the case of Dominica, it is estimated that the damage has been in excess of 225% of GDP. It will be years before Dominica might recover from this disaster.

There were cases of positive growth nevertheless: the Cayman Islands, Grenada, and Saint Lucia are estimated to have grown on the basis of their tourism sector and construction. The recent comparative performance of the countries can be seen in Table 2.1. The data from the CDB points to relative sluggish growth in the middle years of the current decade in the Region.

Following the Great Recession, the countries by and large, have not gotten back on to a path of sustainable development in an international economy that is driven by a wider range of countries than those in the North Atlantic as applied in the last half of the 20th century. In respect of the more recent past, and specifically for the first half of 2017, the Eastern Caribbean Central Bank (ECCB) reported an improvement in economic conditions in the Eastern Caribbean Currency Union (ECCU) countries. This was based on the momentum created by steady demand built around tourism cruise visitors and then by stay-over visitors - which later triggered an expansion in construction activity. Saint Lucia registered the largest increase in cruise visitors in the period. On the negative side, however, the countries experienced an increase in the merchandise trade deficit, reflecting reduced earnings from exports and higher payments for imports. The bloc as a whole faced high unemployment, high levels of crime and a continuing debt problem.

Table 2.1: Summary of Real GDP Growth Rates in EC $ Millions

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015 Pr	2016 Est
Anguilla	14.55	15.52	17.25	(0.31)	(16.53)	(5.79)	(2.56)	(1.96)	0.46	5.50	3.58	2.47
Antigua and Barbuda	7.54	11.99	6.85	1.38	(10.77)	(8.56)	(2.22)	3.01	1.59	5.34	3.79	5.36
Dominica	(0.66)	3.75	4.38	6.92	(0.82)	0.74	0.84	(0.84)	0.27	4.03	(2.46)	2.75
Grenada	12.49	(4.38)	6.28	1.69	(5.63)	(1.99)	0.14	(0.58)	3.18	6.49	5.60	2.00
Montserrat	3.29	1.06	4.60	3.22	0.34	(3.03)	6.15	1.57	5.35	0.32	0.30	1.34
St Kitts and Nevis	8.19	0.54	1.52	5.90	(0.97)	(2.87)	(0.85)	(0.78)	6.56	5.12	4.88	3.15
Saint Lucia	(0.94)	6.26	1.90	5.42	0.93	(0.17)	0.69	0.62	1.50	(0.99)	1.94	0.93
St Vincent and the Grenadines	3.02	6.01	3.02	(0.48)	(2.00)	(2.33)	0.25	1.30	2.49	0.26	0.87	0.82
Eastern Caribbean Currency Union (ECCU)	5.32	5.28	4.83	3.00	(4.53)	(3.14)	(0.34)	0.60	2.43	3.11	2.83	2.57

Source: ECCU Central Statistical Offices and Eastern Caribbean Central Bank
Estimates as at October 30, 2017
Pr - Preliminary
Est- Estimate

2.3.3 Domestic context

A range of challenges continue to hinder the growth potential of the economy, including but not limited to its vulnerability to natural disasters, its significant reliance on imported energy, low labour productivity and a narrow production base. The erosion of European Union (EU) trade preferences commencing in the early 1990s precipitated a shrinkage of the country's production of bananas and a resultant shift in reliance towards the tourism sector.

The economy of Saint Lucia went through several periods of rapid expansion and contraction during the period 2000 – 2016 (Figure 2.1). The economy experienced recessionary conditions with negative growth in 2000 and 2001, immediately followed by a turnaround in economic performance in 2003. Given the significance of the United States as a source market for international tourism, the rise of terrorism in 2001 and concerns about personal safety of travellers coupled with upheavals in the international financial system hastened contraction. The subsequent recovery was driven largely by expansion in the hotel and restaurant sector, an increase in stay over arrivals, recovery in banana output, and an expansion in the output of the manufacturing and communication sectors, and significant investment in tourism, private sector construction and public infrastructure. Despite external pressures from increasing international petroleum prices and the persistence of international terrorism, the economy registered real Gross Domestic Product (GDP) growth of 6.59 percent by 2004.

In 2007, Saint Lucia like the rest of the Region, was affected by the soaring prices of imported food products that form a significant share of the diet of the population. Crop failure as a result of drought and other weather impact along with the increase demand for food as millions emerged out of poverty in China and India triggered a rise in food prices. The countries under the umbrella of CARICOM, found it necessary to revisit the CET structure and made adjustments where this could have reduced prices to consumers. The countries had barely adjusted to these price spikes when the Global Recession befell the global economy.

The onset of the global financial crisis of 2008/2009 exposed several of these underlying weaknesses and had a ripple effect on the economy of Saint Lucia, which contracted sharply in 2009 subsequent to a period of moderate growth between 2006 and 2008. The contraction in overall economic activity was driven largely by sharp contractions in the country's two major productive sectors, construction and tourism, with negative spill-over effects on other sectors. Weak aggregate external and domestic demand resulted in a fall in construction financed by foreign direct investment (FDI), resulting in elevated levels of unemployment and inflating delinquency in the commercial banking sector. With a view to mitigate the impact of the economic crisis, the Government of Saint Lucia (GOSL) engaged not only in extensive labour market programmes, but also in construction stimulus and increases in public sector wages. However, these measures also led to notable increases in public sector debt.

Supported by favourable external conditions, the domestic economy continued to recover from the effects of the global financial crisis at a subdued pace. Economic recovery in the main tourist source markets (The United States and Great Britain) coupled with declining oil prices have enabled tepid improvement in economic activity. This performance was influenced significantly by growth in the hotel and restaurants and construction sectors and supported by increased value added in real estate, renting and business activity.

While the global economy continued its recovery into 2013, the economic activity in Saint Lucia remained sluggish with weak performance across the main sectors of the economy outside of tourism. This recovery continued until 2015, followed subsequently by weak growth due to contraction in the dominant tourism industry. As at 2016 at the time of the survey, the largest contributors to GDP were Transport, Communication and Storage, Real Estate,

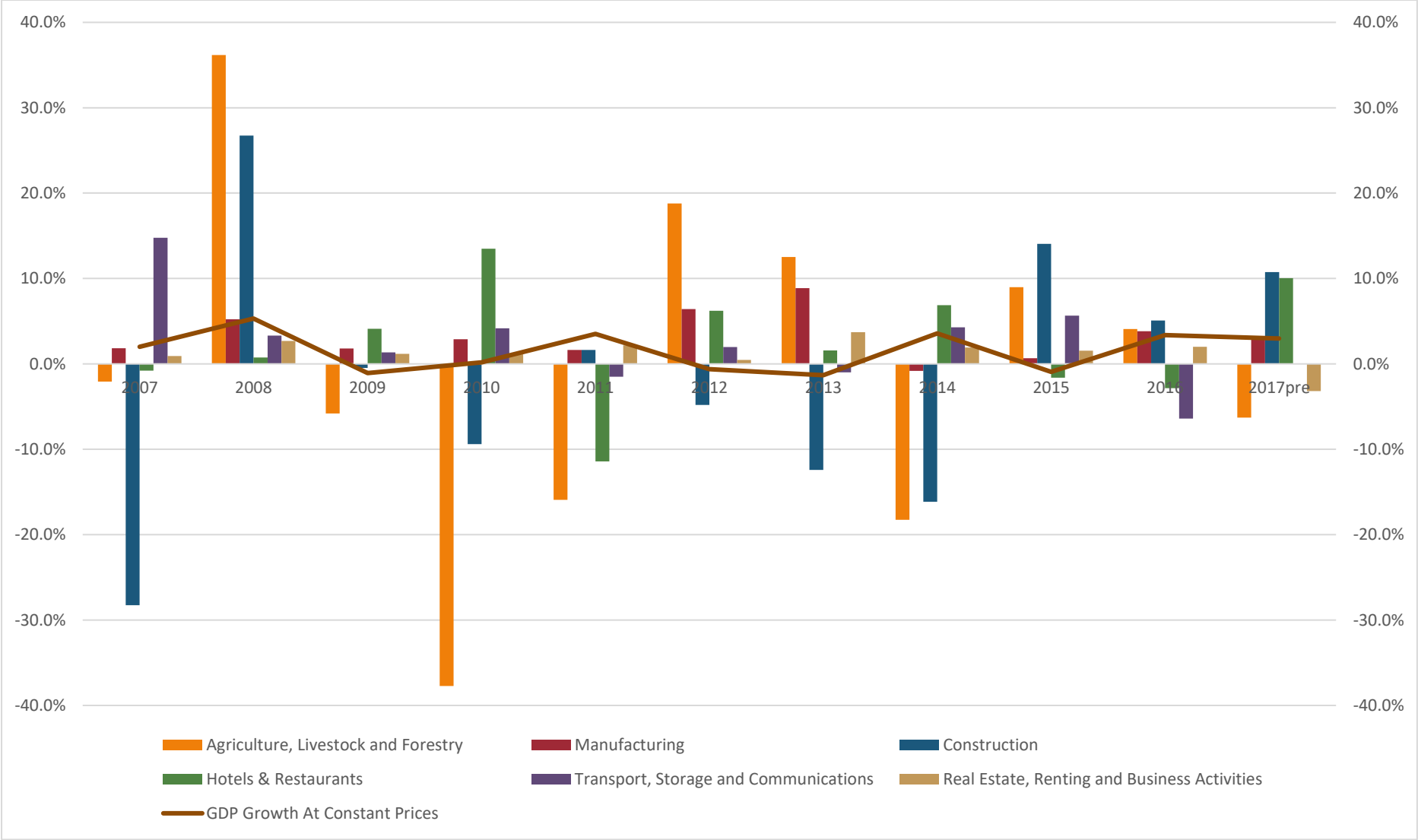

Figure 2.1: Growth Rate of Gross Domestic Product by Economic Activity in Constant (2006) Prices (%) 2007-2017
Source: Ministry of Finance, Central Statistical Office

Renting and Business Activities, Hotels and Restaurants, Construction and Financial Intermediation.

2.3.4 Trends in the Real Sector

2.3.4.1 Tourism

The tourism sector of Saint Lucia continued to serve as a key engine of growth for the overall economy. Over the period 2000-2015, total visitor arrivals and expenditure increased steadily, while highlighting the influence of adverse events in key source markets on the performance of the sector (Figure 2.2). Interestingly, while total visitor expenditure declined as a result of the global economic downturn, total visitor arrivals maintained its stable upward trend, driven by stable cruise ship arrivals during that period. In 2016 the tourism sector underperformed, recording no growth in stay over arrivals and a significant drop in cruise-ship visitors as well as tourist expenditure.

In spite of a slight slowdown in 2016, Saint Lucia continued to be the most significant tourist destination in the ECCU (Figure 2.6 and Figure 2.7). Total visitor expenditure declined by 4.8 percent in 2016, with a drop in average prices of all-inclusive accommodation driving the fall. This fall in expenditure was consistent across all source markets but was particularly notable among British and Canadian source markets, which fell by 11.4 percent and 11.5 percent respectively. Nevertheless, total expenditure per visitor doubled over the period from EC$ 1,020.36 in 2000 to EC$ 1,961.66 in 2016.

Visitor Arrivals to Saint Lucia exhibited high seasonality over the period 2000 to 2016 (Figure 2.3), with arrivals typically peaking between December and April, then declining to a trough between June and September. In the early 2000s, visitor arrivals generally peaked around 100,000 visitors in high season. Subsequently, the high season observed peaks ranged from 131,136 in January 2007 to 159,155 in December 2016. Total Visitor Arrivals were dominated by Cruise Ship Passengers, followed by Stay Over Visitors, Yacht Passengers and Excursionists (Figure 2.4), with fluctuations in total visitor arrivals for the period being affected largely by expansions and contractions in Cruise Ship Passenger Arrivals. Key source markets for Saint Lucia were the United States of America, Great Britain, the Caribbean and Canada (Figure 2.5), with growth in total visitor arrivals driven predominantly by the US source market. However, the disruptive tendencies in the tourism industry internationally have not spared Saint Lucia.

The success globally of the sharing economy has afforded entrepreneurial individuals in Saint Lucia with new opportunities for revenue generation through platforms such as Airbnb[3]. Though Saint Lucia was a late entrant to the Airbnb model, the platform grew exponentially with a total of 557 listings by August 2016. The Caribbean hotel and Tourism Association forecast continued growth in utilisation of its services into the future. While the island's main hotel stock is clustered in the northern districts of the island, the room stock available via Airbnb is scattered throughout the island, with at least one option for accommodation in every major settlement on the island. Although the sharing economy is still in at a nascent stage of development, the potential for local economic development is noteworthy.

[3] Airbnb is an American company which operates an online marketplace and hospitality service for people to lease or rent short-term lodging including holiday cottages, apartments, homestays, hostel beds, or hotel rooms. The sharing economy is an economic system that empowers people to monetise their idle assets by renting those assets to interested persons (Government of Saint Lucia 2016).

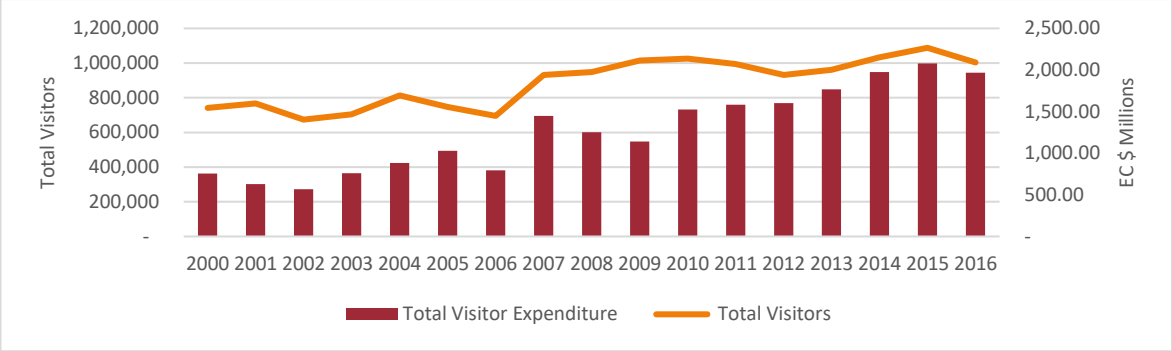

Figure 2.2: Annual Tourist Arrivals 2000 - 2016[45]

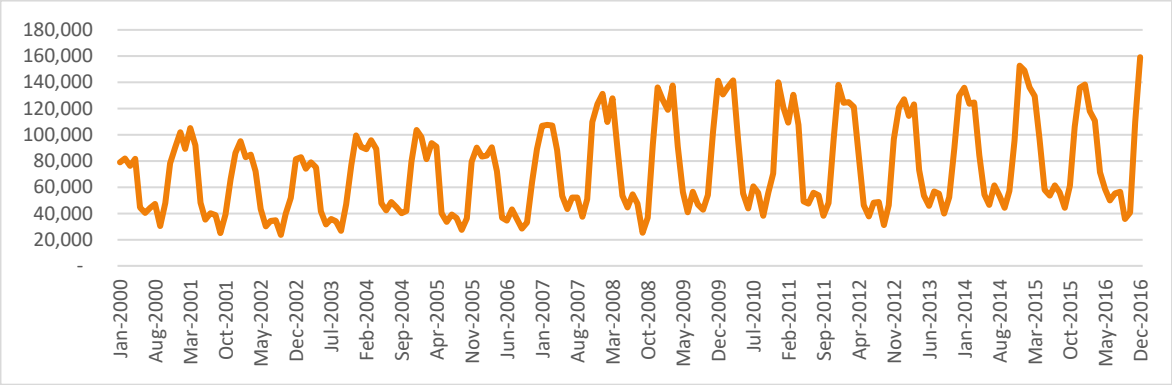

Figure 2.3: Monthly Tourist Arrivals 2000 - 2016

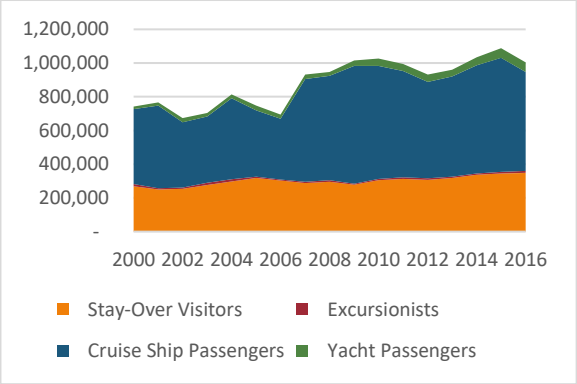

Figure 2.4: Total Annual Visitor Arrivals by Type 2000 - 2016

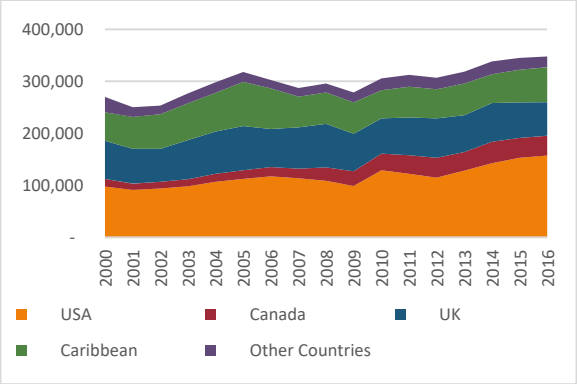

Figure 2.5: Annual Stay Over Visitor Arrivals by Country of Origin 2000 - 2016

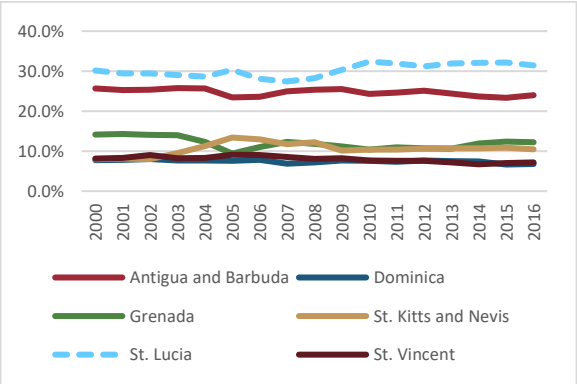

Figure 2.6: Shares of ECCU Stay Over Arrivals 2000 – 2016

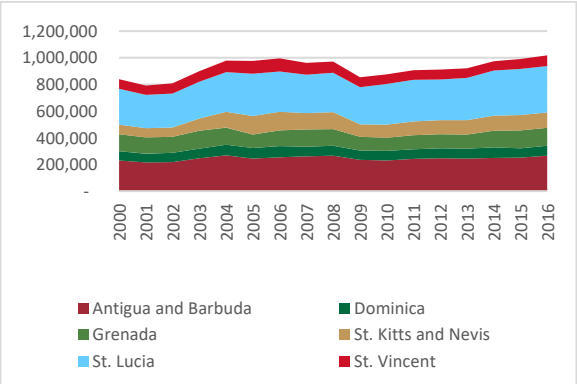

Figure 2.7: Total Annual ECCU Stay Over Arrivals 2000 – 2016

[4] Source: Saint Lucia Board of Tourism, ECCB Data as at 31 December 2017
[5] Visitor expenditure includes expenditure of cruise passengers and stay over visitors only.

2.3.4.2 *Construction*

The construction sector continued to act as a catalyst of growth for the economy of Saint Lucia, accounting for roughly 60 percent of real GDP growth in 2016. Activity in the construction sector can be attributed both to private and public sector endeavours. However, the evidence of this activity is most notable in the private sector, where several large-scale hotels and commercial properties were commenced or completed in 2016. Employment growth in the sector mirrored its performance, with employment in the sector increasing by 14.4 percent to 7,140 persons at the end of 2016.

With the intensification of activity on several private sector construction projects, private construction activity continued to be the key contributor to growth in the sector. Key private sector projects included the 435 room Royalton Club property, the 115 room Harbour Club Hotel, major renovation work on Sandals properties, and the completion of the Unicomer building. The 435 room Royalton hotel provided the main stimulus to the construction sector since it signified one of the single largest private sector construction projects ever undertaken on the island to date. In the public sector, while total public sector construction expenditure increased from 2015 to 2016, total public sector construction expenditure fell steadily from EC$M 234.11 in 2011 to EC$M 116.3 in 2016 (Figure 2.8).

Public sector construction expenditure was accounted for by both economic and social expenditure on the part of statutory bodies and central government (Figure 2.9). Expenditure on economic infrastructure included roads, water, agriculture and other infrastructure. Conversely, expenditure on social infrastructure was accounted for by expenditure on health, sports, education, community works, disaster preparation, housing and settlements, and law and order. Central government expenditure accounted for the majority of total public sector expenditure. While investment in construction was utilised to stimulate economic activity in the period immediately subsequent to the global financial crisis, with each succeeding year, total public sector construction expenditure was reduced.

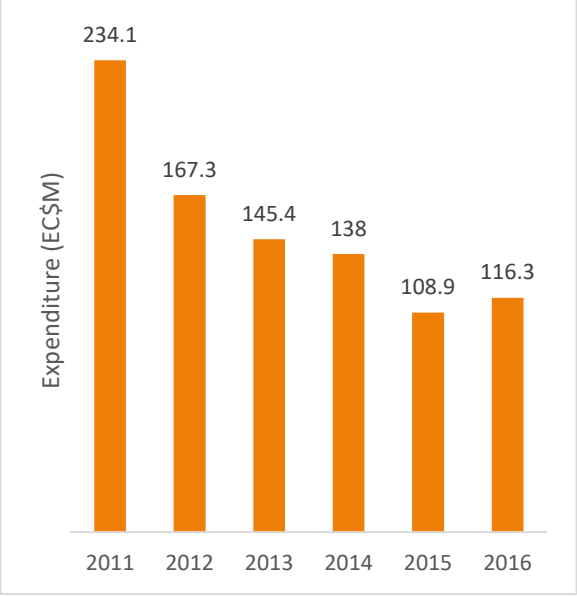

Figure 2.8: Total Public Sector Construction Expenditure
Source: Department of Finance, Ministry of Finance, Economic Growth, Job Creation, External Affairs and Public Service

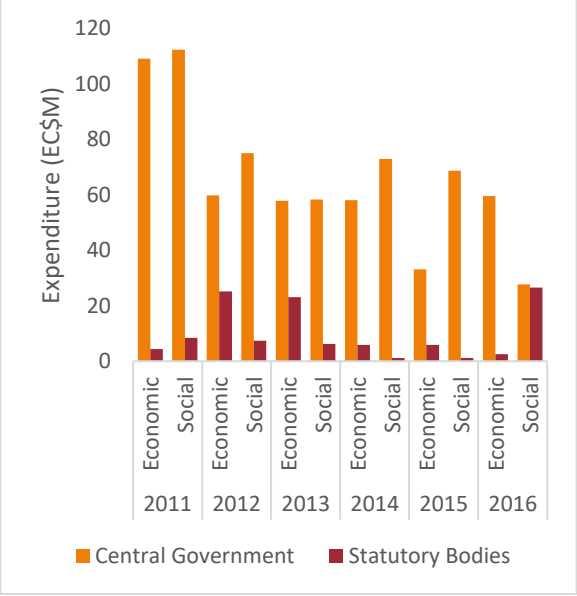

Figure 2.9: Public Sector Construction Expenditure by Category (EC$M)
Source: Department of Finance, Ministry of Finance, Economic Growth, Job Creation, External Affairs and Public Service

It is expected that real economic growth will be bolstered by continued robust performance by the construction sector in the short term as FDI in hotels sustains construction activity and expands capacity in the tourism industry. In the short term, construction is expected to continue to perform strongly in tandem with growth in tourism, which should be driven by consistent inflows of U.S. tourists, new flights, and new hotels.

2.3.4.3 Agriculture

Along with construction, agriculture provided significant contribution not only real to GDP growth but also to strong employment growth in 2016. Agriculture contributed favourably to the reduction of unemployment levels, which fell to 20 percent by the end of the third quarter of 2016. Nevertheless, the sector itself witnessed mixed performance in 2016 due to assorted factors affecting fisheries, the production of livestock, bananas, and other crops. Figure 2.10 highlights growth in agriculture and its sub sectors.

The sector was faced with a number of challenges over the last decade including limited marketing opportunities, high costs of production and low productivity. Additionally, factors outside the control of the sector including the impact of weather events, such as the Christmas Eve Trough[6] and Tropical Storm Matthew[7], and poor performance in the tourism sector dampened the growth potential of the sector. Nevertheless, while growth is expected to remain subdued in the short term, Agricultural activity is expected to continue to contribute notably to GDP growth.

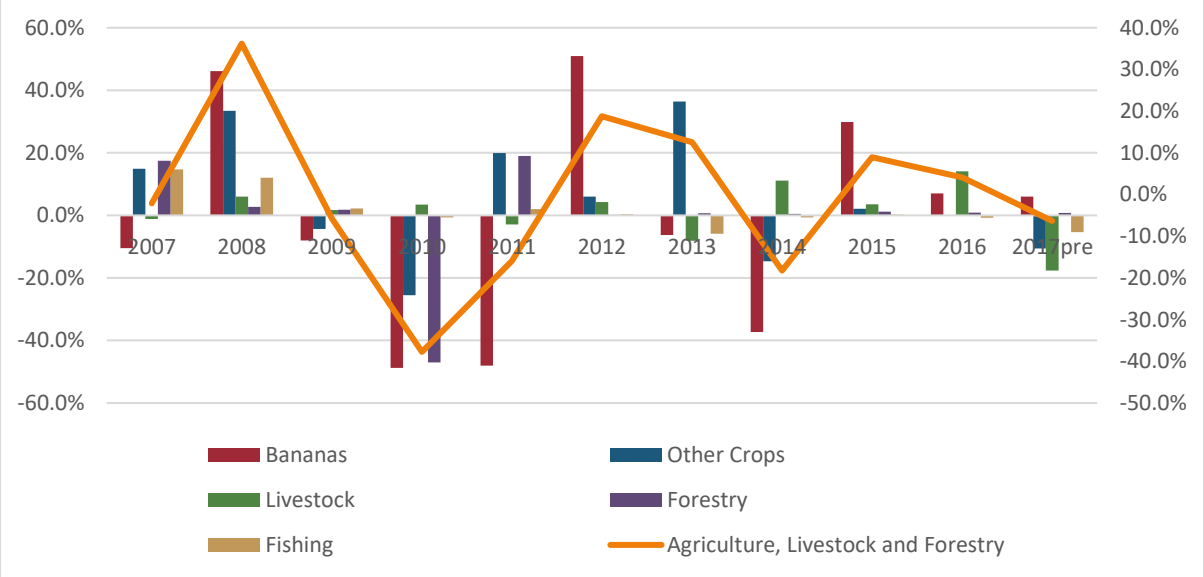

Figure 2.10: Growth in Agriculture Sub Sectors
Source: Department of Finance, Ministry of Finance, Economic Growth, Job Creation, External Affairs and Public Service

The upward trend in the production of other crops, as captured through the quantity of agricultural production purchased by supermarkets and hotels, shifted direction in 2016 (Figure 2.11). The impact of Tropical Storm Matthew taken together with weak performance in the tourism sector over the same period was reflected in comparatively lower purchases of other agricultural products by hotels throughout 2016 when compared to 2015.

[6] Government of Saint Lucia, and The World Bank. 2014. Saint Lucia: Flood Event of December 24-25, 2013.
[7] National Hurricane Center, and Stacy R. Stewart. 2017. National Hurricane Centre Tropical Cyclone Report: Hurricane Matthew (AL142016) - 28 September - 9 October 2016.

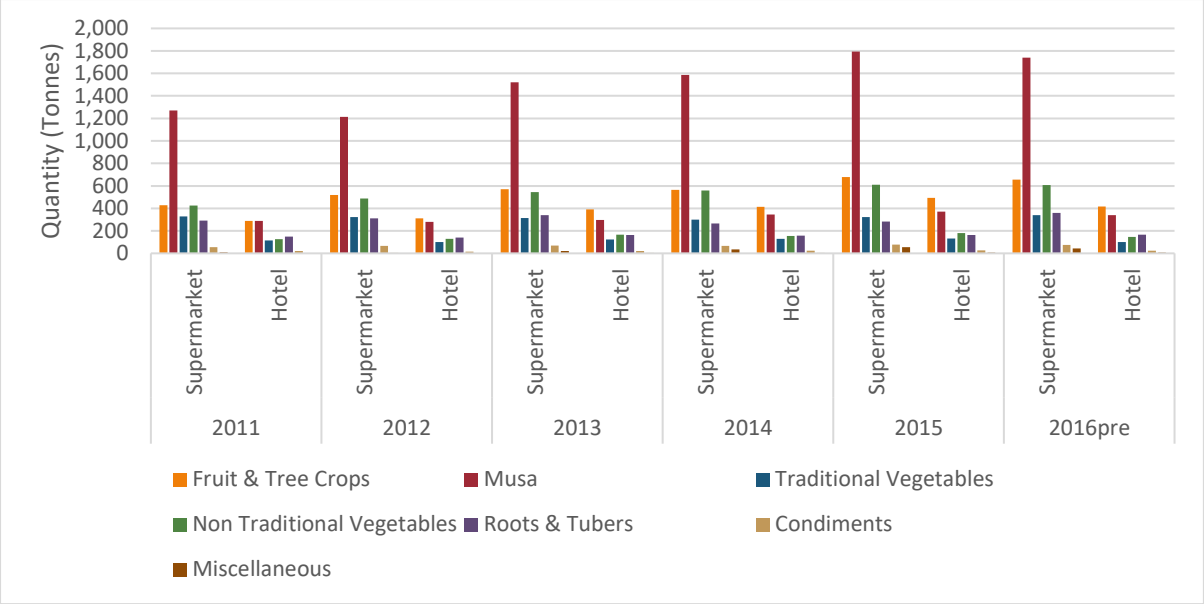

Figure 2.11: Supermarket and Hotel Purchases of Crops by Category (Quantity in Tonnes)

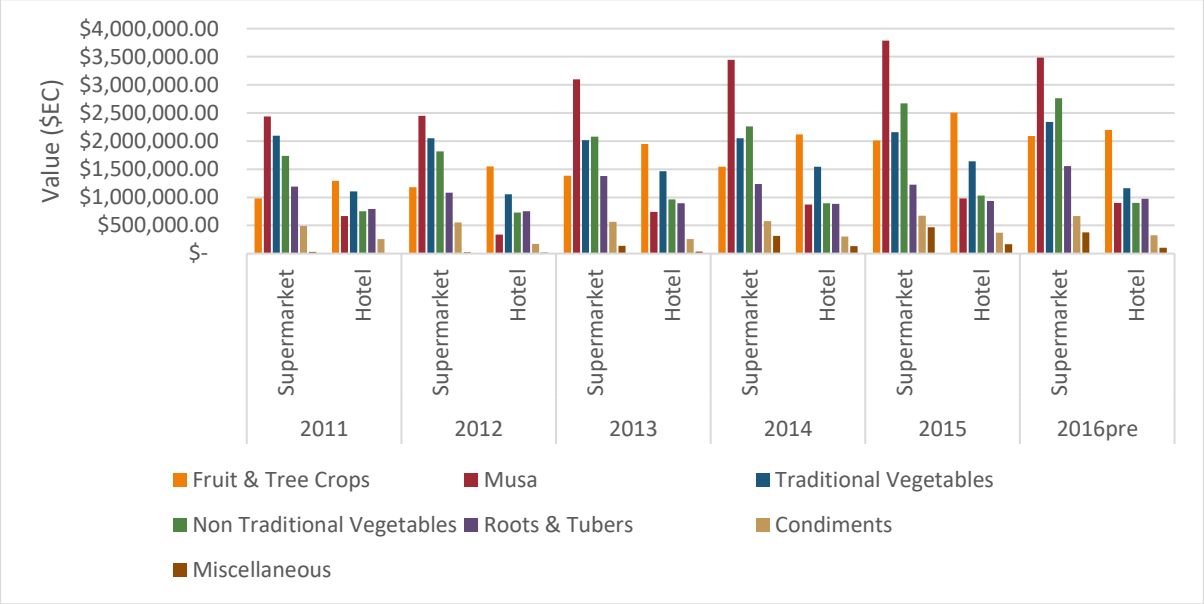

Figure 2.12: Supermarket and Hotel Purchases of Crops by Category (Value $EC)

The Banana subsector, which is the agricultural sector's main export earner, witnessed noteworthy trends over the period spanning 2014 to 2016. While the Banana sector was expected to observe continued export growth, the impact of Tropical Storm Matthew and resultant destruction of banana fields precipitated a decline in banana exports by 1.1 percent to 14,629 tonnes in 2016. Interestingly, the pattern of banana export gradually has shifted over the last three years, with the volume of export to the Caribbean region, accounted for largely by exports to Trinidad and Tobago, surpassing exports to the UK for the first time ever (Figure 2.13 and Figure 2.14). However, given the average price per tonne of Banana to the UK ($1,813.2)[8] was roughly double that generated by the same quantity within the Caribbean Region, it is not surprising that exports to the UK generated the lion's share of revenue from Banana Exportation (Figure 2.15 and Figure 2.16).

[8] Source: Department of Finance, Ministry of Finance, Economic Growth, Job Creation, External Affairs and Public Service

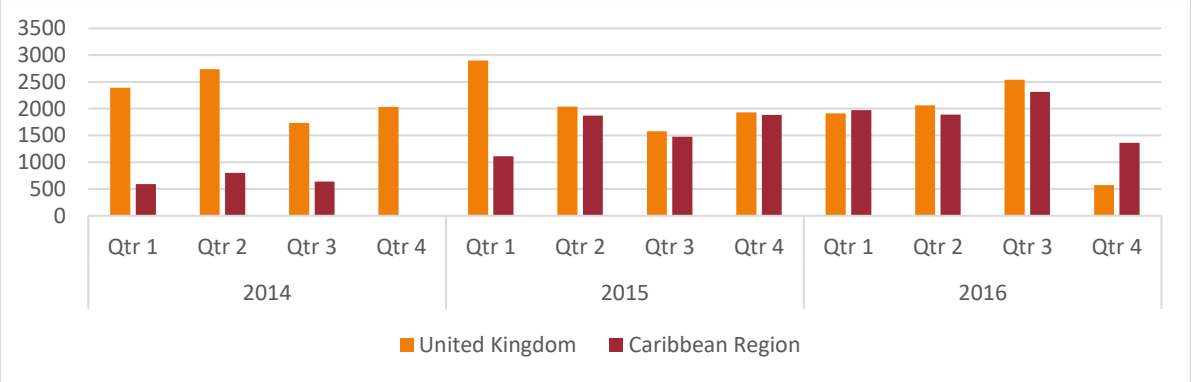

Figure 2.13: Volume of Banana Exports to the UK and the Caribbean Region (Tonnes)

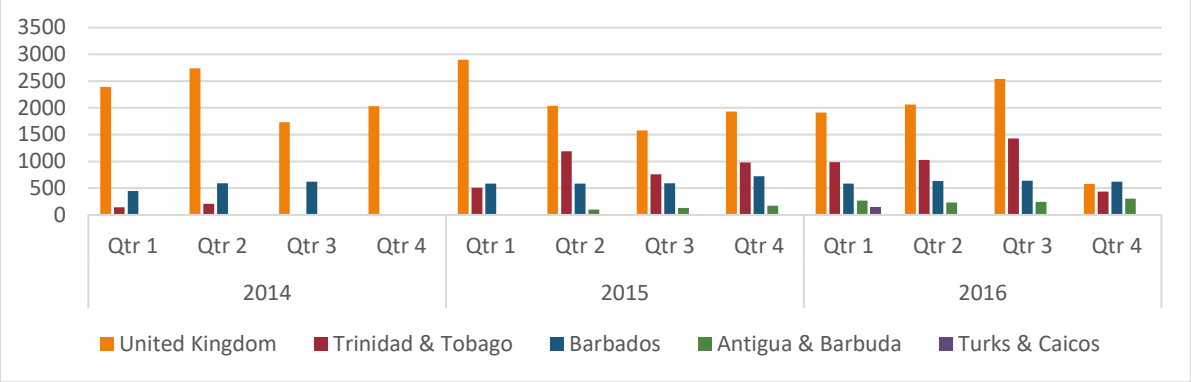

Figure 2.14: Volume of Banana Exports by Country (Tonnes)

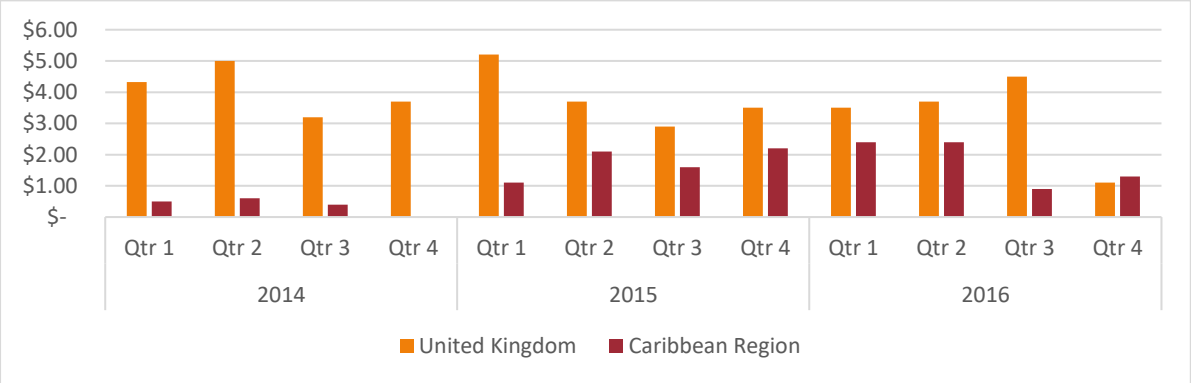

Figure 2.15: Value of Banana Exports to the UK and the Caribbean Region (EC$ Million)

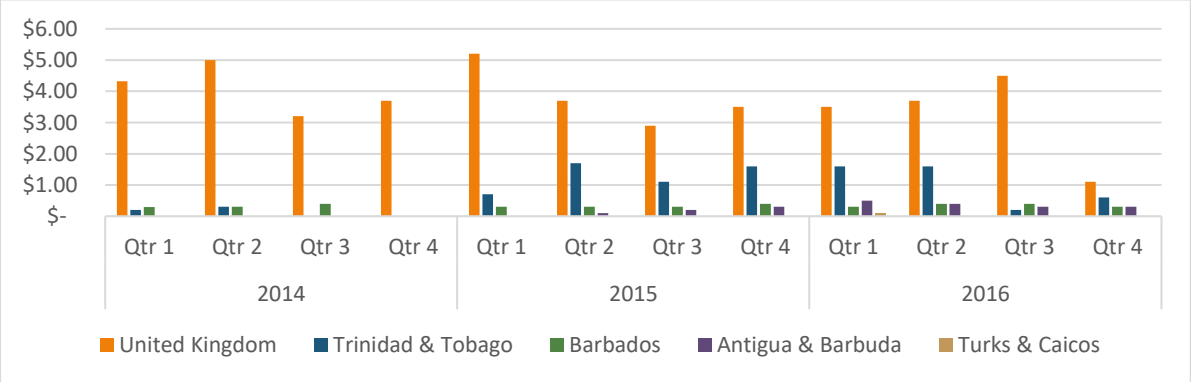

Figure 2.16: Value of Banana Exports by Country (EC$ Million)

2.3.4.4 Manufacturing

Figure 2.17 highlights estimated manufacturing outputs for Saint Lucia between 2006 and 2016. The beverage making sub-sector drove the majority of the growth observed in output, followed by companies in the business of the production of Food, Chemicals, Paper and Paper Products, Furniture and Printing and Publishing. Output peaked in 2007, then exhibited a steady downward trend until 2015. The total value of manufacturing output increased by 7.2 percent in 2016, up from 2.6 percent in 2015. In spite of overall growth in 2016, subsectors within the manufacturing sector observed some degree of subdued operations owing not only to lower demand domestically, but also to challenges faced by manufacturers doing trade regionally with Trinidad and Tobago. Regional export of manufactured products was unfavourably influenced by the continued foreign exchange challenges in Trinidad and Tobago. Although the manufacturing sector should act as a key driver of economic growth for Saint Lucia, the sector has been confronted with several impediments including high cost of utilities, low productivity among workers, inadequate technological skills, utilisation of low-level technologies, significant dependence on imported packaging and raw materials and an aversion by some manufacturers to exploit available export opportunities.

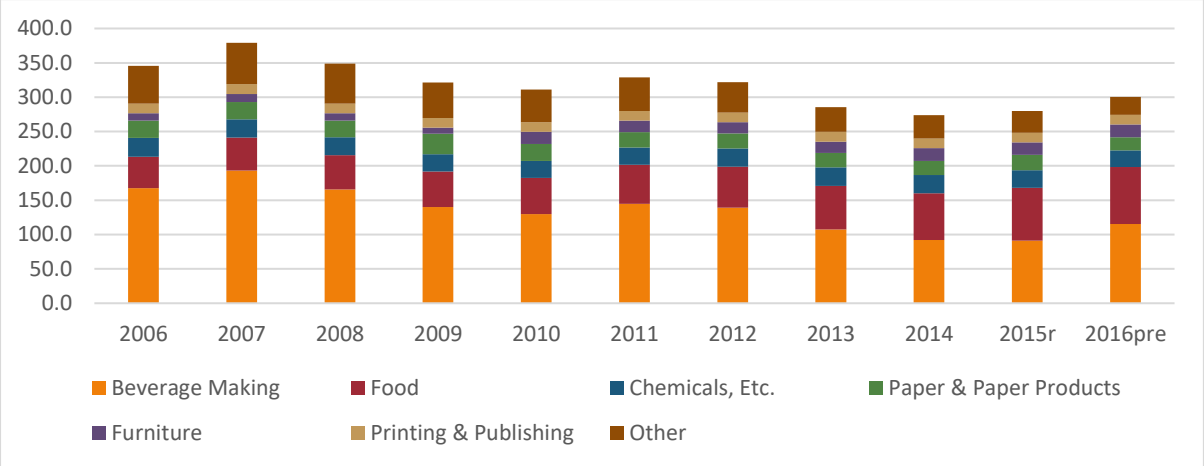

Figure 2.17: Estimated Manufacturing Output (EC$ Millions)
Source: Department of Finance, Ministry of Finance, Economic Growth, Job Creation, External Affairs and Public Service

2.3.4.5 Real Estate

Growth within the real estate, renting and business activities sectors is highlighted in Figure 2.18 below. The sector witnessed moderate growth over the last decade, driven largely by growth within the business activities sub sector. Notable developments in the real estate sector involve the Citizenship by Investment Programme (CIP). This programme, which sought to attract investments in the areas of employment generating business enterprises, real estate products and high-end hotels saw its formal introduction to Saint Lucia in 2016. The CIP, which was targeted at high-net worth individuals, envisaged investment in interest free government bonds and donations to the Economic Fund. Through this programme, one could obtain citizenship through an investment in an approved enterprise project of minimum value of US $1 million or via investment in a government approved real estate project of minimum amount of US$ 300,000.

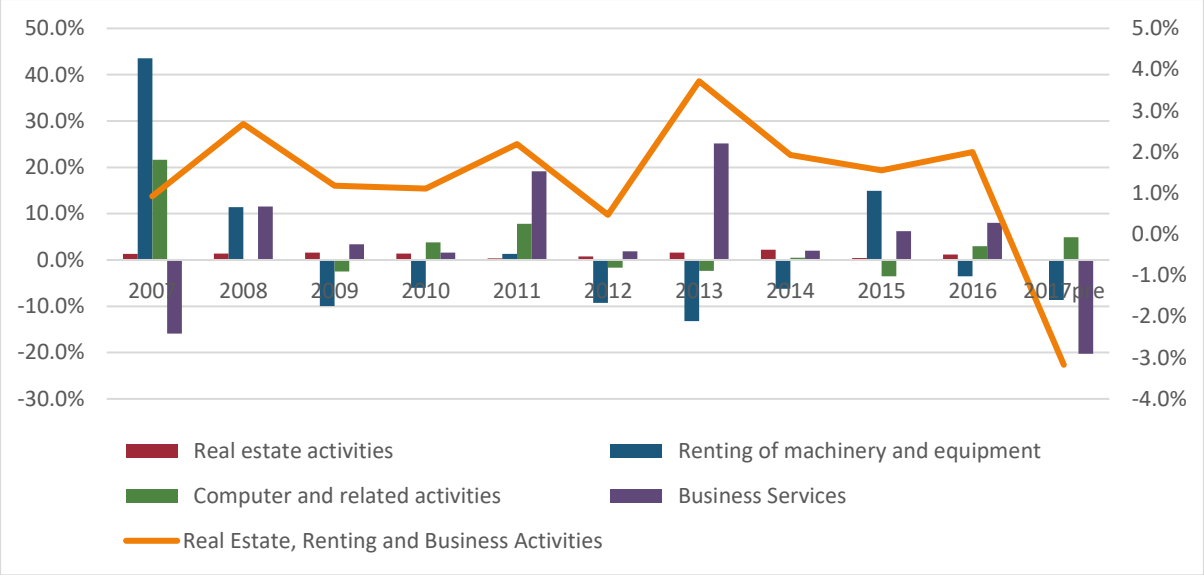

Figure 2.18: GDP Growth in Real Estate, Renting and Business Activities Sector 2008 – 2017
Source: Department of Finance, Ministry of Finance, Economic Growth, Job Creation, External Affairs and Public Service

2.3.4.6 *Labour Force*

The working age population and the labour force have grown steadily over the last decade (Figure 2.19). While the labour force has exhibited stable growth, the unemployed in the population continued to increase proportionally to the labour force from 14 percent in 2007 to 24.1 percent in 2015. In 2015, economic growth precipitated a welcomed improvement in labour market conditions.

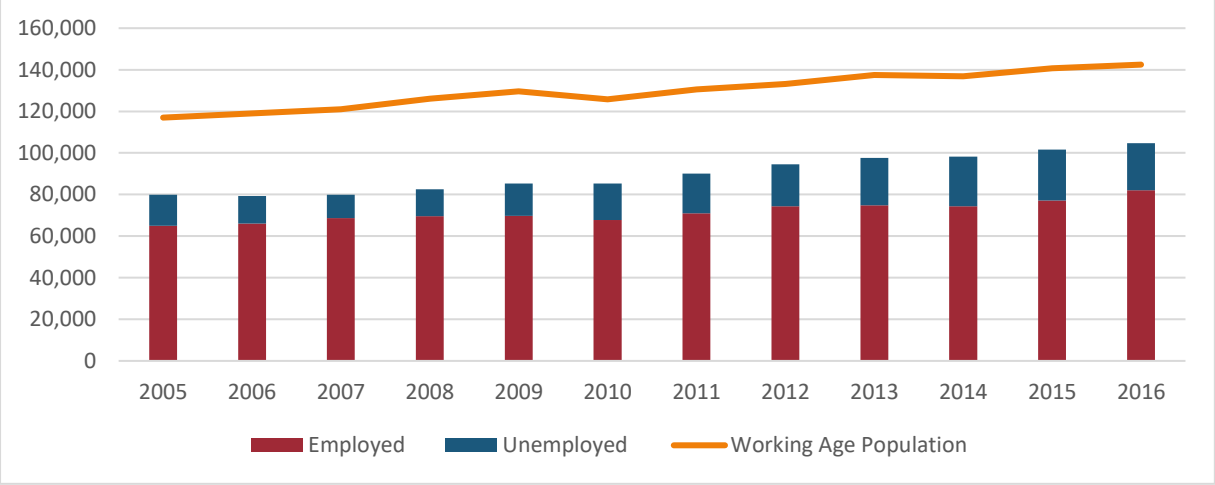

Figure 2.19: Working Age Population by Labour Force Participants 2005 – 2016

This was reflected not only in the improvement in labour force participation rates to the highest levels since 2009 of 73.4 percent, but also a decline in the unemployment rate to 21.3 percent in 2016 from 24.1 percent in 2015 (Figure 2.20). This decline represents a continuation of the downward trend which commenced in 2015. At the national level, unemployment rates remained consistently much above 10 percent from 1995 to 2016. Over that period, unemployment among females was consistently even more pronounced, with an inverse relationship being observed between highest level of education attained and rates of unemployment.

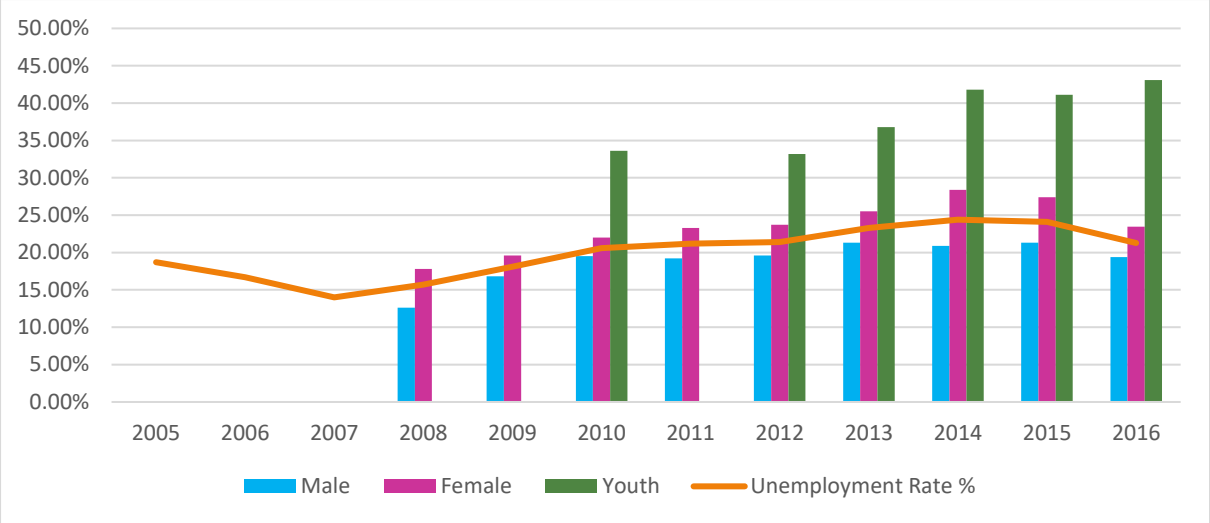

Figure 2.20: Unemployment Rate by Sex 2005 – 2016

As at 2016, the working age population of Saint Lucia was comprised of 143,635 individuals (Figure 2.21), with roughly equal proportions of males and females. Of this group, 104,624 individuals formed part of the labour force given a labour force participation rate of 72.8 percent. Higher participation among males was observed in the labour force, with a participation rate of 78.2 percent among males compared to 67.4 percent among females. Unemployment in 2016 stood at 21.3 percent, with females experiencing higher levels of unemployment compared to their male counterparts (23.5% versus 19.4 %). Unemployment in St. Lucia is high by international standards with women[9].

[9] National Competitiveness and Productivity Council. 2016. Saint Lucia Productivity Summary Report | 2000 - 2015. Castries: Saint Lucia Ministry of Finance, Economic Affairs, Planning and Social Security.

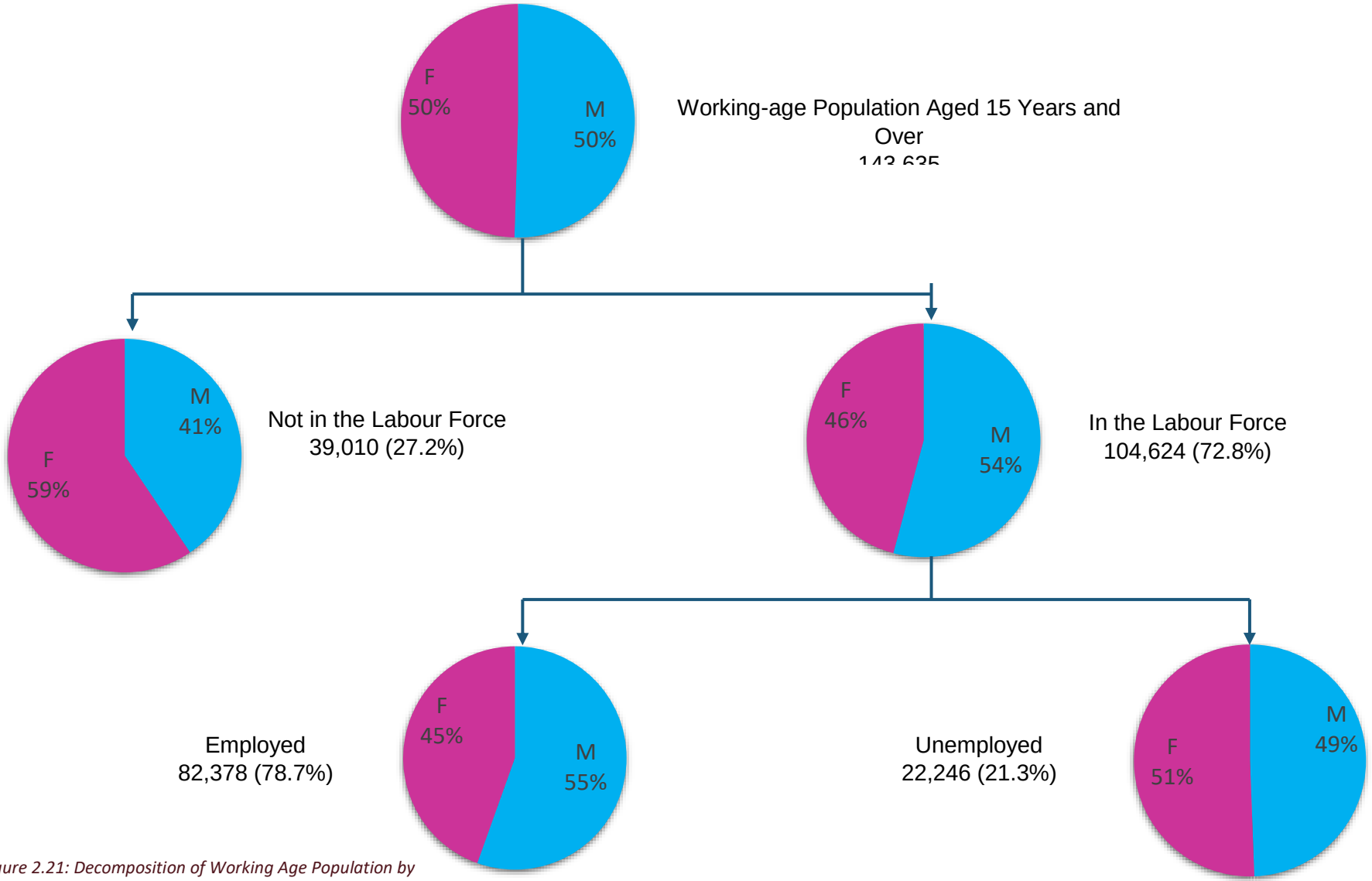

Figure 2.21: Decomposition of Working Age Population by Labour Force Status and Sex 2016

Source: Saint Lucia Labour Force Survey 2016, Central Statistical Office

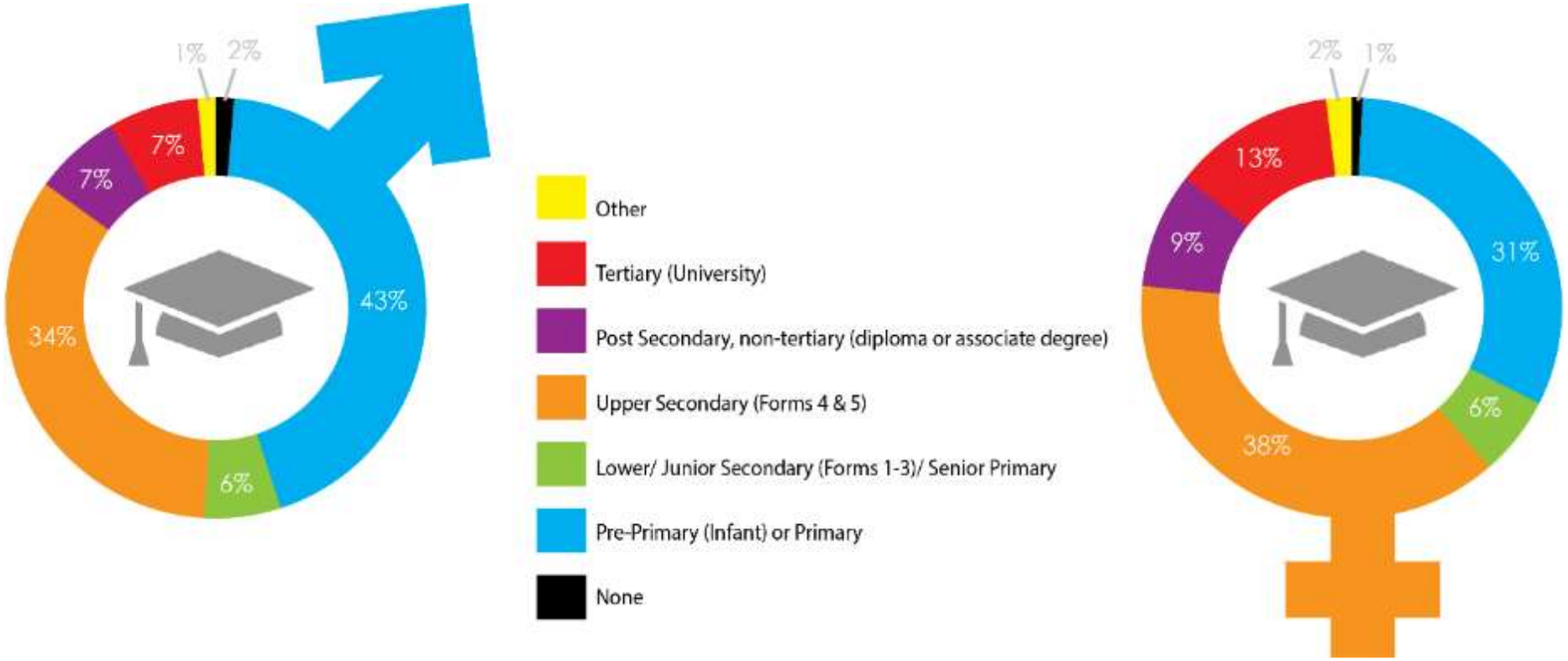

Figure 2.22: Total Workforce by Educational Attainment and Sex 2016

2.4 FISCAL OPERATIONS

Fluctuating economic conditions over the last sixteen years have been reflected in the fiscal stance of the central government of Saint Lucia (Figure 2.23). While the economy experienced periods of rapid economic expansion and contraction, total government expenditure exceeded total government revenue every fiscal year without exception since 2002/03. Growth in total government expenditure outstripped that of total revenue, with notable digression occurring between fiscal year 2008/09 to 2012/2013. This was reflected by an expansion in the fiscal deficit from EC$ -33.8 million in fiscal year 2008/09 to a maximum of EC$ -328.8 million in fiscal year 2012/13. Improvements in economic conditions since 2012/13 coupled with moderate growth in total expenditure and lower capital expenditure precipitated continued improvement in the central government's fiscal position as reflected by contraction in the overall fiscal deficit to EC$ -67.8 million in 2016/17. Some fiscal adjustment took place in fiscal year 2016/17 including the introduction of a Value Added Tax (VAT), Enhanced tax compliance, a public sector nominal wage freeze, and reduced capital spending forced by financing constraints.

In spite of periods of unfavourable economic conditions, total revenue generated by the central government of Saint Lucia exhibited a stable upward trend over the sixteen-year period (Figure 2.24), though insufficient to cover total government expenditure. Total revenue was comprised mainly of current revenue, with negligible contributions from Grants and Capital Revenue. While tax and non-tax revenue comprised current revenue (Figure 2.26), tax revenue dominated with taxes on international trade, followed by taxes on income and taxes on goods and services.

Central government expenditure witnessed consistent growth throughout the 16-year period, in spite of periods of economic contraction. Total government expenditure was accounted for largely by current expenditure, and to a lesser extent by capital expenditure. Total expenditure exhibited strong growth until the fiscal year 2012/13, then contracted and recovered in the subsequent 4-year period, owing largely to lower capital spending on the part of central government. Current expenditure has exhibited consistently strong and stable growth over the 16-year period, driven predominantly by increasing wages and salaries and to a lesser extent by current transfers, goods & services and interest payments. With a view to cushion the impact of the global financial crisis, the GOSL not only increased public sector wages, but also allocated funds towards stimulating construction activity and large labour market programmes, which lead to further accumulation of total outstanding public debt.

The public-sector wage bill continues to be a key driver of the expanding public expenditure. Relative to other expenditure items, compensation of employees is high when compared to social expenditure. In spite of a wage freeze which commenced in Fiscal Year (FY) 2013/14, a substantial proportion of its spending continues to be allocated towards wages and salaries by the GOSL. This trend is consistent across the ECCU region where the public sector wage bill is the largest expenditure outlay, and governments are the largest employers. However, governments can find it politically difficult to reduce public employment during economic downturns when unemployment is high and social safety nets are insufficient. For these reasons, the wage bill of Saint Lucia has continuously expanded. With the exception of the wage freeze over the period 2013 to 2016, the period 2008 to 2013 witnessed average annual wage increases of 3 percent.

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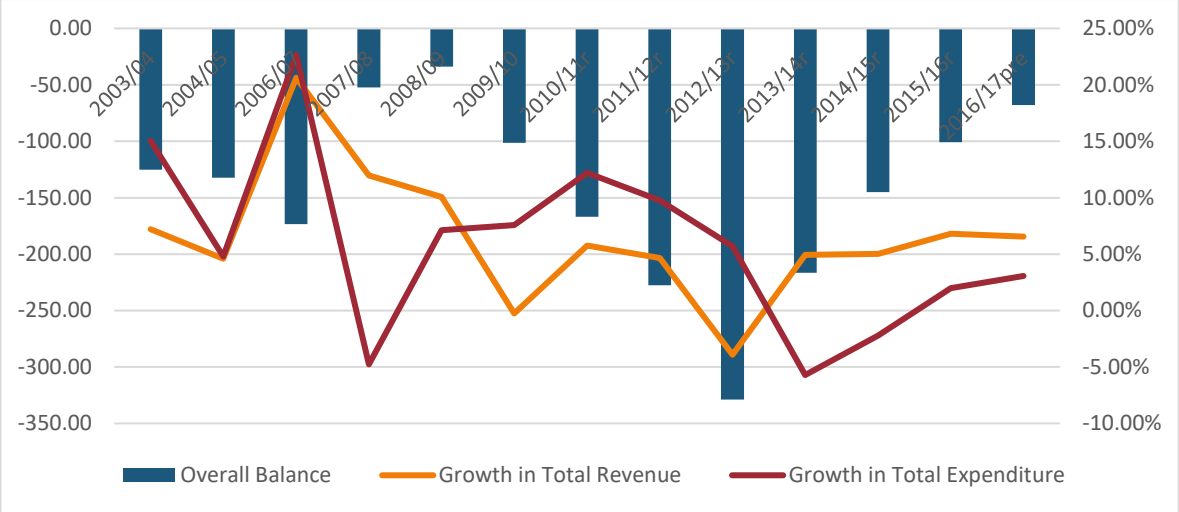


Figure 2.23: Fiscal Balance 2002-2016

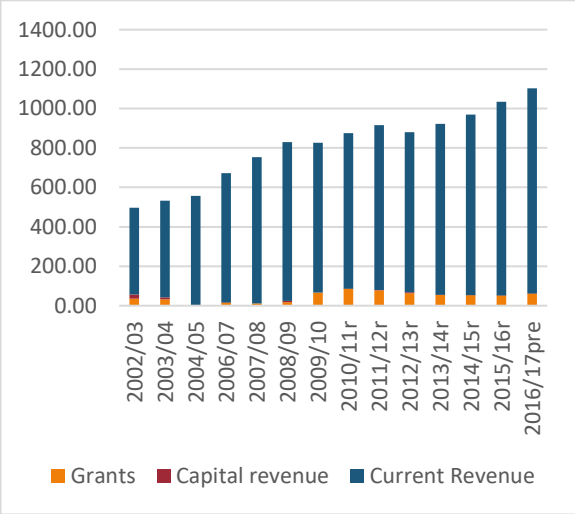


Figure 2.24: Total Revenue by Source 2002-2016

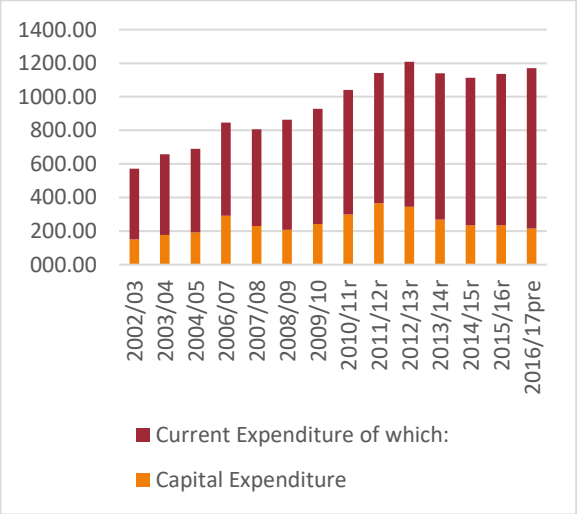


Figure 2.25: Total Expenditure by Category 2002-2016

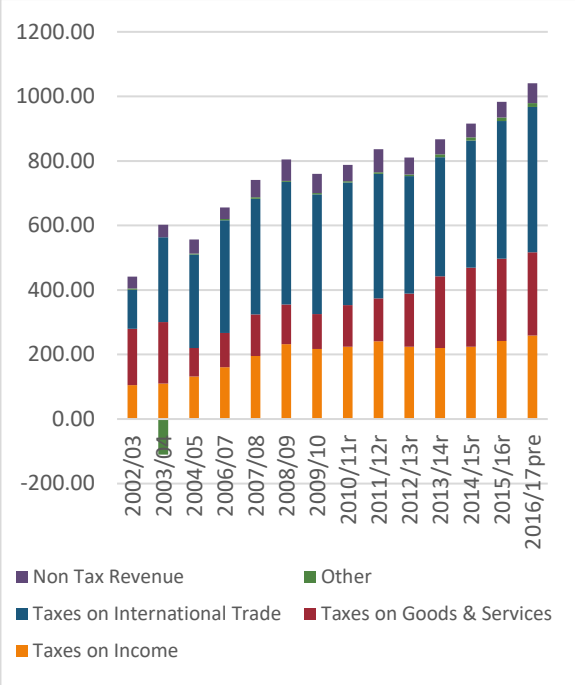


Figure 2.26: Current Revenue by Source 2002-2016

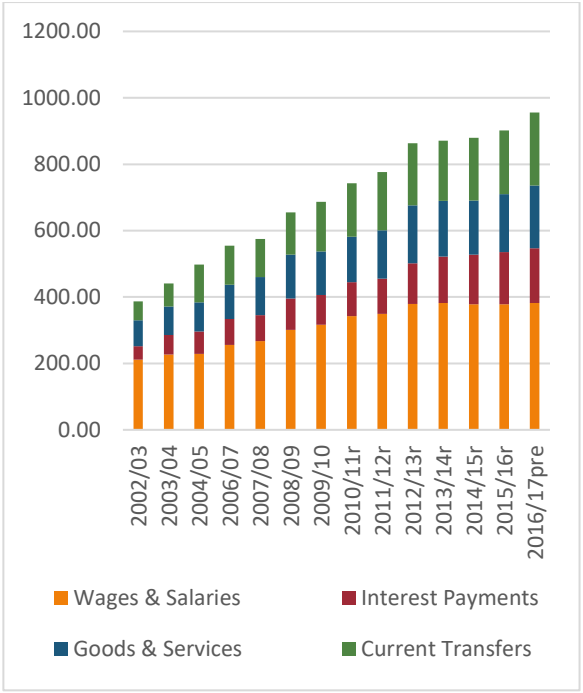


Figure 2.27: Current Expenditure by Item 2002-2016

2.5 Public Sector Debt

The fiscal stance of the GOSL over the last decade resulted in the steady accumulation of public sector debt (Figure 2.28). Between 2006 and 2016, total public-sector debt expanded from EC$ 1,624 Million in 2006 to EC$ 2,988 million in 2016. The public debt estimate for FY 2016/17 suggests a slowdown in the rate of debt accumulation, which grew on average by 6.8 percent annually since FY 2005/06. Total Public-Sector Debt was dominated by Central Government Outstanding Debt, with negligible contributions by Government Guaranteed Outstanding Debt and Public Non-Guaranteed Outstanding Debt. Increases in total public-sector debt have been accounted for largely by the Central Government Outstanding Debt.

The government has been able to expand its financing by relying increasingly on short term treasury bills and longer-term bonds, which allowed it to increase capital spending while reducing rollover risks. Lengthening the maturity of debt, however, has also raised its costs, thus adding to the escalating dynamics of interest payments. With high public debt, interest payments are expected to rise, reflecting an increased risk premium and the prospective increase in world interest rates. As at FY 2016/17, the official estimate for public debt to GDP was 66.4 percent and the fiscal deficit for this fiscal year was financed predominantly by bonds and other debt instruments such as T bills and loans. The GOSL raised EC$ 139.9 million XCD in bond financing, EC$ 43.2 million above the approved amount. Treasury bill financing amounted to EC$ 25.56 million, which was EC$ 52.9 million below the approved amount, highlighting a transition towards longer term debt instruments.

The last decade has seen a steady increase in the proportion of central government debt held by domestic creditors, from EC$ 594 million in 2007 to EC$ 1,514 million in 2016 (Figure 2.29). The active participation of the GOSL on the Regional Government Securities Market (RGSM) was reflected in the growing proportion of domestic debt stocks. External debt stocks grew by 4.3 percent in FY 2016/17 to 1,387 million XCD, driven primarily by net increases in T Bills and notes issued during the period (Figure 2.30). The slow implementation of capital projects

earmarked for loan financing precipitated a fall in the disbursement of loans by multilateral and bilateral creditors, and consequently a fall in the value of loans owed to such entities.

The fiscal stance of the GOSL as at 2016/17 raised concerns around fiscal and debt sustainability. A fiscal package implemented in FY 2016/17 weakened the fiscal position and corrective measures were recommended[10] for the stabilisation of debt dynamics and the assurance of the attainment of the ECCU debt target of 60 percent of GDP by 2030. Further deterioration in the fiscal balance may diminish market access, resulting in a reduction in investment projects. Fiscal consolidation may be necessary for the stabilisation of public sector debt accumulation. Furthermore, the island of Saint Lucia is vulnerable to the onslaught of natural disasters, which entail significant economic costs in terms of investment, GDP, unemployment, poverty and fiscal revenues.

[10] International Monetary Fund. Western Hemisphere Department. 2017. St. Lucia: Staff Report for the 2017 Article IV Consultation. IMF eLibrary.

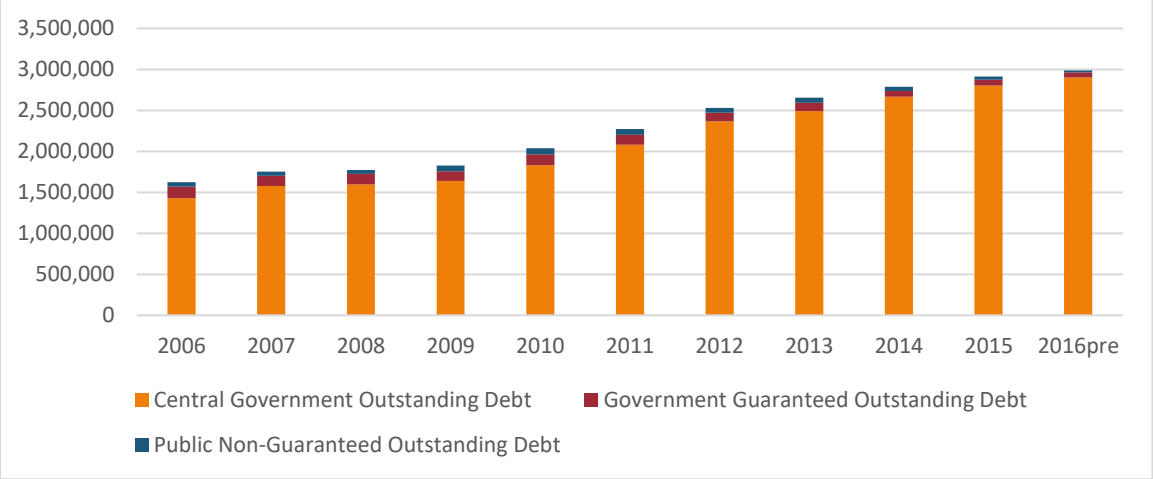


Figure 2.28: Total Official Public Debt 2006 - 2016 (in EC$000's)

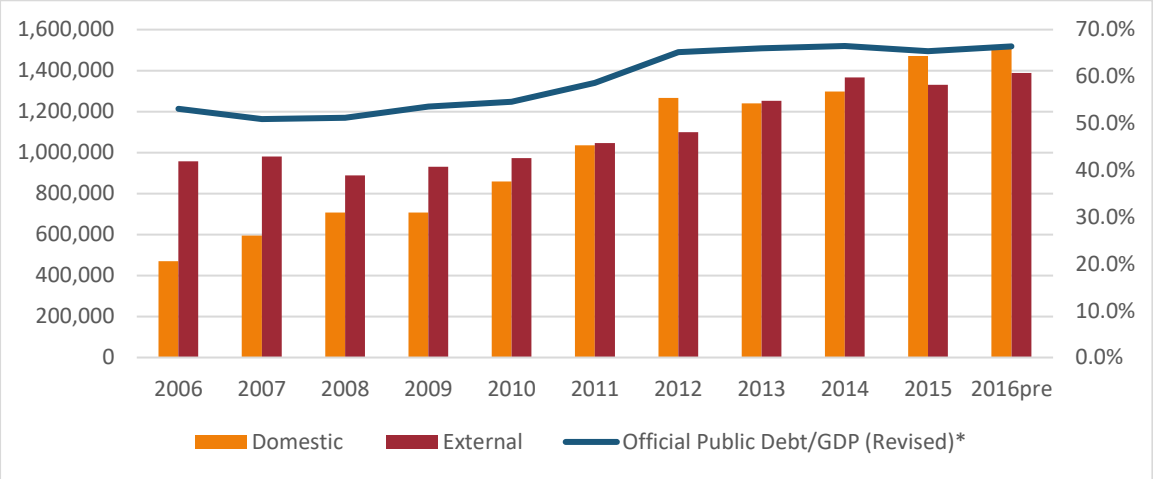


Figure 2.29: Central Government Outstanding Debt by Source 2006 – 2016 (in EC$000's)

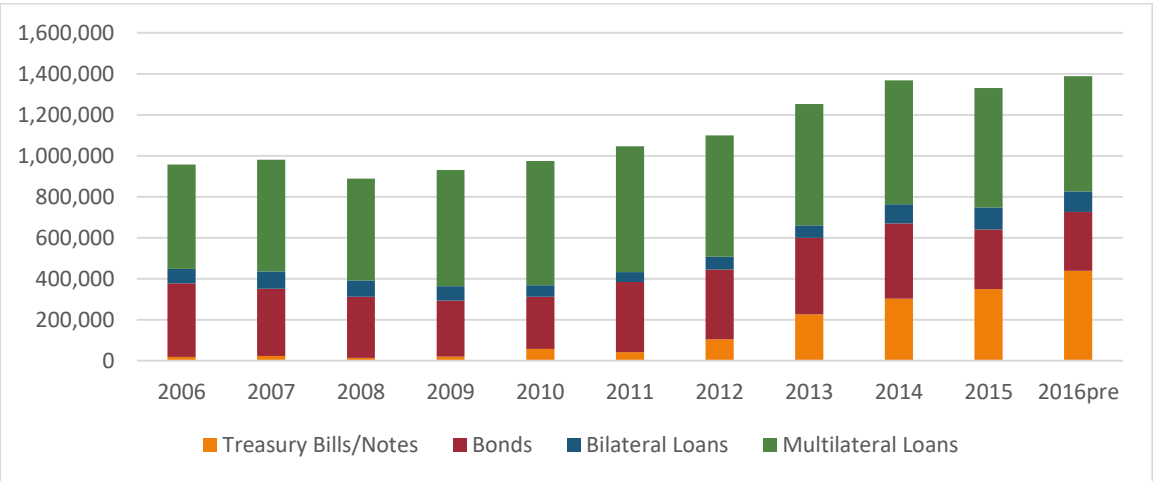


Figure 2.30: Outstanding External Debt by Source 2006 – 2016 (in EC$000's)

2.6 TRADE AGREEMENTS AND OTHER TREATIES

Saint Lucia is a signatory to the Revised Treaty of Chaguaramas, which unites most of the English-speaking Caribbean and Suriname and Haiti into the CARICOM Single Market and Economy (CSME). The fifteen members along with a number of dependencies constitute the Caribbean Community and Common Market. The prime objective of CARICOM is to constitute a single economic space among the countries, by such measures as a CET and the free movement of people. While there is some advance in the matter of the CET, there has been only limited movement of people.

The country is in a deeper political union in the Organisation of Eastern Caribbean States (OECS), which share one currency, the Eastern Caribbean Dollar, with a monetary system that is managed by the ECCB. The OECS is comprised of ten states, seven founding members and three dependencies of the U K and one of France. The members are committed to deepening economic integration among themselves, and their revised Treaty of Basseterre provides for free movement of people and of capital among member states. An important article of the Treaty - Article 12 – entails:

"*the abolition of any discrimination based on nationality between the citizens of the Protocol Member States as regards employment, remuneration and other conditions of work and employment.*"

While not all of the member states abide by this commitment, Saint Lucia respects this right of citizens of other member states to entry and free movement. The Revised Treaty of Basseterre (RTB) involves not only closer economic integration among the member states that form the Organisation of Eastern Caribbean States, but also a deepening of a political union among these countries. The Treaty recognises as the main organs of the countries:

- The Eastern Caribbean Supreme Court
- The Eastern Caribbean Central Bank
- The Eastern Caribbean Civil Aviation Authority

Another important trade agreement to which Saint Lucia is signatory is the Economic Partnership Agreement with the EU which came into force in 2009. This is covered under the CARIFORUM-EU Economic Partnership Agreement which provides for the duty-free-quota-free market access into the EU for all products, on the one hand, and for EU exports to the region to be gradually liberalised over a period of 25 years.

The Agreement makes it possible for CARIFORUM companies to set up a commercial presence in the EU and provides financial support from the EU to help Caribbean countries, including the Aid-for-Trade provision that is designed to strengthen the competitiveness of economic operators in the region. The country is also a beneficiary of the Caribbean Basin Initiative through which the United States provides duty-free access to the US market for a range of goods. The United States is also the largest source of visitors for its vital tourism industry.

Saint Lucia became a full member of the Bolivarian Alliance for the Peoples of our America (ALBA) in July 2015. As a full member of ALBA, Saint Lucia became eligible to purchase oil on concessionary terms through Petro-Caribe. This is a facility established by the Government of Venezuela in 2006, which allowed Caribbean countries to receive petroleum products from Venezuela at below market prices and to defer payment on some percentage of their imports for 15 years at an interest rate of 2 percent per year.

2.7 GOVERNANCE STRUCTURES

The Constitution of Saint Lucia provides for a Parliament, with elections due every five years. The Head of State is the Queen of England and her representative is the Governor General. There is a House of Assembly, with 17 members elected from constituencies, and a Senate with 11 appointed members, six of whom are appointed on the advice of the Prime Minster, three appointed by the Leader of the Opposition and other two by the Governor General. The Prime Minister, who leads the party commanding the largest number of members in the House of Assembly is the Head of Government and appoints a Cabinet of Ministers who might be selected from both the House of Assembly and the Senate.

There are registered political parties that vie and contest the elections, and the country has experienced changes of Government administration from time to time, since the achievement of political independence. Saint Lucia can be regarded as a stable democracy.

There is no formal local government structure with elected officials. However, the Minister responsible for Local Government appoints local councils, of which there are 15[11] Most of the functions of local government are discharged by the Central Government, through the Minister responsible for Local Government, with an administrative staff delegated to discharge functions as determined by the Ministry. There are two types of councils: village councils and city councils.

There is an independent Judiciary charged with the administration of Justice and upholding Law and Order in the country. The Eastern Caribbean Supreme Court is the High Court for Saint Lucia and the other member states of the OECS.

2.8 SOCIAL CONTEXT

Social conditions in Saint Lucia were likely to have deteriorated in the wake of the Global Recession. Unemployment soared and surpassed 20 percent and remained at that level almost intractably. Remittances would also have declined in the light of higher unemployment in the metropolitan economy, which is a major destination of Saint Lucian migrants. The limited information available from a Report of 2015 on the condition of children and families generally suggests that with the decline that took place in the economy at the beginning of the present decade, children, women, the elderly and people living in rural areas would have become more vulnerable or would have remained poor (UNICEF et al, 2015).

The results of a Multiple Indicator Cluster Survey (MICS 4) suggest that, in respect of material well-being, children were on average worse off than adults. One out of three children in Saint Lucia was multi-dimensionally deprived, and approximately 5 percent of Saint Lucian children were undernourished. [12]The report notes that the structure of educational expenditure was not pro-poor: children from the poorer segments of the society were not likely to benefit from the investment in post-secondary and higher education in Saint Lucia, given that the majority of students at this level came from the richer 20 percent of the population, and expenditure at this level was several multiples above early childhood education, for example. Early childhood education accounted for only 1.2 percent of the education budget.

In respect of social protection, the report noted a significant drop in expenditure across the board, except for the Koudmen Sent Lisi programme, which had moved from pilot stage to a regular programme. The report concluded that social protection programmes in Saint Lucia suffered from lack of clarity and focus in their objective. Moreover, there was evidence to

[11] http://www.clgf.org.uk/default/assets/File/Country_profiles/Saint_Lucia.pdf
[12] UNICEF, UN Women, OECS, "Budget Analysis for Investments in Children in Saint Lucia," 2015.

suggest that expenditure on active labour market programmes might have overshot targets notwithstanding youth unemployment of over 30 percent, and overall spending on child protection was “rather meagre” (UNICEF, 2015: p.7). In effect, even though there was substantial expenditure on the social services, there was doubt about the effectiveness of targeting and efficiency in the delivery of programmes. Conditions were not likely to have improved for the poorest and most vulnerable, more so in a period of economic decline or slow growth in the first half of the decade.

2.9 ENVIRONMENT

2.9.1 The role of natural resources in the economy

Saint Lucia’s key natural resources are its tropical maritime climate, extensive forests, beaches, water resources, fertile volcanic soils, mineral springs and diverse marine resources, along with its scenic landscapes and seascapes. About 22.5 percent of the land is said to be under permanent crop cultivation, with 30 km^2 of that being irrigated. Approximately 340 km^2 of Saint Lucia’s landmass is covered in forest, with almost half considered a part of the network of forest reserves (Food and Agriculture Organisation of the United Nations (FAO) quoting Daltry (2009). With an average annual precipitation of 2,300 mm (or 1,427 million m^3), the renewable water resources are estimated at about 300 million m^3/year FAO AQUASTAT). In addition, studies have shown that Saint Lucia’s mineral springs are a viable source of geothermal energy which can reduce its dependence on imported fuel for electricity production.

The environment, which contributes to Saint Lucia’s economic growth, livelihood and poverty reduction, is linked intrinsically to its socio-economy in a number of important ways. The natural resources sectors considered here are land, water, fish, forests, and minerals. However, other sectors such as tourism, real estate and construction industries all depend on the before mentioned natural resources. The island’s natural beauty and its cultural and natural heritage are key strengths underpinning the tourism sector. The agricultural sector relies on the island’s land and water resources, while the fishing industry is based entirely on its marine resources. With a total GDP of EC$M 3,080.3 in 2016, the natural resources sectors are estimated to total EC$M 160.9, which represents 5.2 percent of the country’s 2016 total GDP. Though the contribution of the island’s water resources to overall GDP is less than one percent, they are key to the performance of Saint Lucia’s main economic drivers. The share of total natural resource rents in GDP for Saint Lucia in 2016, which is a measure of the contribution of non-renewable natural resources earnings to economic output in the context of sustainable development, was less than one percent.

Despite the small contribution of the natural resources sectors to the country’s GDP, their contribution to the labour market is significant (Table 2.2). In 2016, the natural resources sectors combined directly and indirectly accounted for 28.0 percent of total employment. Between 2015 and 2016, the tourism and agriculture sectors employed 26.7 and 27.6 percent of the country’s total labour force, respectively. More men were employed in agriculture, forestry and fishing compared to higher employment levels for women in the tourism and food service industries. Collectively, the real estate, mining and quarrying and water supply industries contributed about one percent to total employment. The delivery of jobs not only has an effect on the country’s economic health and labour market, but also has a direct impact on the income and wealth status of individual Saint Lucians and their households.

Table 2.2: Sector Employment Shares for Natural Resources Sectors (Percentage)

Sector	Annual 2015			Annual 2016			Annual 2017		
	Male	Female	Both sexes	Male	Female	Both sexes	Male	Female	Both sexes
Agriculture, forestry and fishing	17.2	4.2	11.7	15.5	4.3	10.5	15.4	4.5	10.4
Mining and quarrying	0.3	0.1	0.2	0.4	0.2	0.3	0.6	0.1	0.4
Water supply; sewerage, waste management and remediation activities	0.4	0.1	0.3	1.0	0.4	0.7	0.9	0.2	0.5
Accommodation and food service activities	11.9	18.0	14.5	14.8	18.0	16.2	14.3	20.5	17.2
Real estate activities	0.3	0.4	0.3	0.1	0.4	0.3	0.6	0.6	0.6
Total	**30.1**	**22.8**	**27.0**	**31.8**	**23.3**	**28.0**	**31.8**	**25.9**	**29.1**

Therefore, significant environmental changes can have direct impact on the performance of the natural resources industries and people's livelihoods and households. The 2010 State of the Environment Report identified eight major environmental issues affecting Saint Lucia, which affect ecosystem functioning and in the long term would negatively affect the sustainability and economic value of natural resources. Key among these issues are climate change; land-based pollution of the marine environment; and land degradation which includes habitat loss and declining resources as a result of pollution of terrestrial areas, deforestation, and squatting for housing and agriculture.

2.9.2 Linking Living Conditions and Environment Concerns

Increasingly, environmental concerns such as climate change, land degradation, indoor air pollution, and other environmental hazards have been linked to the issues of poverty and social justice. It is now well documented that the impacts of environmental hazards disproportionately affect the poor and other vulnerable social groups (for example, children, the elderly, the disabled, etc.). Table 2.3 provides some indicators of poverty and environmental change for Saint Lucia.

Data from the 2006 SLC-HBS showed that access to environmental infrastructure in the form of improved water sources was high with 94 percent of households having access to public piped water, while access to improved sanitation, recorded as the use of water closet toilets, lagged behind at 65 percent of households. While the majority of households had access to public piped water supplies, the nature of supplies varied with the wealth status of the households. The majority of wealthy households had public water piped to their dwellings compared to low income households where their water supply was publicly piped to a yard or to a public standpipe.

Similarly, the proportion of households with access to improved sanitation facilities increased with wealth status such that the proportion of the wealthiest households with water closets was three times higher than the proportion of the poorest households. In contrast, the proportion of households with pit latrines or no toilet facilities at all increased with the declining wealth status of households. It is important to note that access to improved environmental

infrastructure is usually associated with reduced mortality rates in children under five. In the case of Saint Lucia, this rate was one of the lowest in the OECS.

The use of traditional fuels for cooking can lead to poor health outcomes. However, in 2006 most Saint Lucian households had access to clean fuels and technologies for cooking, while the use of traditional fuels (coal and wood) for cooking persisted in some poor households. The ratio of people to forested land, and the deforestation rate are used as measures of the pressure on the country's forests. With a low ratio of people to forested land and a deforestation rate of zero, pressure on Saint Lucia's forest resources are minimal and is comparable to the situation observed in rich countries.

Table 2.3: Selected Macro Indicators

Indicators	Value
Share of natural resources in total wealth (%)	0
Population per sq. km. of forest	17
Deforestation rate (% per year)	0
Access to improved water source (piped water to dwelling, yard and public standpipe), 2006 (% of households)	93.8
Access to improved sanitation (water closets linked sewer or septic tank/soakaway), 2006 (% of households)	66.6
Under-5 mortality per 1,000 live births	13.5
Access to clean cooking fuels and technologies, 2006 (% of households)	91.1
More than basic knowledge of the effects of climate change, 2011 (% of population)	13.8
More than basic knowledge of the things that can be done to protect themselves and family from climate change, 2011 (% of population)	10.2
Took action in past six months to protect against hurricane or storm (% of households)	38.2
Signatory to key International Environmental Treaties: • United Nations Convention to Combat Desertification • Convention on Biological Diversity • United Nations Framework Convention on Climate Change • Stockholm Convention on Persistent Organic Pollutants • Convention on International Trade in Endangered Species of Wild Fauna and Flora	

2.9.3 Climate change and natural disasters

Saint Lucia is highly vulnerable to a number of natural and man-made hazards with the potential for loss of life, property damage and environmental change due mainly to its small size; high population density; economic reliance on climate-sensitive sectors (e.g. tourism and agriculture); and location of its critical infrastructure in coastal areas, among others. These include hydro-meteorological hazards such tropical storms and hurricanes, floods, storm surge, and landslides; geological hazards, like seismic and volcanic activities; and man-made hazards, such as fires and marine accidents involving oil and hazardous material spills. Climate change can now be added to this list of hazards.

Figure 2.31 shows the changes in monthly precipitation and ambient temperature for Saint Lucia between 1901 and 2015. There have been observable changes in the country's weather and climate patterns (Figure 2.31) and more pronounced changes are predicted. On the whole, the entire population of Saint Lucia is vulnerable to the impact of climate change. The baseline Knowledge, Attitude and Practices (KAP) survey conducted by OECS in 2011

suggested that although people were aware of climate change, their knowledge about the phenomenon and their actions to safeguard their households were limited.

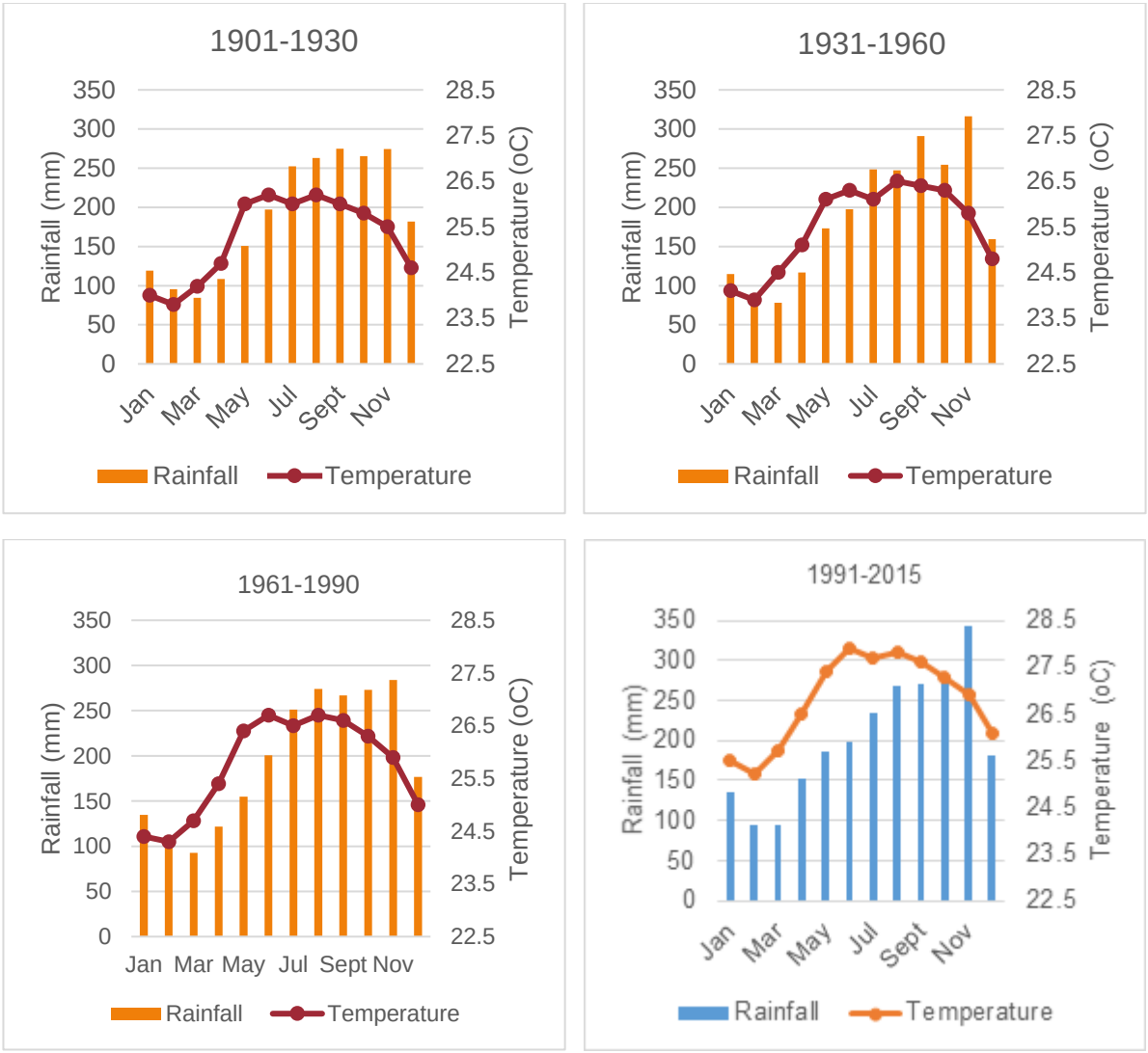


Figure 2.31:Monthly Rainfall and Ambient Temperature, 1901-2015

2.10 Assessment of Prevalent Poverty Reduction Strategies

Much of the poverty reduction thrust of the Government falls within the portfolio of the Saint Lucia Social Development Fund (SSDF), which pulls together resources drawn from the Basic Needs Trust Fund (BNTF) provided by the CDB and the SDF financed by the Government itself. In the more recent past, the focus of this organization has been on Education and Human Resource Development, Water and Sanitation and Drainage and Access to Communities. Under the first, skills training has been supported with investment in a number of communities and among the lower socio-economic groups in the society. Programmes of skills training in non-traditional fields have been mounted – housekeeping for the hotel sector, for example.

Another important programme in the field of human resource development has been the training in Agriculture mounted at the Sir Arthur Lewis Community College through participants have earned qualifications recognized under Caribbean Vocational Qualification (CVQ). In a most recent case, participants received financial support for equipment and transportation.

Another programme has been the Beekeeping Programme, which targeted youths mainly 17-35 years of age as well as more mature persons who were already engaged in beekeeping, as members of the Beekeepers' Association. This programme was island-wide in reach. Generally, more females than males have taken advantage of these programmes. However, there still exist traditional biases with women reluctant to engage in the construction industry such as electrical installation and plumbing.

Earlier poverty studies identified major solid waste and environmental challenges in a number of communities, which have been targeted in the poverty reduction thrust of the Government. The Mangue and other parts of Vieux Fort, Roseau and George Charles Boulevard, are among some of the most at-risk communities, where public sanitation facilities have been installed with financing from the BNTF. Also, through the BNTF potable water supplies have been made available to a number of communities, Canaries being one of the more recent beneficiaries of such social investment under the Water and Sanitation programme.

The formal programmes promoting economic development are characterized by a pro-poor focus. The Division of Economic Development in reconfiguring the development thrust of the country has been sensitive to the high cost of production in Saint Lucia. The lack of competitiveness is being addressed in the crafting of a Medium-Term Development Strategy.

The Department of Commerce has encouraged the development of Small and Medium Size Enterprises (SMEs), and while budgetary resources have not allowed much by way of funding, the sector has been provided with technical assistance and operatives have been supported with the preparation of business plans. The Department has also been the source for information and the development of facilitation arrangements for the services sector has encouraged entertainers, artistes and others engaged in the creative industries to secure niche markets including in the neighbouring French islands.

The Ministry of Tourism is another important agency whose portfolio impacts the poor and vulnerable in particular. The Ministry has promoted investment in villages and communities affording them possibilities for participation in the vital tourism industry. The introduction of regulatory arrangements to manage transportation services in the tourism sector has been a priority. The thrust policy has been to ensure equity among taxi drivers, tour operators and rented car businesses. The Ministry with the collaboration of The Sir Arthur Lewis Community College has ensured that taxi drivers are trained and receive orientation programmes appropriate for their roles in the sector. Attention is being given to language training.

The Ministry of Equity and Social Justice is the main agency involved in developing transfers to the poor and vulnerable. As is the case with most of the ex-British colonies, a formalized system of social transfers supported by the state dates back to the Moyne Commission Report of the 1940s. There is Public Assistance for those qualifying under a means test, from which largely the elderly persons qualify but are required to provide an update on the attendance of children of school age. There are then transfers in place and in the absence of a central social registry, it is known that some households are the beneficiaries of double dipping. It is expected that with new and updated legislation, this will be reduced, and there will be procedures put in place to encourage beneficiaries to graduate out of the transfer system.

3 METHODOLOGY

3.1 SURVEY OF LIVING CONDITIONS AND HOUSEHOLD BUDGETARY SURVEY (SLC-HBS)

SLC-HBSs are the most frequently used approach for reporting on standards of living throughout the English-Speaking Caribbean. The survey provides policy makers and researchers not only with crucial socio-economic and demographic information on the characteristics, extent, geographic concentration and living conditions of the poor, but also allows for the exploration of the possible determinants of poverty.

In respect of the survey design, the SLC-HBS is based on a stratified, two-stage probability design of clusters of households. The first explicit level of stratification is geographic and based on the country's administrative structure, with all districts/strata included in the sample of households selected. Given the small size of Canaries in particular, Anse la Raye and Canaries were combined to form one stratum: consequently, reporting will be done for the combined districts. A second implicit stratification is achieved by sorting the Enumeration Districts (EDs) of a stratum according to Census information on occupational groups.

The sort is done according to the percentage of economically active persons in the category "Managers, Professionals and Sub-professionals" for urban districts and "Elementary Occupations[13]" for rural districts. The ultimate sampling units comprised of households within the EDs are selected using systematic random sampling using CSO documentation. Given this survey design, Saint Lucia was divided into ten independent strata comprising one City (subdivided into Castries City, Castries Suburban) and three towns (Gros Islet, Soufriere, Vieux-Fort) defined as urban, in addition to five districts (Anse la Raye/Canaries, Choiseul, Laborie, Micoud and Dennery) defined as rural. This constitutes the definition of urban and rural in this report.

The 2016 SLC-HBS of Saint Lucia, which was administered by the CSO, collected data from a randomly selected sample of 1,493 households, which represented 2.7 percent of the population of Saint Lucia, drawn from the 240 EDs and all ten administrative districts in Saint Lucia. The selection of much larger samples in Anse la Raye/Canaries, Soufriere, Laborie, Choiseul and to a lesser extent Vieux-Fort, Micoud and Dennery was motivated by the commitment to report statistics which balanced the need for statistically significant indicators at the district level and national level.

The poverty statistics derived from this 2016 SLC-HBS covers the nine-month period from November 2015 to July 2016. It is expected that Saint Lucia would have experienced most of its economic cycles during this period since references in this survey cover the previous, week, month, 3-months and 12-month period. Furthermore, the data captured by this survey were annualised to reflect the 12-month period of 2016. The response rate for the survey was 80 percent, which is good for this type of survey. The response rates for Castries Urban and Gros Islet were 72% and 75% respectively, which is typical of response rates in urban districts when compared to rural and national average rates of response.

Detailed information on these selected households and their members – including but not limited to employment status, occupation, education, income, expenditure patterns and housing conditions – was collected with the assistance of Computer-Assisted Personal

[13] Elementary occupations include, Cleaners and helpers, Agricultural, forestry and fishery labourers, Labourers in mining, construction, manufacturing and transport, Food preparation assistants, Street and related sales and service workers, Refuse workers and other elementary workers

Interviewing (CAPI). The utilisation of CAPI, via Android tablet implemented questionnaires, is more efficient, improves data quality, reduces cost and time to report completion.

3.2 MONETARY POVERTY MEASUREMENT

3.2.1 Defining poverty

Poverty is broadly defined as *"a pronounced deprivation in well-being".* One approach is to think of wellbeing as a person's command over resources. Consequently, most definitions of poverty focus on material deprivation. Beginning with the pioneering work of Booth (1887)[14] among the working class of 19th century Britain, and then of Rowntree (1901),[15] and the work of the World Bank (2000). But this narrow conceptualization has been broadened in more recent times in the work of Sen (1987)[16].

Sen (1987) advanced a conceptualization which broadened our understanding of poverty along two lines. In the first place, they alert us to the fact that as we set out to assess and measure poverty, we need to recall that there are goods and services that are essential to the wellbeing of the individual that are outside of the individual's control. Good examples of these include social and physical infrastructure and the provision of social services by the State. The second approach to evaluating poverty entails exploring the extent to which individuals can access specific types of consumption goods or services: Does the individual have access to quality health care? Does he or she have a strong and secure home? Can this person access decent education? Does this individual have enough food to eat on a daily basis? This approach to poverty measurement moves beyond the traditional monetary poverty measures. With this approach, educational poverty could be measured by exploring the extent to which individuals are literate, or their access to formal schooling. Additionally, nutritional poverty may be measured via an exploration of the quantum of children who have experienced stunted growth or who were malnourished.

The broadest approach to well-being (and poverty) focuses on the "capability" of the individual to function in society, viewing the poor as being deprived of key capabilities. From this perspective, the poor may be incapable of accessing quality education, unable to earn a living salary, lacking access to proper health care, or even deprived of political freedoms. Poverty can at the most general level be described as the absence of acceptable choices across a broad range of important life decisions, that is, a severe lack of freedom to be or to do what one wants. The outcome of this is insufficiency and deprivation across many of the facets of a fulfilling life and involves:

i. Inadequate resources to buy the necessities of life
ii. Frequent bouts of illness and an early death
iii. Literacy and education levels that undermine adequate functioning and limit one's comprehension of the world and oneself
iv. Living conditions that imperil physical and mental health
v. Jobs that are at best unfulfilling and at worse dangerous
vi. A pronounced absence of dignity, a lack of respect from others
vii. Exclusion from community affairs

[14] Booth, Charles. (1887). "The Inhabitants of Tower Hamlets (School Board Division), Their Condition and Occupations," Journal of Royal Statistical Society, Vol. 50, pp 326-340.
[15] Rowntree, B. Seebohm. (1902) Poverty. A Study of Town Life. London: MacMillan and Co. 2"d edition.
[16] Sen, Amartya. (1987). The Standard of Living, Cambridge: Cambridge University Press

3.2.2 Constructing the monetary poverty line

There are two stages involved in the calculation of the monetary poverty line: firstly, food expenditure is estimated. Secondly, this expenditure value is then inflated to account for non-food expenditure. Implicit in the food component is the notion that there is a minimum quantum of food required by an adult, which when not met could result in ill-health. This level of consumption expenditure is reflected in the indigence line. Individuals living in households with per capita consumption expenditure below this indigence line are not just poor, but extremely poor or indigent.

The indigence line having been fixed and based exclusively on food requirements is supplemented by a "relative" poverty line component to account for the non-food items in the poverty line. The poverty line, which includes the non-food component is computed using the inverse of the food share of the bottom two quintiles for the per capita expenditure distribution of persons, adjusted for household composition, in terms of the age of individuals in the selected households, multiplied by the monetary value of the food requirement or the indigence line. This method is sometimes called the Orshansky method, following Orshansky (1965)[17] who used it to measure poverty in the USA.

In estimating the indigence line, price data collected by the CSO across Saint Lucia (over the period of the field survey enumeration) are entered into the Caribbean Food and Nutrition Institute's (CFNI) software (FOODPROG) to generate the minimum daily cost diet for an adult based on a requirement of 2,400 kilocalories (kcal).

The primary assumptions guiding the selection of items for inclusion in the food basket are:

- Rationality in the selection of a bundle of food items that meet recommended nutritional standards;
- The selection of items being consistent with the consumption pattern of the population for which the basket is generated; and
- That the items selected represent the lowest cost combination of food items that will satisfy the dietary requirements of the average individual.

This is the procedure for the computation of the poverty line which was followed in 2006. The poverty line was then inflated by the all-item consumer price index (CPI) for Saint Lucia for the period starting from the midpoint of the period of the 2006 survey to the midpoint of the period of the 2016 survey. The total accumulated inflation for that period was 26.7%, resulting in an annualized poverty line of EC $6,443 in 2016. The indigence line was also inflated by the total accumulated inflation on food and beverages for the period of 35.2%, this resulted in an indigence line of EC$ 2,123. Persons below the indigence line represent approximately 1.3% of the total population.

This approach ensures comparability of the poverty statistics over the period with respect to the consistency of items included in the poverty line over time – see for example, Ravallion (1994),[18] Ravallion and Bidani (1994),[19] Deaton and Zaidi (2002)[20] on the matter of updating poverty lines and related issues.[21]

[17] Orshansky, Mollie, "Counting the Poor: Another Look at the Poverty Profile", Social Security Bulletin Vol.28, 1965, pp: 3-29
[18] Ravallion, Martin (1994), Poverty Comparisons, Fundamentals of Pure and Applied Economics Volume 56, Chur, Switzerland: Harwood Academic Publishers.
[19] Bidani, B. and M. Ravallion (1994), How Robust is a Poverty Profile, World Bank Economic Review 8, pp. 75-102.
[20] Deaton, A. and S. Zaidi (2002), A Guide to Aggregating Consumption Expenditures, Living Standards Measurement Study, Working Paper 135.
[21] Specifically, once a poverty line is established as was done in 2005, it is important to update it correctly for the new time period. It is incorrect to recalculate poverty lines every year because there would arise a conceptual problem of how to update

3.2.3 Changes in Methodology between the 2016 SLC-HBS and the 2006 SLC-HBS 2006

3.2.3.1 Age specific adult equivalence

An adult equivalence scale is defined as the proportionate change in per capita consumption per adult necessary to maintain a certain level of household living standard given some change in demographic circumstances. Equivalence scales are a way to make comparable consumption aggregates of households with different demographic composition. The basic idea is that, various members of a household have "differing needs" based on their age, sex, and other such demographic characteristics, and that these differing needs should be considered when making welfare comparisons across households. Table 3.1 highlights the equivalence scale employed in the 2006 SLC-HBS:

Table 3.1: Age and Sex Specific Adult Equivalence Used in 2005/06[22]

Age Group	2005	
	Female	**Male**
Under 1 year	0.27	0.27
1 to 3 years	0.436	0.468
4 to 6 years	0.547	0.606
7 to 9 years	0.614	0.697
10 to 14 years	0.695	0.825
14 to 18 years	0.737	0.915
19 to 29 years	0.741	1
30 to 60 years	0.727	0.966
61 years and over	0.618	0.773

This age and sex specific equivalence scale was evaluated as part of the establishment of a poverty related means test and it was argued that "the use of a sex-differentiated equivalence scale discriminates against women and girls by giving less weight to female than male poverty for all ages except infants under one year"[23].

Consequently, the equivalence scale employed is as recommended by Deaton and Zaidi, (2002)[24], which attributes values of 0.5 for children under 5 years, and 0.7 for children aged 5-14 years, with a full weight of 1 for all other ages. This new scale removes sex-differentiation from the computation and if applied to 2005 would result in an increase in the level of poverty.

3.2.3.2 Improvements to the 2016 SLC-HBS Questionnaire

Several important improvements in the design of the questionnaire in 2016 were introduced which may have had an impact on the measured poverty levels. These include, the addition of questions directly to persons about the amount of food which was consumed away from home. In asking these questions more explicitly directed to each person, the information secured is better represented in the 2016 SLC-HBS compared to 2006 SLC-HBS and this

the non-food allowance. Thus, the approach used was to update old non-food poverty line using new prices based on the Retail Price Index.

[22] Sir Arthur Lewis Institute of Social and Economic Studies of the University of the West Indies, Professor Elsie LeFranc, Aldrie Henry Lee, Kristin Fox, Heather Ricketts, Ian Boxill, Hubert Sherrard and Colin Williams. Note the Caribbean Food and Nutrition Institute at the time generated the minimum cost food basket for each district in Belize using this scale. Poverty Assessment Report of 2002 for Belize, Appendix B

[23] Budlender, Debbie (2014), Case Study on the Saint Lucia National Eligibility Test

[24] Deaton, A. and S. Zaidi (2002), A Guide to Aggregating Consumption Expenditures, Living Standards Measurement Study, Working Paper 135.

would result in a reduction of poverty level in 2005/06 due to this change in the measurement method. In the 2016 SLC-HBS the use of a diary questionnaire to record food expenditures left for completion by households was replaced with the use of a food section in a recall questionnaire which formed part of the interview of household. There were several other changes in the range of questions posed to the households specifically to measure food security, crime, decent work and other subject areas to ensure more consistent coverage of SDG indicators[25]. These are the key changes which may have the effect of changing the levels of poverty due entirely to improvements in measurement methods.

3.2.4 Computing key poverty indicators

3.2.4.1 Poverty Headcount Index

This index measures the percent of the total population whose per capita consumption expenditure adjusted for adult equivalence is below the poverty line. This is a key money metric poverty indicator. While this indicator is very easy to understand it has the weakness of ignoring the extent of the poverty of poor persons and the inequality which exists between poor persons. Therefore, one's distance below the poverty line does not affect this indicator. Similarly, a transfer of income/consumption between a poor person to a person who is even poorer does not affect the level of this indicator. Consequently, other indicators are used to measure the distance of the poor from the poverty line and the severity of poverty. Suppose *q* individuals are poor by this definition in a population of size n, then the headcount index, *H*, is simply the proportion of the population deemed poor[26]:

$$H = {}^{q}/_{n}$$

Stated alternatively, the headcount poverty rate is the proportion of the population living in households with consumption per capita (or per equivalent single adult) less than or equal to the poverty line. This may be more clearly illustrated as follows:

$$H = \frac{1}{N}\sum_{i=1}^{N} I\,(y_i < z)$$

In this form, *I (·)* acts as an indicator function which takes a value of 1 if the expression within holds true, and 0 otherwise. Therefore, if per capita consumption expenditure (y_i) is less than the poverty line (z), the *I (·)* would equal 1 and the household in question could be considered poor.

[25] Agreed list of indicators, 48th session of the United Nations Statistical Commission held in March 2017, https://unstats.un.org/sdgs/indicators/indicators-list/

[26] Ravallion, Martin. 2016. The economics of poverty: history, measurement, and policy. New York: Oxford University Press.

Table 3.2 outlines an example of the computation of the headcount poverty rate.

Table 3.2: Example of Computation Headcount Poverty Rates Assuming Poverty Line of XCD 1,250

Symbol	Item	Adult Equivalent Per Capita Consumption Expenditure for each individual				Headcount poverty rate (H)
		Individual 1	**Individual 2**	**Individual 3**	**Individual 4**	
z	Poverty Line	$ 1,250				
$y_{i,RegionA}$	Expenditure in Country A	$ 1,000	$ 1,700	$ 1,200	$ 1,600	50%
$y_{i,RegionB}$	Expenditure in Country B	$ 800	$ 1,600	$ 900	$ 1300	50%

3.2.4.2 Poverty Gap Index

The Poverty Gap is the sum of the differences between a household's expenditure and the poverty line for all poor households. It measures the extent to which individuals fall below the poverty line – or the average relative distance that the poor are below the line. The larger this number is (i.e. the wider the gap) the worse is the situation of the poor and the greater the amount required to be taken from the non-poor to bring the poor up to the poverty line. Said alternatively, the poverty gap index sums the extent to which individuals on average fall below the poverty line, and expresses it as a percentage of the poverty line. More specifically, the poverty gap PG may be defined as the poverty line *z* less actual consumption expenditure y_i for poor individuals, the gap is considered to be zero for everyone else. That is to say, if the person is poor (y_i < z), *the proportionate poverty gap* of individual I is defined as:

$$PG_i = \left[\frac{z - y_i}{z}\right]$$

However, if the person is not poor, then the gap is set to zero. The PG is then the mean proportionate poverty gap, so defined.:

$$PG = \frac{1}{N}\sum_{i=1}^{q}\left[\frac{z - y_i}{z}\right]$$

For clarity, the computation of the poverty gap index is illustrated with the aid of an example in Table 3.3 below.

Table 3.3: Example of Calculating the Poverty Gap index, Assuming a Poverty Line of XCD 1,250

Symbol	Item	Adult Equivalent Per Capita Consumption Expenditure for each individual				Poverty Gap Index (PG)
		Individual 1	**Individual 2**	**Individual 3**	**Individual 4**	
Z	Poverty Line	$ 1,250				
y_i	Expenditure in Saint Lucia	$ 1,000	$ 1,700	$ 1,200	$ 1,600	
$z- y_i$	Poverty Gap	250	0	50	0	
$(z- y_i)/z$	Poverty Gap Index of Individual *i*	0.20	0	0.04	0	0.06 (=0.24/4)

3.2.4.2.1 Poverty Severity Index

With the same depth of poverty, there can be contrasting scenarios among those considered to be poor. For example, many of the poor just under the poverty line and many people extremely poor as against another where many are significantly below the line but no one is extremely poor. With a view to account for this inequality among the poor, researchers developed the Squared Poverty Gap (or Poverty Severity) Index. This Index is the weighted sum of poverty gaps, taken as a proportion of the poverty line, where the weights are the

proportionate poverty gaps themselves. This weighting ensures implicitly that more weight is placed on those who fall well below the poverty line. Said alternatively, the squared poverty gap averages the squares of the poverty gaps relative to the poverty line, thereby giving more weight to the poorest of the poor. Formally:

$$PG^2 = \frac{1}{N}\sum_{i=1}^{q}\left[\frac{z - y_i}{z}\right]^2$$

Table 3.4 below highlights an example of how the Squared Poverty Gap is calculated.

Table 3.4: Example of Calculating Squared Poverty Gap (Poverty Severity) Index, Assuming a Poverty Line of XCD 1,250

Symbol	Item	Adult Equivalent Per Capita Consumption Expenditure for each individual				Poverty Severity Index (PG^2)
		Individual 1	**Individual 2**	**Individual 3**	**Individual 4**	
z	Poverty Line	$ 1,250				
y_i	Expenditure in Saint Lucia	$ 1,000	$ 1,700	$ 1,200	$ 1,600	
$z- y_i$	Poverty Gap	$ 250	0	$ 50	0	
$(z- y_i)/z$	Poverty Gap Index of Individual *i*	0.20	0	0.04	0	
$((z- y_i)/z)^2$	Poverty Severity of Individual *i*	0.04	0	0.0016	0	0.0104 (=0.0416/4)

3.2.4.3 Inequality index

Inequality is a broader concept than poverty, in that it considers the distribution of resources across the entire population, rather than simply considering who is above or below the poverty line. The standard measure used in assessing inequality is the Gini coefficient, a metric based on the distribution of consumption expenditure across the whole population, rather than the poverty line. The closer the Gini coefficient is to 1.00 the more unequal is the distribution of income in the society. On the other hand, the closer it is to zero, the lower the level of inequality. The Gini indicator is more difficult to interpret and develop than the headcount or other income poverty indicators, because of the complexity of the measure.

3.3 MULTIDIMENSIONAL POVERTY MEASUREMENT

Poverty is accepted to be a holistic concept covering, as it has been argued, many facets of human life, education, health, assets, voice and other freedoms people have, to enjoy valuable activities and states. Multi-dimensional poverty measurement is based on the capability approach to measurement which argues that the quality of life should be conceived and measured directly in terms of 'functionings' and 'capabilities' instead of resources or utility as is reflected in the consumption expenditure-based measurement of poverty previously outlined. Sen (1985)[27] argues that

> "*The central feature of well-being is the ability to achieve valuable functionings. The need for identification and valuation of the important functionings cannot be avoided by looking at something else, such as happiness, desire, fulfilment, opulence, or command over primary goods*"

This makes the case that income or per capita expenditure poverty is not a proxy for key non-income/expenditure related deprivations. Franco et al (2002) show a significant lack of overlap

[27] Sen, A. K. (1985). Well-being, agency and freedom: the Dewey lectures 1984. The Journal of Philosophy, 82(4), 169-221.

between the population in monetary poverty described in the previous sections and the segment of the population in multi-dimensional poverty. In Europe, while 20 percent of people are persistently expenditure poor, and 20 percent are persistently materially deprived, ONLY 10 percent of people are BOTH persistently income poor and materially deprived. This observation motivated the move in Europe to multi-dimensional poverty measure 2020. Income/ Expenditure does not tell the full story even of material deprivation in industrial economies (Whelan, Layte, and Maître 2004)[28].

Some other considerations when using expenditure related poverty measures:

Expenditure measurement:

- shows some changes with a lag; others at once
- does not show how people are poor
- is affected by different policies
- consists of measurement error & data collection issues

These findings therefore warn against the tendency to relate increasing levels of per capita expenditure and by extension GDP per capita to improvements in the quality of life. Economic growth in itself cannot, therefore, spare people *en masse* from poverty and drudgery (Commission on Growth and Development 2008)[29]. Indeed, it has been shown by François Bourguignon, Agnès Bénassy-Quéré, Stefan Dercon, Antonio Estache, Jan Willem Gunning, Ravi Kanbur, Stephan Klasen, Simon Maxwell, Jean-Philippe Platteau, Amedeo Spadaro that

> *'The correlation between growth in GDP per capita and improvements in non-income MDGs is practically zero, . . . [thereby confirming] the lack of a relationship between those indicators and poverty reduction. Because it would be hard to believe that information on non-income MDGs is so badly affected by measurement error that it is pure noise, this lack of a relationship reflects some relative independence among policy instruments governing progress in the various MDGs. Furthermore, it highlights substantive differences in country policies and circumstances that may affect the relationship between these policies. This interesting finding suggests that economic growth is not sufficient per se to generate progress in non-income MDGs. Sectoral policies and other factors or circumstances presumably matter as much as growth."*[30].

3.3.1 Application of Multidimensional Poverty Measurement to the Survey of Living Conditions for Saint Lucia

The MPI is an index designed to measure poverty through the measurement of deprivations. Multi-dimensional poverty refers to two main characteristics. First, it includes people living under conditions where they do not reach the minimum nationally agreed standards in indicators of basic functionings, such as, being healthy or not being vulnerable to health risk, being educated and informed, working at a job etc. Second, it refers to people living under conditions where they do not reach the minimum standards in several aspects at the same time. In other words, the MPI measures those experiencing multiple deprivations, people who, for example, are uneducated, do not have access to a regular supply of water, adequate sanitation or adequate jobs. The MPI combines two key pieces of information to measure

[28] Whelan Layte Maitre (2004). Understanding the Mismatch between Income Poverty & Deprivation

[29] Pence, M. (2008) Growth Commission Report

[30] Page 24, Bourguignon, François, Agnès Bénassy-Quéré, Stefan Dercon, Antonio Estache, Jan Willem Gunning, Ravi Kanbur, Stephan Klasen, Simon Maxwell, Jean-Philippe Platteau, and Amedeo Spadaro (2008). *Millennium Development Goals at Midpoint: Where do we stand and where do we need to go?*

acute poverty: the incidence of poverty, or the proportion of people (within a given population) who experience multiple deprivations, and the intensity of their deprivation - the average proportion of (weighted) deprivations they experience.

3.3.2 Relationship between The Labour Force Survey MPI and the SLC-HBS MPI

The LFS-MPI was developed after a long consultative process and includes recommendations of heads of statistics and social policy departments in the OECS, experiences from in country support provided for MPI calculation by Oxford Poverty Human Initiative (OPHI) and UNDP and recommendations made by the Technical Committee and General OECS Living Standards Measurement Committee (LSMC) during several meetings in 2015 ending with a final meeting on 11-13th November 2015.

For the past three years the CSO of Saint Lucia has been publishing a MPI based on indicators computed from the Saint Lucia Labour Force Survey (LFS). The LFS-MPI contains eleven indicators within four dimensions while the SLC-HBS MPI contains nineteen indicators in five dimensions. The MPI developed for the SLC-HBS is therefore an expansion of the LFS-based MPI to include a fifth dimension of indicators on the environment and climate vulnerability and the addition of indicators for the health and education dimensions. The Living Standards dimension was also expanded in the SLC-HBS MPI to include two security indicators and renamed to ***Living Standards and Security***.

3.3.3 The SLC-HBS MPI

The SLC-HBS MPI is composed of five dimensions containing nineteen indicators (Table 3.5). Table 3.5 makes a comparison between the LFS-MPI and the SLC-HBS-MPI. Associated with each indicator is a minimum level of satisfaction, which is based on living conditions in Saint Lucia. This minimum level of satisfaction is called a deprivation cut-off. Two steps are then followed to calculate the MPI:

- **Step 1:** Each person is assessed based on household achievements to determine if he/she is below the deprivation cut-off in each indicator. People below the cut-off are considered deprived in that indicator.
- **Step 2:** The deprivation of each person is weighted by the indicator's weight which sum to one across all indicators and 1/5 for each dimension. Note all dimensions are equally weighted in this construction of the index. If the sum of the weighted deprivations is 20% per cent or more of possible deprivations, the person is multi-dimensionally poor.

Table 3.5: SLC-HBS 2016 Multi-Dimensional Poverty Index Components and Weights

Dimension	Indicator	Deprivation Cut-off	Indicator Weights	Dimension Weights
Education	Education Attainment	*One member older than 15 years has at least completed secondary school.*	1/15	1/5
	ICT	*A computer and internet connection*	1/15	
	Financial Literacy/ Numeracy	*At least one member has a bank or credit union account*	1/15	
Living standards and Security	Assets	*More than 4 small assets and 1 large one*	1/30	1/5 *Not in LFS-MPI
	Housing	*Not deprived in wall and floor*	1/30	
	Toilet Facility	*Has a flush toilet linked to a septic tank or sewer*	1/30	
	Overcrowding	*Fewer than 3 individuals per room*	1/30	
	Feeling Safe*	*Household head/reference person feels safe walking around area where they live*	1/30	
	Crime Victim*	*Crime not committed against person*	1/30	

		Crime not committed against property		
Employ-ment	Unemployment	*Each member (in the labour force) older than 29 is employed (not in long term unemployment-i.e. 6 months or more)*	1/15	1/5
	Youth Unemployment	*Each member between 15 and 29 is employed or studying (Not in Long term unemployment – i.e. 6 months or more)*	1/15	
	Quality of Employment	*All working members are in formal employment*	1/15	
Health	Access to Official Health Facility	*A member of the family used an official medical facility*	1/20	1/5 ** Not Included in either LFS or SLC-HBS
	Full Food Security	*Household is not moderately or extremely food insecure – Defined as having less than four responses indicating food insecurity on the raw FIES score*	1/20	
	Chronic Illness	*No household member has a chronic illness*	1/20	
	Health Insurance coverage	*One or more persons in the household have health insurance*	1/20	
	Disability**	*Household member has some, a lot or cannot perform an activity at all related to seeing, walking, hearing, remembering, communicating, self-care*		
Environ-ment and Climate Change Vulner-ability	Access to regular water supply*	*Household where water supply is received more than 3 times a week*	1/15	1/5 *Not in LFS-MPI
	Home owner Insurance on Dwelling Unit	*Household has paid dwelling related insurance in the last 12 months, is renting or lives in a house with a wall roof*	1/15	
	Experience Climatic Event	*The household did not experience the effects of a shock or climatic event in past five years*	1/15	

The MPI has nineteen indicators: two in the education dimension which are the same as in LFS-MPI, the additional indicator not included in the LFS-MPI is reflective of financial literacy/numeracy; the three indicators included in the labour dimension which are the same as in LFS-MPI; in the health dimension the Food insecurity indicator has been expanded to better include the FAO Food Insecurity Experience Scale (FIES)[31] along with the inclusion of two new indicators, they are an indicator of deprivation of the household if at least one member is not covered by health insurance and another on the extent to which household members report having chronic illnesses, the indicator on use of an official medical facility is the same as was included in the LFS; in the living standards and security dimension there are three living standards indicators which are also included in the LFS-MPI and two security indicators which are newly introduced into this dimension.

Ideally, the MPI should be able to make comparisons across gender and age groups, for example, along with documentation of intra-household inequalities. Yet because certain variables are not observed for all household members this was not possible. In the dataset each person is identified as deprived or not deprived using any available information for household members. For example, if any household member is unemployed, each person in that household is considered deprived in employment. Taking this approach – which was required by the data – does not reveal intra-household disparities, but it is intuitive and assumes shared positive (or negative) effects of achieving (or not achieving) certain outcomes.

As with the harmonised OECS MPI, upon which the LFS-MPI is based, the unit of identification used is the household. This means that all members of a household, regardless of sex, will be

[31] https://unstats.un.org/sdgs/metadata/files/Metadata-02-01-02.pdf

deprived in the same indicators. As a result, sex disaggregation does not provide accurate information related to gender inequalities or differences in levels of deprivations. **This report therefore intends to disaggregate the index for sex of head of household.**

3.3.4 Dimensions of the SLC-HBS MPI

As mentioned previously, The SLC-HBS MPI is composed of five dimensions containing eighteen indicators (Figure 3.1). These dimensions are explored in depth below.

Figure 3.1: 2016 SLC-HBS Multi-Dimensional Poverty Index

3.3.4.1 Education

The SLC-HBS MPI uses three indicators that complement each other within the education dimension: one looks at completed primary schooling of household members, the other at whether household members have access to the internet and the third at having access to a bank account as an indicator of financial literacy/numeracy. Secondary schooling completion acts as a proxy for the level of knowledge and understanding of household members. Note that schooling completed at the secondary level is an imperfect proxy. It does not capture the quality of schooling, the level of knowledge attained or skills. Yet it is a robust indicator, widely available, and provides the closest feasible approximation to levels of education for household members.

In terms of deprivation cut-offs for this dimension, the SLC-HBS MPI requires that at least one person in the household has completed secondary school for all persons over the age of fourteen in the household to be classified as not being deprived. It is important to note that

because of the nature of the MPI indicators, someone living in a household where there is at least one member who has completed secondary schooling is considered non-deprived, even though she may not be educated. Analogously, someone living in a household with internet connectivity or where at least one person has a bank account is considered as not being deprived.

3.3.4.2 Labour

There are three indicators used in this dimension. The first two are unemployment indicators, the adult employment indicator considers the household to be deprived if any member over the age of 29 is unemployed by the ILO definition of unemployment, the youth unemployment indicator refers to the deprivation of the household when any person between the ages of 15 – 29 inclusive is unemployed. The third indicator refers to the quality of employment and refers to:

1) For Employed Persons
    a. Person must be registered with the National Insurance
    b. If Person is not registered with the National Insurance, then they must have
        i. A written contract
        ii. A pay slip
        iii. Obtain annual leave
        iv. Be covered by insurance other than national Insurance
2) For Self Employed Persons (with or without employees) the following two criteria must apply
    a. Business must keep a complete set of account or simplified written account
    b. Be registered with National Insurance as an employer or a self-employed person

3.3.4.3 Health

The first indicator defines a household as being deprived if any member who had an illness in the past twelve months did not visit a health facility to have the illness address by a health practitioner. The second indicator refers to the implementation of the FIES referred to previously. This scale is implemented at the household level and refers to the household being deprived if the household head reports four or more responses indicating food insecurity experience in the household. The third indicator examines whether any member of the household has a chronic illness which will render the entire household deprived in this indicator. The fourth indicator refers to the at least one household member being covered by health insurance, if that is the case, then the household is not considered deprived in the health insurance indicator.

3.3.4.4 Living Standards and Security

This dimension contains six equally weighted indicators (Table 3.5). The first four indicators are living conditions indicators and the remaining two are security indicators. The first indicator refers to the number of assets owned by the household including whether or not the household owns a motor vehicle. The household is deprived if it owns less than four assets and does not own a motor vehicle. The second is an indicator of housing quality, the household is deprived if any part of the household's outer walls is made of plywood or other inferior material. The third indicator defines deprivation as being a household having three or more persons per room.

The fourth indicator refers to a household as being deprived if its toilet facilities are pit latrine or none. The fifth indicator is a security indicator and an SDG indicator which defines the

household as being deprived if the head does not feel safe walking around the area where he/she lives. The sixth indicator is a combination of two indicators defining household deprivation as occurring when a crime was committed against a person or the property of any member of the household. Table 3.5). The first four indicators are living conditions indicators and the remaining two are security indicators.

3.3.4.5 Environment and Climate Change Vulnerability

Three equally weighted indicators were defined in this dimension. Firstly, this equally weighted indicator refers to a household being deprived if it did not receive a regular supply of water, defined as receiving water less than four times a week in the past twelve months. The second indicator refers to a household as being deprived if it had not paid dwelling related insurance to assist the household in recovering from a shock event to the household in the past year, households who are renters or living in a dwelling unit with a wall roof would not have this deprivation or vulnerability. The third indicator in this dimension defines a household as being deprived if it experienced the effects of a natural hazard or shock in the past five years.

4 KEY POVERTY AND INEQUALITY INDICATORS

This chapter presents information on the population based on the sample, as well as the main findings on poverty in Saint Lucia in 2016. The first section of the chapter is devoted to profiling the population of the country, while the second section treats with key dimensions of poverty in Saint Lucia. There are also estimates of inequality generally in the society. Comparisons are made with estimates on the last survey in 2006, thus importing a longitudinal component into the analysis. There are also summary poverty data on demographic, geographic and multidimensional elements, as well as an assessment of poverty using international benchmarks.

4.1 POPULATION PROFILE

Table 4.1 presents a distribution of the population based on the sample, by gender and selected individual characteristics – age cohort, marital status, and educational attainment. While there was little difference between the sexes in the two lowest age cohorts, women were a larger percentage of persons in the age cohort 25-34, possibly due to higher migration rates among men in that age group and also because men in that age cohort were more likely to die as a result of traffic accidents and as victims of interpersonal violence than women in that age group. In the over 55 age group however, the higher life expectancy among women, guaranteed that they would be a larger percentage of the population in that age group.

Table 4.1: Distribution of males and females in the population across selected individual characteristics

		Gender	
	All	**Male**	**Female**
Total	100.0	100.0	100.0
Age			
0-14	23.1	23.8	22.3
15-24	16.8	16.9	16.7
25-34	14.8	13.8	15.7
35-44	13.1	13.3	12.9
45-54	12.9	13.2	12.6
55+	19.4	18.9	19.8
Marital status			
Never married	65.1	67.1	63.1
Married	20.9	21.3	20.6
Widowed	5.1	2.9	7.2
Legally separated	1.4	1.5	1.4
Divorced	2.1	2.1	2.1
Not stated	5.3	5.0	5.6
Education			
No education	15.6	16.8	14.6
Primary	35.3	38.4	32.4
Secondary	34.3	32.8	35.6
Post-secondary	14.8	12.0	17.4

Their higher life expectancy guaranteed that women were more likely to be left as widows than men as widowers and that is seen in Figure1a. In respect of heads of households, in the 15-

24 age cohort, females were a much larger percentage than males, but were a smaller percentage in the older age cohorts, were equally likely to have not to have married as men, were more likely to have been divorced, and were more likely to have had with secondary and post-secondary education than males. This is captured in Figure 4.1. The emerging egg-shape of the population pyramid is evident in Figure 4.8 and Figure 4.9: one notes the shrinking of the base as the birth rate falls, and the higher life expectancy of females compared to males is revealed at the apex.

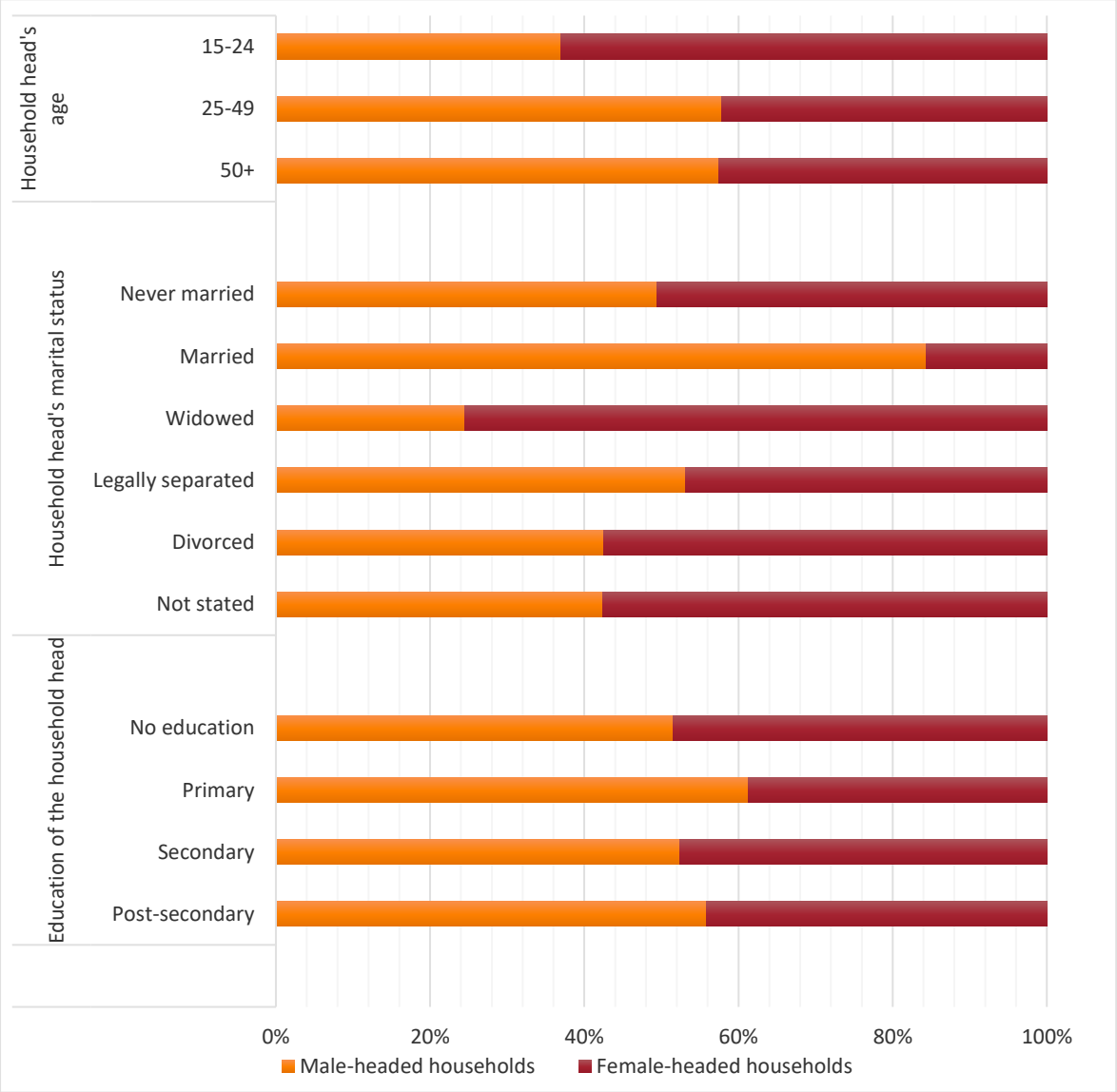


Figure 4.1: Percentage of the population in male- and female-headed households

4.2 MONETARY POVERTY AND INEQUALITY MEASURES

4.2.1 Poverty rate

Based on the definitions presented in Section 3.2 on Monetary Poverty Measurement above, the results shown in Table 4.2 below were obtained[32]. The head count poverty level fell during the 10-year period 2006 and 2016 from 28.8% to 25.0%. This decline was most pronounced in the rural areas of Saint Lucia where a decline in poverty levels from 41% to 32.9% occurred. Changes in headcount poverty levels in Urban Saint Lucia, comprising three towns (Gros-Islet, Soufriere, Vieux-Fort), and the one city subdivided into Castries City, and Castries Suburban from 2006 to 2016 occurred, at a magnitude which was not statistically significant. Thus, while 16.5 percent of the population resided in Castries City, the city accounted for 18.2 percent of the poor in 2016. This was vastly different from the situation in 2006, when Castries City accounted for 10.1 percent of the population, but 4.6 percent of the poor. Vieux Fort accounted for 16.5 percent of the population in 2016 but 18.2 percent of the poor.

[32] As explained, there are two aspects affecting the previously published poverty rates. Reduction in poverty due to the change in equivalence scales. Equivalence scales used in 2006 resulted in lower poverty levels. If the equivalence scales used in 2016 were to be applied 2006 a 4% increase would have been recorded to poverty levels. Also, in 2016 we included explicit measurement of food consumed away from home which if included in 2006 would have reduced the level of poverty by approx. 2%.

Table 4.2: Key Poverty Estimates by Geographic Regions

	Poverty Headcount Rate			Distribution of the Poor			Distribution of Population		
	SLC-HBS 2006	SLC-HBS 2016	Change	SLC-HBS 2006	SLC-HBS 2016	Change	SLC-HBS 2006	SLC-HBS 2016	Change
Region									
Urban	23.1	21.8	-1.3	54.4	61.9	7.6	67.9	71.0	3.2
Rural	41.0	32.9	-8.0	45.6	38.1	-7.6	32.1	29.0	-3.2
District									
Castries City	13.1	27.6	14.5	4.6	18.2	13.6	10.1	16.5	6.5
Castries Sub-Urban	22.2	19.0	-3.2	23.9	18.7	-5.2	31.0	24.6	-6.4
Anse la Raye/ Canaries**	44.9	38.0	-6.9	9.7	7.6	-2.1	6.2	5.0	-1.2
Soufriere*	42.5	25.5	-16.9	8.3	5.3	-3.0	5.7	5.2	-0.5
Choiseul*	38.4	16.9	-21.6	4.4	2.1	-2.2	3.3	3.2	-0.1
Laborie	42.1	23.4	-18.7	6.4	3.7	-2.7	4.4	4.0	-0.4
Vieux Fort	23.1	34.6	11.5	6.8	12.2	5.4	8.6	8.8	0.3
Micoud	43.6	31.2	-12.4	16.6	12.6	-4.0	11.0	10.1	-0.9
Dennery	34.2	45.0	10.9	8.6	12.1	3.5	7.3	6.7	-0.6
Gros-Islet	24.4	11.8	-12.6	10.7	7.5	-3.2	12.6	15.9	3.3
Total	28.8	25.0	-3.8	100.0	100.0	0.0	100.0	100.0	0.0

Table 4.3 provides the distribution of the population in male and female headed households in rural areas, among the poor, and by age cohort, marital status and level of education in 2016. Among the rural community, there were marked gender differences in respect of married heads of households: married males as heads of households were a much larger percentage than females – 45 percent compared to 9.3 percent among female heads of households. Also, female heads with no education, were a larger percentage of female heads than were male heads with no education, among male heads of rural households – 18.8 percent compared to 9.0 percent. This is clearly a matter of note in any programme to improve the lot of poor rural households. On the other hand, among the poor population, females with secondary and post-secondary were a higher percentage than were males with a similar level of education among males. This is seen in Table 4.4. This implies that there was much more than education accounting for gender differences among the poor.

Table 4.3: Distribution of the population in male- and female-headed households across selected household characteristics

	Total		Rural		Poor	
	Male-headed households	Female-headed households	Male-headed households	Female-headed households	Male-headed households	Female-headed households
Total	100.0	100.0	100.0	100.0	100.0	100.0
Household head's age						
15-24	1.1	2.6	0.9	1.1	1.4	4.9
25-49	44.8	43.8	42.2	35.9	42.7	52.4
50+	54.0	53.6	56.8	62.9	55.9	42.7
Household head's marital status						
Never married	44.8	61.3	47.0	66.4	61.6	73.2
Married	44.3	11.0	45.0	9.3	28.8	11.1
Widowed	4.0	16.4	3.8	20.2	4.1	8.7
Legally separated	1.7	2.0	1.3	1.6	1.6	0.0
Divorced	2.4	4.4	1.7	2.3	0.7	0.7
Not stated	2.7	5.0	1.3	0.2	3.2	6.4
Education of the household head						
No education	6.7	8.5	9.0	18.8	8.7	10.4
Primary	52.8	44.7	59.2	49.3	72.5	51.3
Secondary	24.4	29.7	20.5	21.5	16.6	31.4
Post-secondary	16.1	17.1	11.3	10.4	2.3	6.9

Table 4.4: Distribution of males and females in the poor population across selected individual characteristics

		Gender	
	Total	**Male**	**Female**
Total	100.0	100.0	100.0
Age			
0-14	31.8	32.7	31.0
15-24	21.5	21.7	21.3
25-34	13.2	11.5	14.7
35-44	9.6	9.6	9.7
45-54	9.4	8.3	10.3
55+	14.5	16.2	12.9
Marital status			
Never married	76.5	78.5	74.7
Married	11.8	11.7	11.9
Widowed	3.9	3.1	4.6
Legally separated	0.7	1.5	0.0
Divorced	0.5	0.2	0.7
Not stated	6.6	5.1	8.0
Education			
No education	23.1	23.4	22.8
Primary	39.4	45.4	33.8
Secondary	34.2	29.2	38.9
Post-secondary	3.3	2.0	4.5

The size of households for the country was 3.1 persons per household in 2016. However, female headed households were on average higher at 3.2 persons compared to 3.0 persons for male heads of households. This is seen in Table 4.5. The gender differences were even more stark for rural head of households and for poor heads of households: rural households headed by males were on average 2.8 persons compared to those headed by females at 3.1 persons, and among poor households, male-headed households were 3.4 persons on average compared to female headed with 4.8 persons, which latter was significantly above the national average with 1.7 persons more per household. This hint at the reality of a higher probability among female headed rural families, of an extended family comprised of three generations of a woman with children, and the offspring of daughters all resident in one household.

Table 4.5: Mean number of household members of different age categories by male- and female-headed households - total, rural and poor households

	Total			Rural		Poor	
	Total	**Male-headed households**	**Female-headed households**	**Male-headed households**	**Female-headed households**	**Male-headed households**	**Female-headed households**
Total	3.1	3.0	3.2	2.8	3.1	3.4	4.8
Adult men (25-99)	0.9	1.2	0.5	1.1	0.5	1.2	0.5
Adult women (25-99)	1.0	0.7	1.3	0.7	1.4	0.7	1.4
Young men (15-24)	0.3	0.2	0.3	0.2	0.3	0.3	0.6
Young women (15-24)	0.3	0.2	0.4	0.2	0.3	0.2	0.7
Boys (6-14)	0.2	0.2	0.2	0.2	0.2	0.3	0.5
Girls (6-14)	0.2	0.2	0.3	0.2	0.2	0.3	0.5
Boys (0-5)	0.1	0.1	0.2	0.1	0.2	0.2	0.3
Girls (0-6)	0.1	0.1	0.1	0.1	0.1	0.2	0.3

4.2.2 Poverty Gap, Poverty Severity and Gini Coefficient of Inequality

Similar relative declines in the poverty gap and the poverty severity indices occurred in rural parts of Saint Lucia as in the headcount index of poverty. Table 4.6 highlights the poverty gap measure by subnational regions in 2006 and 2016. As mentioned previously, the poverty gap sums the extent to which individuals on average fall below the poverty line and expresses it as a proportion of the poverty line. Poverty gap fell nationally by 1.5 percent between 2006 and 2016 to 7.5 percent. The index fell in all districts with the exception of Castries city, where it increased by 6.9 percent to 10.3 percent in 2016. Castries City went from having the lowest poverty gap in 2006 (3.4%) to having the fourth largest poverty gap in 2016 (10.3%). This is consistent with changes in the distribution of the poor, where those living below the poverty line in Castries city rose from 3.8 percent of the poor in 2006 to 22.6 percent in 2016. Given that overall, poverty declined, but rose in urban areas, it might be that rural urban flight relieved rural areas of their poor who flocked to more urban areas to improve their life chances and escape poverty. The Poverty Gap was highest in Anse la Raye/ Canaries and lowest in Gros-Islet. Table 4.7 details the Squared Gap Measure by Subnational Regions. The results of the squared poverty gap, or poverty severity as it is sometimes called, were largely consistent with the poverty gap index.

Table 4.6: Poverty Gap Measure by Subnational Regions

	Poverty gap			Contribution to Overall Poverty			Distribution of Population		
	SLC-HBS 2006	SLC-HBS 2016	Change	SLC-HBS 2006	SLC-HBS 2016	Change	SLC-HBS2006	SLC-HBS2016	Change
District									
Castries City	3.4	10.3	6.9	3.8	22.6	18.8	10.1	16.5	6.5
Castries Sub-Urban	6.7	6.2	-0.5	23.0	20.1	-3.0	31.0	24.6	-6.4
Anse la Raye/Canaries*	17.7	12.5	-5.3	12.3	8.3	-4.0	6.2	5.0	-1.2
Soufriere*	12.4	8.0	-4.3	7.8	5.6	-2.2	5.7	5.2	-0.5
Choiseul*	9.7	4.5	-5.2	3.5	1.9	-1.7	3.3	3.2	-0.1
Laborie*	10.6	5.4	-5.1	5.1	2.9	-2.3	4.4	4.0	-0.4
Vieux Fort	10.2	8.1	-2.2	9.8	9.5	-0.3	8.6	8.8	0.3
Micoud	14.1	11.9	-2.2	17.2	16.0	-1.2	11.0	10.1	-0.9
Dennery	11.4	10.6	-0.9	9.3	9.4	0.2	7.3	6.7	-0.6
Gros-Islet	5.9	1.8	-4.0	8.2	3.8	-4.4	12.6	15.9	3.3
Total	9.0	7.5	-1.5	100.0	100.0	0.0	100.0	100.0	0.0

Table 4.7: Squared Gap Measure by Subnational Regions

	Squared Poverty Gap			Contribution to Overall Poverty			Distribution of Population		
	SLC-HBS 2006	SLC-HBS 2016	Change	SLC-HBS 2006	SLC-HBS 2016	Change	SLC-HBS 2006	SLC-HBS 2016	Change
District									
Castries City	1.8	5.2	3.3	4.4	25.1	20.7	10.1	16.5	6.5
Castries Sub-Urban	2.9	3.1	0.2	21.8	22.3	0.5	31.0	24.6	-6.4
Anse la Raye/Canaries*	9.6	5.6	-4.0	14.4	8.2	-6.2	6.2	5.0	-1.2
Soufriere*	4.8	3.6	-1.2	6.6	5.5	-1.1	5.7	5.2	-0.5
Choiseul*	3.8	1.7	-2.2	3.0	1.5	-1.5	3.3	3.2	-0.1
Laborie*	3.5	2.2	-1.4	3.7	2.5	-1.2	4.4	4.0	-0.4
Vieux Fort	5.9	2.8	-3.0	12.1	7.4	-4.7	8.6	8.8	0.3
Micoud	6.8	5.8	-1.0	17.9	17.2	-0.7	11.0	10.1	-0.9
Dennery	5.2	4.0	-1.2	9.2	7.9	-1.3	7.3	6.7	-0.6
Gros-Islet	2.2	0.5	-1.7	6.7	2.3	-4.4	12.6	15.9	3.3
Total	4.1	3.4	-0.7	100.0	100.0	0.0	100.0	100.0	0.0

The Gini Coefficient for Saint Lucia did not change considerably over the 10-year period, moving from 43.1 in 2006 to 43.2 in 2016. However, at the district level there were substantial changes in some communities, Anse la Raye Canaries experienced a significant increase in inequality – 34.8 to 41.9, Dennery 33.9 to 41.6; Soufriere, 40.1 to 58.1 and Micoud, 42.2 to 50.7. The opposite occurred in Choiseul 38.1 to 33.9 and in Gros Islet 46.3 to 38.9, where there was a relative increase in the population along with a better distribution of income within the community. Its weight in the sample compensated for the increase in inequality in other areas with the result that overall inequality hardly changed. Figure 4.2 to Figure 4.4 reflect the information for the country and for urban and rural areas[33].

Table 4.8: Mean and Median Per Capita Consumption Expenditure in EC$, Growth, and the Gini Coefficient

	Mean	Median	Gini Coefficient
SLC-HBS2006			
Urban	11,931.9	7,917.0	43.6
Rural	7,845.1	6,055.0	38.0
Total	10,619.2	7,352.0	43.1
SLC-HBS2016			
Urban	14,663.8	10,307.8	42.8
Rural	12,592.3	8,727.6	43.7
Total	14,063.9	9,823.1	43.2
Percentage change			
Urban	22.9	30.2	
Rural	60.5	44.1	
Total	32.4	33.6	
Change			
Urban			-0.8
Rural			5.7
Total			0.2

[33] For the 2016 Survey of Living Conditions, Saint Lucia was divided into ten independent strata comprising one City (subdivided into Castries City, Castries Suburban) and three towns (Gros-Islet, Soufriere, Vieux-Fort) defined as urban, in addition to five districts (Anse la Raye/Canaries, Choiseul, Laborie, Micoud and Dennery) defined as rural

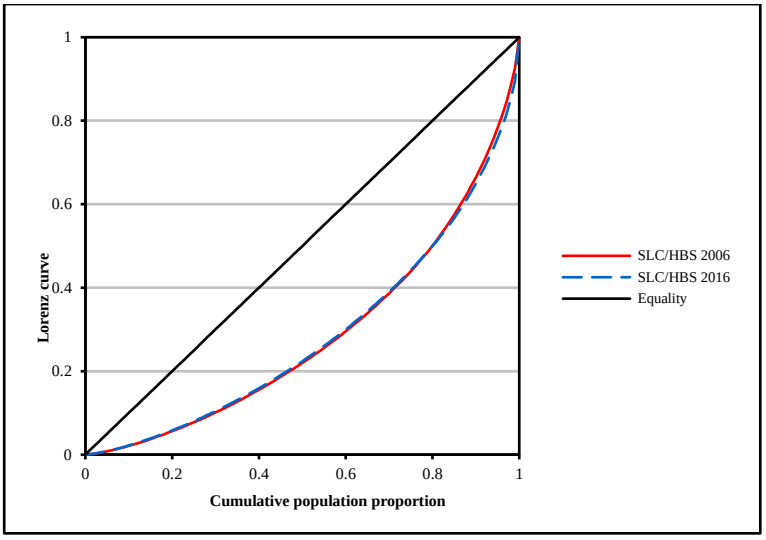


Figure 4.2: Lorenz Curve for Saint Lucia SLC-HBS 2006 vs 2016

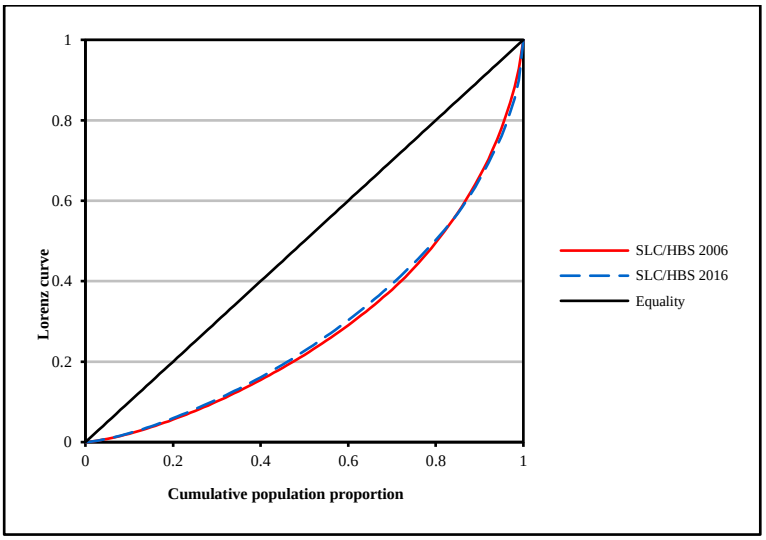


Figure 4.3: Lorenz Curve for Urban Districts in Saint Lucia SLC-HBS 2006 vs 2016

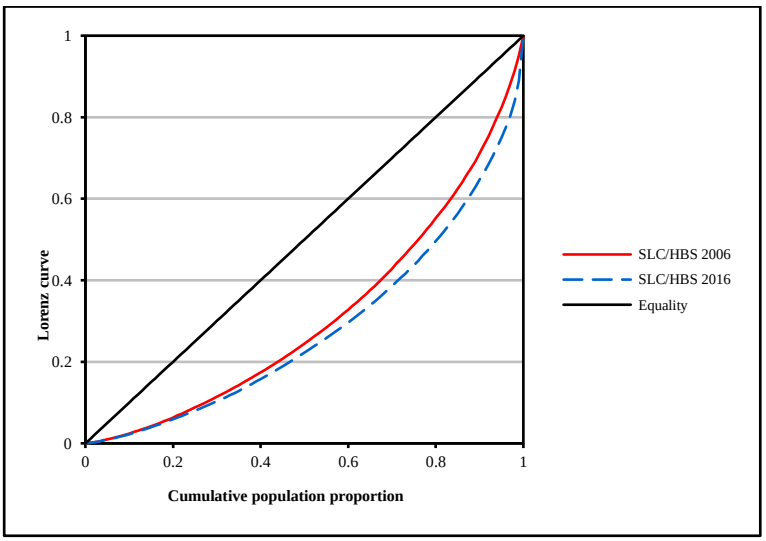


Figure 4.4: Lorenz Curve for Rural Districts in Saint Lucia SLC-HBS 2006 vs 2016

4.2.3 Geographic Distribution of Poverty

The overall changes in head count poverty were masked by specific changes in various administrative regions shown in Table 4.9 below. The fall in rural poverty was driven mostly by declines in poverty in Laborie and Choiseul of approximately 20%. Within the urban districts Castries City saw an increase in poverty by 14.5% while there was an increase in poverty in Vieux-Fort of approximately 11.5%. These were the two districts along with the rural district of Dennery which showed a worsening of poverty during the period 2006 to 2016. The rise in poverty in the densely populated parts of Castries City is particularly noteworthy given escalating levels of inner-city related crimes in these areas.

It is important to note, however, that district level results should be treated with caution since the standard errors of these estimates are significantly higher than the standard errors for national estimates. To be 80% confident in the result ideally, we need to multiply the standard error by 1.5, then add or subtract it from the estimate of poverty. Moreover, the most reliable estimates of poverty are obtained at the national level and less so from the largest districts, Castries City, Castries Urban and Gros-Islet. Since the sample size of the 2016 SLC-HBS was increased the standard errors on district estimates of poverty are all less than they were in 2006 showing the improved results obtained from the increase in the sample size of the survey.

Table 4.9: Poverty Headcount Rates by District 2006 vs 2016

	SLC-HBS 2006	SLC-HBS 2016	Change	Number of households in Sample
URBAN Districts				
Castries City	13.1	27.6	14.5	171
standard error	*3.59*	*5.15*	*6.28*	
Castries Sub-Urban	22.2	19.0	-3.2	311
standard error	*3.15*	*2.96*	*4.32*	
Soufriere*	42.5	25.5	-16.9	111
standard error	*16.18*	*8.66*	*18.35*	
Vieux Fort	**23.1**	**34.6**	**11.5**	**148**
standard error	*7.05*	*5.91*	*9.20*	
Gros Islet	24.4	11.8	-12.6	186
standard error	*4.74*	*3.80*	*6.07*	
RURAL Districts				
Anse la Raye/Canaries	44.9	38.0	-6.9	111
standard error	*9.09*	*8.20*	*12.25*	
Choiseul*	38.4	16.9	-21.6	84
standard error	*7.17*	*4.55*	*8.49*	
Laborie*	42.1	23.4	-18.7	93
standard error	*10.08*	*5.68*	*11.57*	
Micoud	43.6	31.2	-12.4	155
standard error	*7.57*	*6.64*	*10.07*	
Dennery	**34.2**	**45.0**	**10.9**	**122**
standard error	*5.82*	*6.15*	*8.47*	
Total	28.8	25.0	-3.8	1,496
standard error	*2.03*	*1.74*	*2.68*	

*District level results are not statistically significant at the 80% level

The result therefore showing that Dennery is worse-off than Anse la Raye/Canaries should be treated with some caution. Further, headcount poverty amongst the employed has fallen by 5.5%, from 21.3 to 15.9 with no statistically significant change registered in headcount poverty for the unemployed or economically inactive. Persons who are not working have become significantly worse off during the ten-year period of this study.

4.2.4 International poverty lines

As differences in the cost of living across the world evolve, the global poverty line has been periodically updated to reflect these changes. Since 2006 when the line was set at US $1.00 a day based on PPP[34] conversion exchange rates, the international poverty line was once again updated in 2008 to US $1.25. As of October 2015, the new global line was updated to US $1.90 using PPP conversion rates.

PPPs measure the total amount of goods and services that a single unit of a country's currency can buy in another country. The PPP between countries A and B measures the number of units of country A's currency required to purchase a basket of goods or services in country A as compared to one unit of country B's currency to purchase a similar basket of goods in country B. PPPs can thus be used to convert the cost of a basket of goods and service into a common currency while eliminating price level differences across countries. In other words, PPPs equalize the purchasing power of currencies. Due to large differences in price levels across economies, market exchange rate- converted GDP does not accurately measure the relative sizes of economies and the levels of material well-being. PPPs make it possible to compare the output of economies and the welfare of their inhabitants in 'real' terms, thus controlling for price level differences across countries.

4.2.4.1 Headcount Poverty based on 1.90 US a Day PPP

Using normal US exchange rates, Saint Lucia's poverty line is 1.90*365 = $689.7 US Dollars per year, discounting using the PPP exchange rate of 1.952, the international poverty line for Saint Lucia is 1.90*1.952*365 = EC $1,354 per year or approximately EC$113 per month. On this basis, the poverty headcount in Saint Lucia is 0.7%.

4.2.4.2 Headcount Poverty based on $4.00 US a Day PPP

The World Bank has been using US$4 - a day PPP for intra-regional comparison. It is therefore useful to present this indicator alongside the official international line presented in the previous paragraph. Using a similar process as shown above the poverty line for Saint Lucia based on the use of US$ 4 a day PPP is 4*1.952*365 = EC $2,890 per year or approximately EC $237 per month. On this basis, the poverty headcount in Saint Lucia is 4.4% using the US$ 4 a day PPP line.

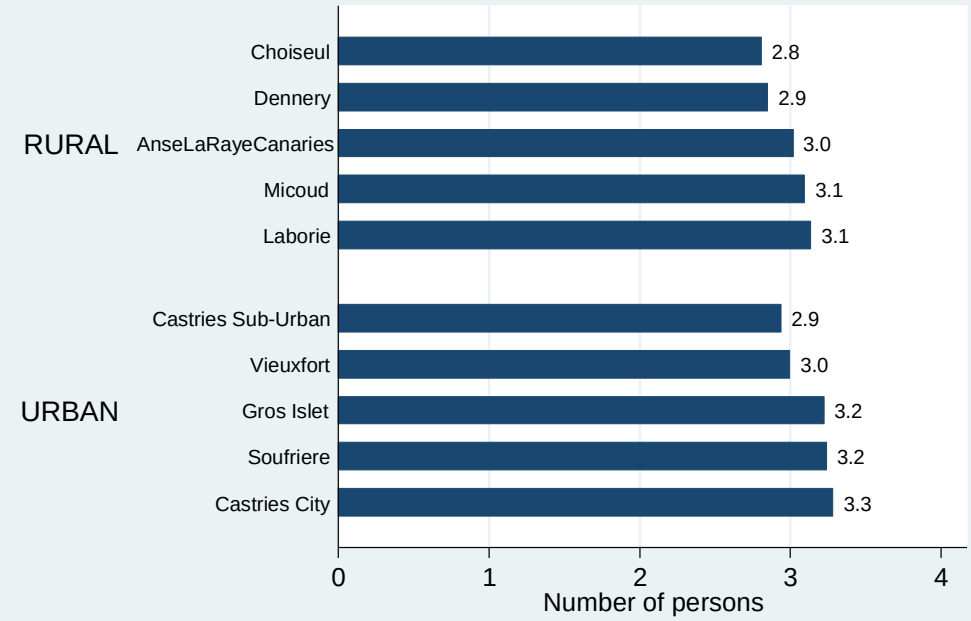
4.2.5 Demographic distribution of poverty

4.2.5.1 Household size and Headship characteristics

Overall, households in Saint Lucia have three members on average and are headed by females in two out of every five cases (see Table 4.10). Household heads are on average 53 years old and a majority have never been married. In respect of education, three of every five heads have not gone beyond a primary school level of education, while the

[34] PPP allows us to put each country's income and consumption data in globally-comparable terms. The PPP is computed on the basis of price data from across the world, and the responsibility for determining a particular year's PPP rests with the International Comparison Program (ICP), an independent statistical program with a Global Office housed within the World Bank's Development Data Group.

average total years of completed education is 10.75. Geographically, the smallest households appear in the rural districts of Choiseul and Dennery, and in the sub-urban neighbourhoods of the capital, Castries; the capital itself contains the largest households, by number of persons, of all districts (see Figure 4.5).



Note: * Bar heights (labels) reflect rounded figures.
Source: Author's compilation based on St. Lucia SLC/HBS 2016.

Figure 4.5: Average household size, by locality and district

Table 4.10. Household and household head demographics (for surveryed households??)

	Quintile					Poverty status		Locality		Gender	
Item	(1)	(2)	(3)	(4)	(5)	P	NP	R	U	M	F
Household size	4.0	3.8	3.4	2.9	2.1	4.0	2.8	3.0	3.1	2.9	3.2
Female	43.4	47.8	43.1	37.1	37.7	43.0	40.6	42.1	40.4	n.a.	n.a.
Ever married	26.4	37.6	44.7	44.3	51.3	29.1	45.9	42.0	42.9	47.7	35.1
No school	13.4	7.1	7.4	4.3	2.1	11.6	4.7	10.2	3.6	5.8	6.6
Some primary school	62.5	68.6	54.1	54.1	38.9	66.3	50.1	58.6	50.2	55.5	50.4
Some secondary school	22.8	20.1	28.8	32.5	27.4	21.1	28.2	22.4	29.5	26.0	27.9
Some tertiary level education	1.3	4.2	9.7	9.2	31.6	1.0	16.9	8.8	16.8	12.8	15.1

Notes: (1) Means, unless otherwise indicated. Numbered columns represent quintiles of household per capita consumption expenditure (adjusted for adult equivalence), ranging from (1) the bottom 20 percent to (5) the top 20 percent. Num. - number of households, S.d. - standard deviation, P - Poor, NP - Non-poor, R - Rural, U - Urban, M - Male head, F - female head. N.a. - not applicable. (2) All items are indicator variables except for household size (which ranges from 1 to 18), and age (which ranges from 17 to 96).
Source: Author's compilation based on St. Lucia 2016 SLC-HBS.

Across these neighbourhoods (see Figure 4.6), poverty is highest in Dennery and Vieux-Fort (above the national rate by 75 percent and 40 percent, respectively), and lowest in Gros Islet (50 percent below the national rate). In terms of poverty correlates, poor households are larger by a full extra member than non-poor households, a difference that is statistically significant. Poor households are also more poorly educated, with heads being twice as likely as overall to have had no schooling, and to have not gone beyond

primary school by a margin of 23 percentage points over the non-poor. Viewed differently, the poor suffer an accumulated deficit of three and a half years in completed education compared to their non-poor peers. Further, less than one in three poor heads have ever been married compared to almost half of non-poor heads. These differences are all statistically significant.

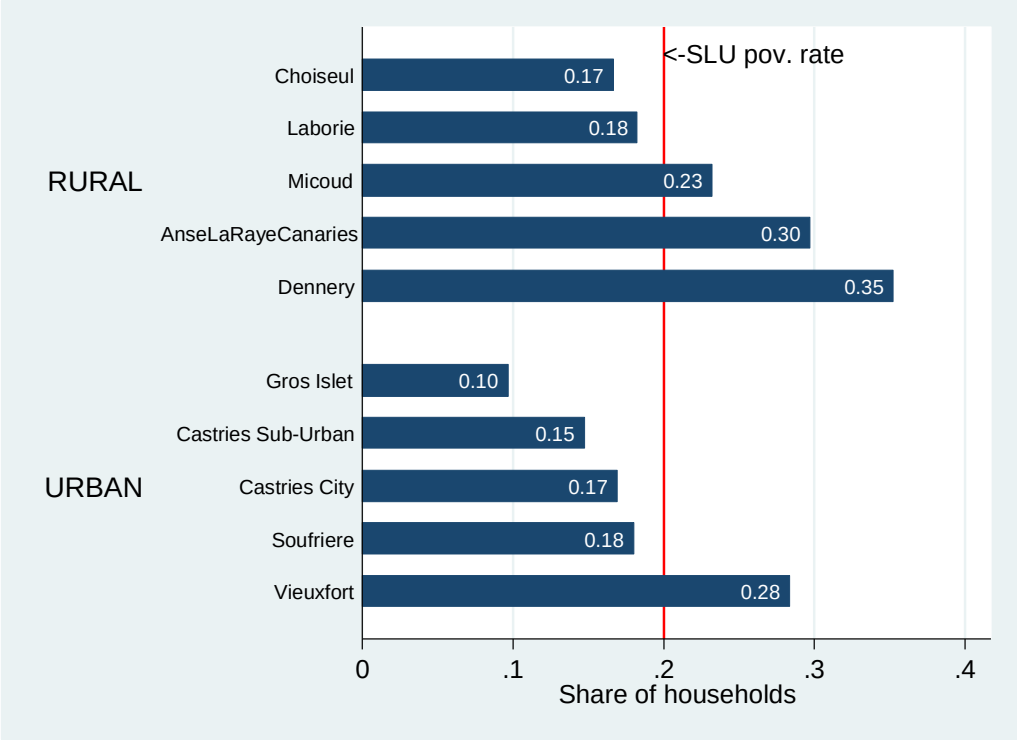
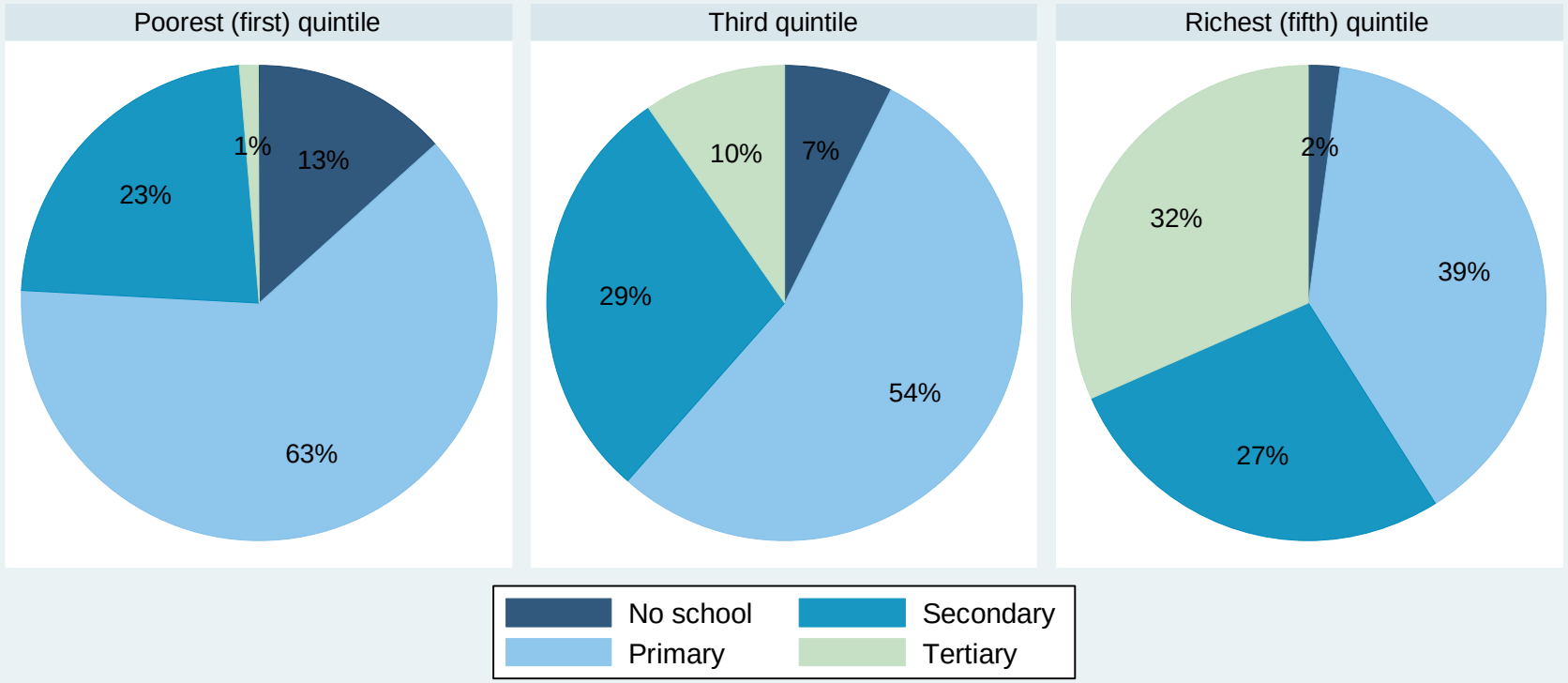


Figure 4.6: Poverty rate, by locality and district

Associations between poverty and education deficits are further confirmed when examined across the distribution of personal consumption: lower quintiles all suffer deficits in educational outcomes of interest (Figure 4.7). In particular, for those without any schooling the poorest and richest 20 percent of household heads are most unlike all other quintiles (and each other) with significant gaps in achieved schooling and completed years, in contrast to the middle quintiles where measured differences are not statistically significant. By way of illustration, bottom-quintile heads are over six times as likely to have had no education compared to their top-quintile peers which, combined with higher-level deficits, translates into an adverse gap in completed years of 67 per cent, or over four years, on average.



Note: Only 1st, 3rd, and 5th consumption quintiles shown.
Source: Author's compilation based on St. Lucia SLC/HBS 2016.

Figure 4.7: Household head educational achievement, by consumption quintile

4.2.5.2 Age cohort

Figure 4.8 and Figure 4.9 depict the age-gender pyramid and poverty for 2006 and 2016 respectively. The age structure of a country might mirror the incidence of poverty when a large section of the population are dependents - either in the lowest age cohorts and too young to work, or in the older age cohorts and therefore retired or too old to work. Generally, the age-gender pyramid of poor developing countries tends to be broader, with a larger share of children. Though the age structure of the population has changed over the last decade, the young face of poverty continued to be evident even as the proportion of poor individuals 19 years and younger decreased from 51.2 percent in 2006 to 43.9 percent in 2016. Interestingly, while the population below the age of 5 fell between 2006 and 2016, the proportion of poor children of the same cohort increased.

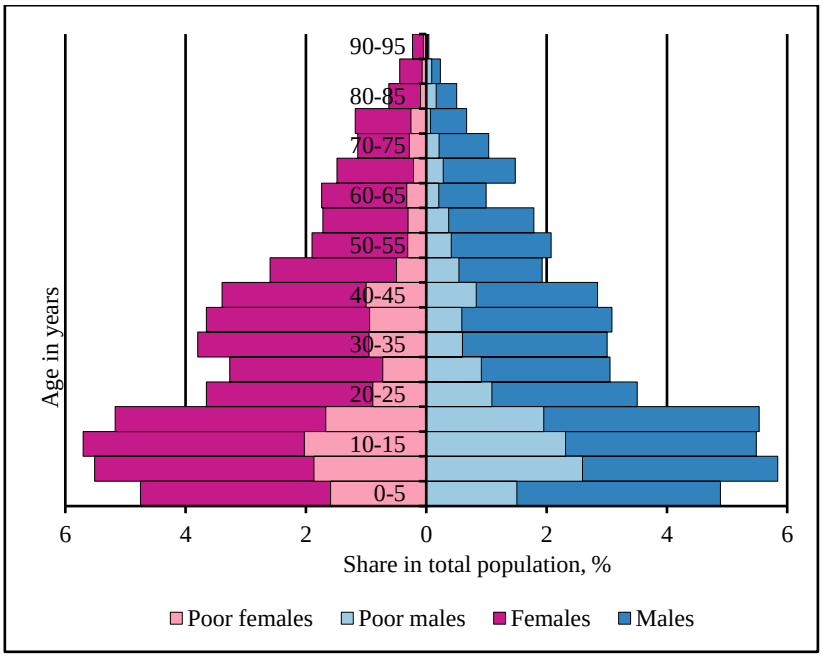


Figure 4.8: Age-Gender Pyramid and Poverty SLC-HBS 2006

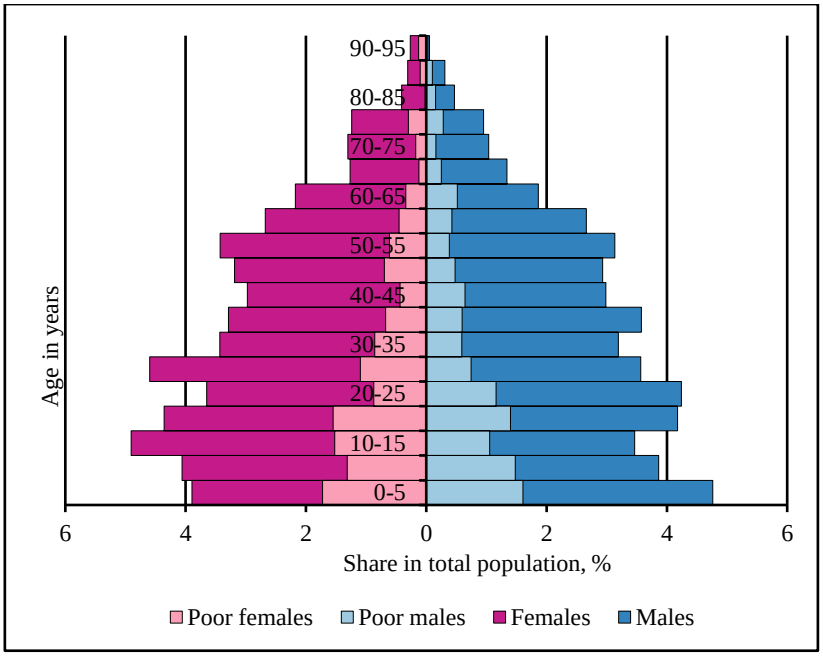


Figure 4.9: Age-Gender Pyramid and Poverty SLC-HBS 2016

4.3 Multidimensional Poverty Measures

4.3.1 Multidimensional Poverty Measures from the Labour Force Survey

The multidimensional poverty measures to be discussed for the labour force survey will focus on the use of data collected for the period 2015, 2016 and 2017. Data aggregated for four quarters each year was the basis for the computation; each dataset contains approximately 3000 households and 8000-person sample records. The 2016 SLC-HBS MPI will also be presented based on the dimensions, indicators and weights presented in the methodology section of this report which addressed the construction of the MPI using the SLC-HBS data and the Labour Force Survey Data. The methodology section also presented a comparison of the LFS-MPI with the SLC-HBS MPI and shows the areas of overlap between the two.

4.3.1.1 MPI-LFS Raw Headcount Rates

For each of the indicators included in Table 3.5 the prevalence rates are presented based on the annual LFS data. What is immediately obvious from the data presented is that across almost all the indicators the percent of deprivation has fallen. Where this improvement appears to be most significant is with respect to asset ownership where the percentage deprived or the percent owning four or more assets and a vehicle increased significantly or vice versa the number with less than four assets and not owning a vehicle decreased significantly from 32% in 2015 to 10% in 2017. Data on the imports of vehicles into Saint Lucia showed a significant increase in 2017 over 2016. This development is mirrored across most of the indicators to a lesser extent. For example, the percent of households without internet access fell from 72% to 59% in 2015 and 2017 respectively. Households which were classified as food insecure based on the single FIES fell from 5% to 2%.

It is to be noted that the food security indicator included in the SLC-HBS MPI contains the full computation of food insecurity. The cut-off for this indicator is where the household is not moderately or extremely food insecure (Defined as having less than four responses indicating food insecurity on the raw FIES score). The raw scores from the SLC-HBS MPI are presented in Figure 4.17 along with the other SLC-HBS MPI indicators.

The only raw headcount indicator which appears to have countered this trend is overcrowding which appears to have worsened over the period from 6% to 8% living in households occupying a dwelling with more than 2.5 persons per room. Based on Figure 4.10, Anse la Raye/Canaries followed by Soufriere in 2017. However, for all districts, the average is significantly less than the internationally recognised benchmark for acute overcrowding of 2.5 persons per room shown by the red line on Anse la Raye/Canaries followed by Soufriere in 2017 (Figure 4.11). More acute cases of overcrowding appear to be concentrated in the sub-urban areas of Castries and in Gros-Islet, this being the result of the concentration of slum households in these areas even though their mean numbers of persons per room is approximately equivalent to the national average. More acute cases of overcrowding appear to be concentrated in the sub-urban areas of Castries and in Gros-Islet, this being the result of the concentration of slum households in these areas even though their mean numbers of persons per room is approximately equivalent to the national average.

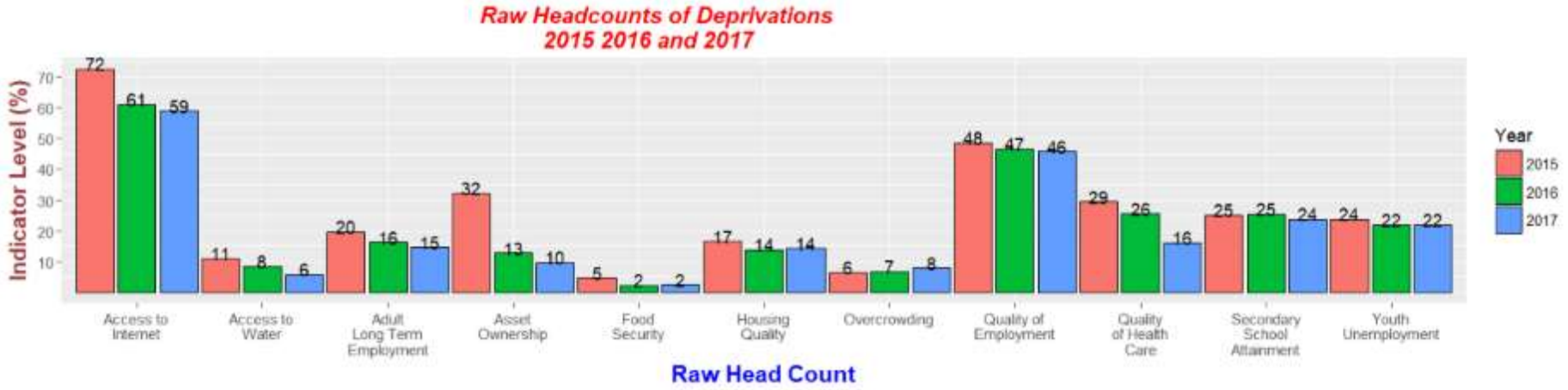


Figure 4.10: Raw Headcounts of Deprivations 2015, 2016 and 2017

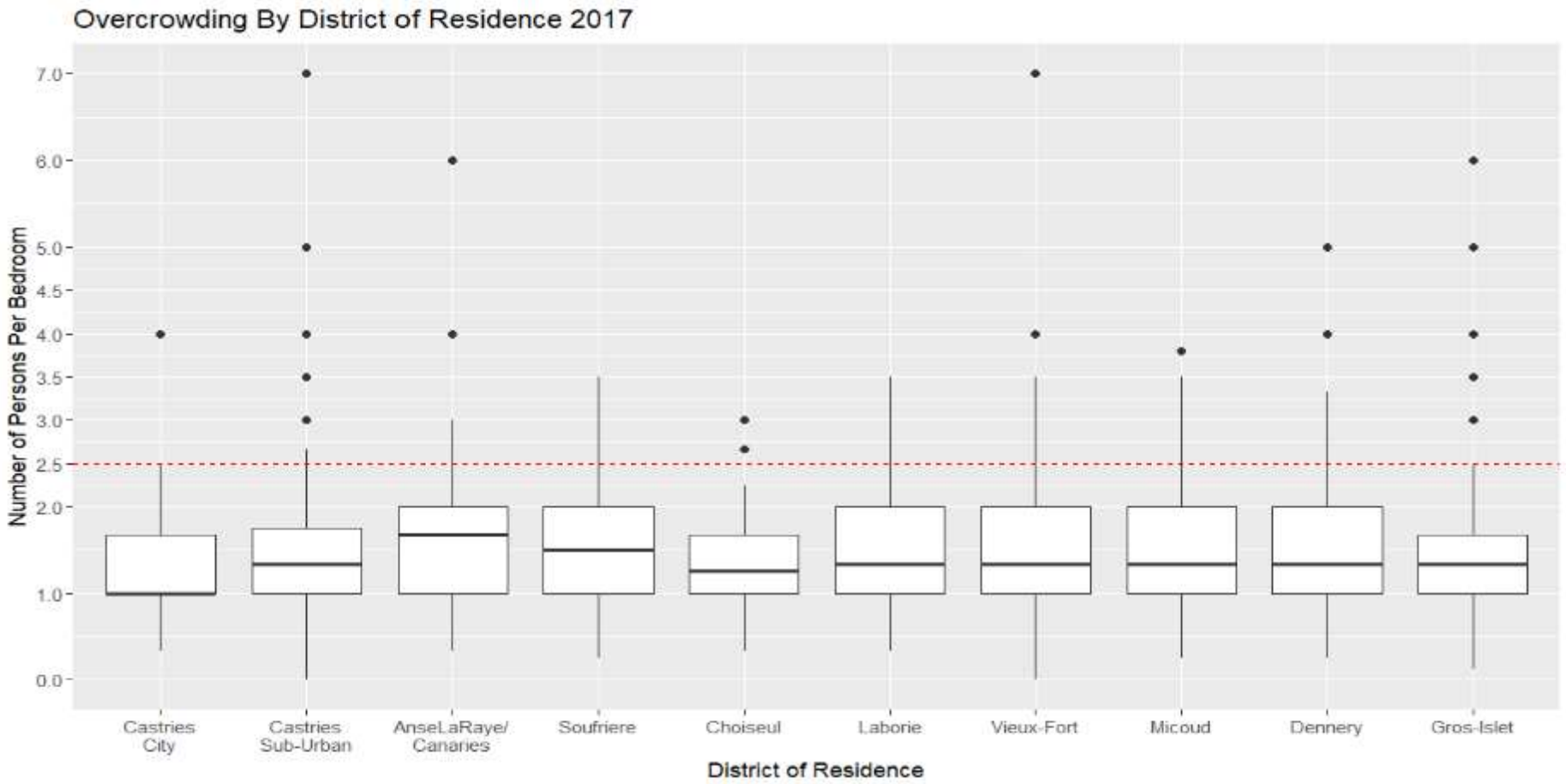


Figure 4.11: Overcrowding by District of Residence

Figure 4.12 which follows demonstrates the significant difference between the urban districts of Castries and Gros-Islet and the rest of Saint Lucia on most of the raw headcount deprivation scores. Where the difference appears to be most acute is with respect to secondary school attainment, youth unemployment and the quality of employment.

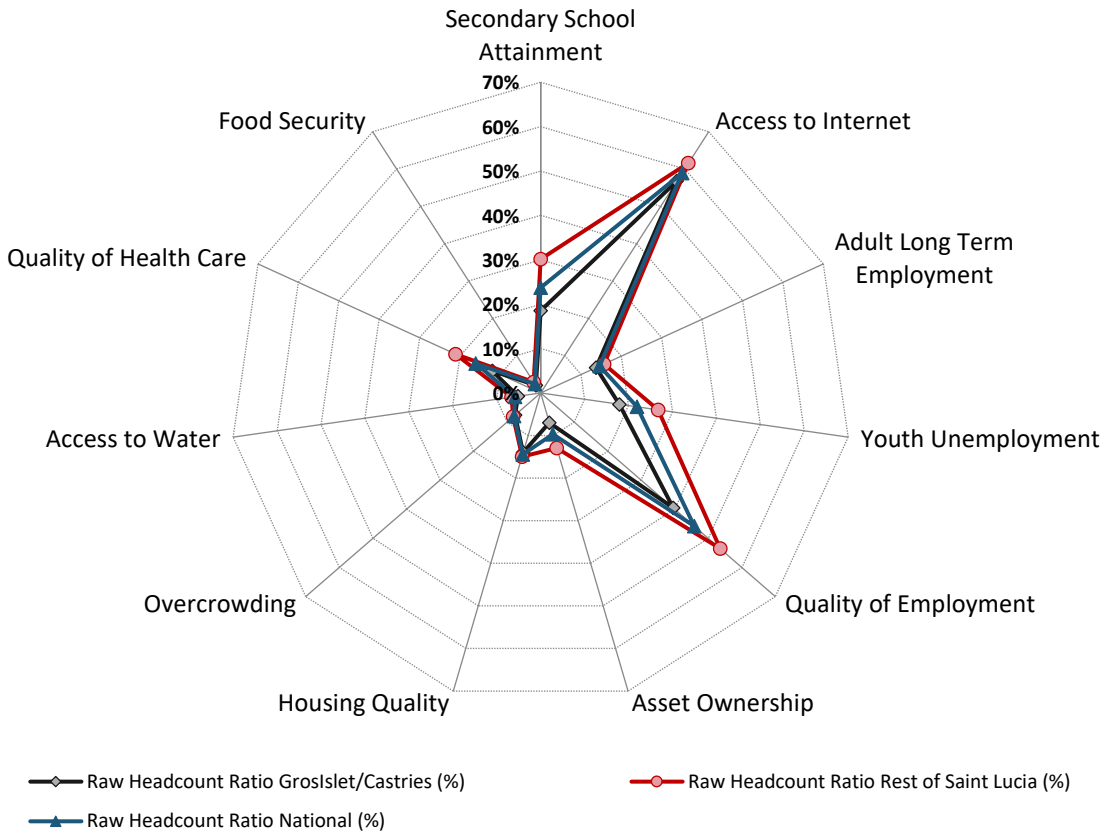


Figure 4.12: Raw Headcount Ratio by Rural/Urban (%)

4.3.1.2 Censored Versus Raw Headcounts

The censored headcount measures the percent of the deprivations in the poor population with respect to the total population. Since the raw headcount is the proportion of the population experiencing a specific type of deprivation this implies that the difference between the two gives an indication of how concentrated the deprivation is in the poor population. A review of Table 4.11 indicates that the deprivations most concentrated in the poor population in order of importance is asset ownership, access to water, overcrowding, poor quality of health care, secondary school attainment, poor housing quality, long term unemployment etc.

Table 4.11: Censored Versus Raw Headcounts

Indicator	Raw Headcount Ratio National (%)	Raw Headcount Ratio Censored (%)	Difference Between Censored and Raw
Secondary School Attainment	23.7%	21.8%	2.0%
Access to Internet	58.9%	40.6%	18.3%
Adult Long-Term Employment	14.6%	9.1%	5.5%
Youth Unemployment	21.9%	13.1%	8.8%
Quality of Employment	45.8%	24.8%	21.0%
Asset Ownership	9.7%	9.2%	0.5%
Housing Quality	14.4%	11.3%	3.1%
Overcrowding	7.9%	6.4%	1.4%
Access to Water	5.8%	5.3%	0.5%
Quality of Health Care	16.1%	13.9%	2.2%
Food Security	2.4%	2.3%	0.2%

4.3.1.3 Headcount Poverty, Average Deprivation and Multi-Dimensional Poverty Rates

The overall headcount index at the national level was 61% in 2015 and has seen a significant drop initially by 11% to 50% in 2016 followed by a more modest further decline of 5% to 45% in 2017. This implies that in 2017 45% of persons were deprived in at least 25% or more of the 11 deprivation indicators measured in the LFS. Figure 4.13 and Figure 4.14 shows how the level of deprivation declines when 2015 is compared with 2017 for all levels of headcount incidence considered. Generally, 2017 has a distribution which shows lower levels of headcount poverty incidence at all cut-off levels considered. For example, at the 35% cut-off levels the incidence of poverty is 18% in 2017 compared to 30% in 2015, similarly, at the 50% cut-off level the rates are 3% and 8% respectively.

The average deprivation measures the average proportion of deprivations in which the poor are deprived. Persons who are poor using the national cut-off level of deprivations of 25% were deprived on average in 37% of the weighted deprivations in 2015 and 35% of the deprivations in 2017. This indicates that while the headcount levels of deprivation fell significantly, the average level of deprivation has not changed significantly. In other words, the poor are on average as poor in 2017 as they were in 2015 since the margin of error on this result is 3.5%.

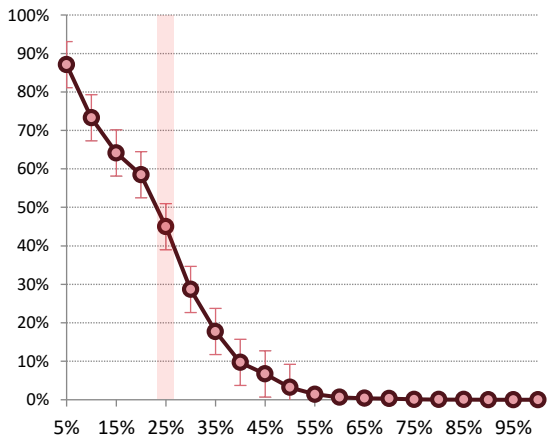


Figure 4.13: Headcount Ratio 2017

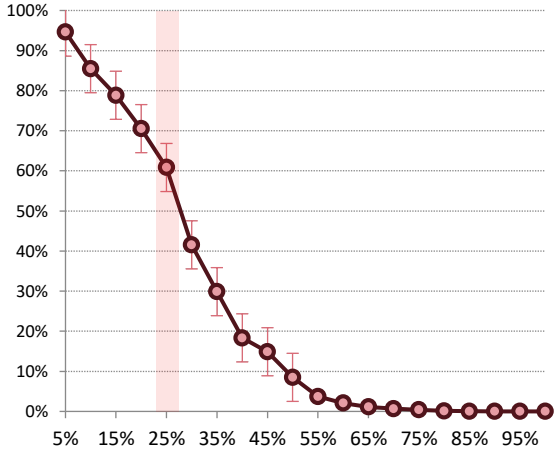


Figure 4.14: Headcount Ratio 2015

The product of the headcount incidence and the average level of deprivation amongst the poor is the multi-dimensional poverty index (MPI). The following graph shows the consistent decline in the MPI from 2015 to 2017 driven by the decline in the headcount levels of poverty (Figure 4.15). This result is consistent with the declines shown in the raw headcount levels and the overall headcount.

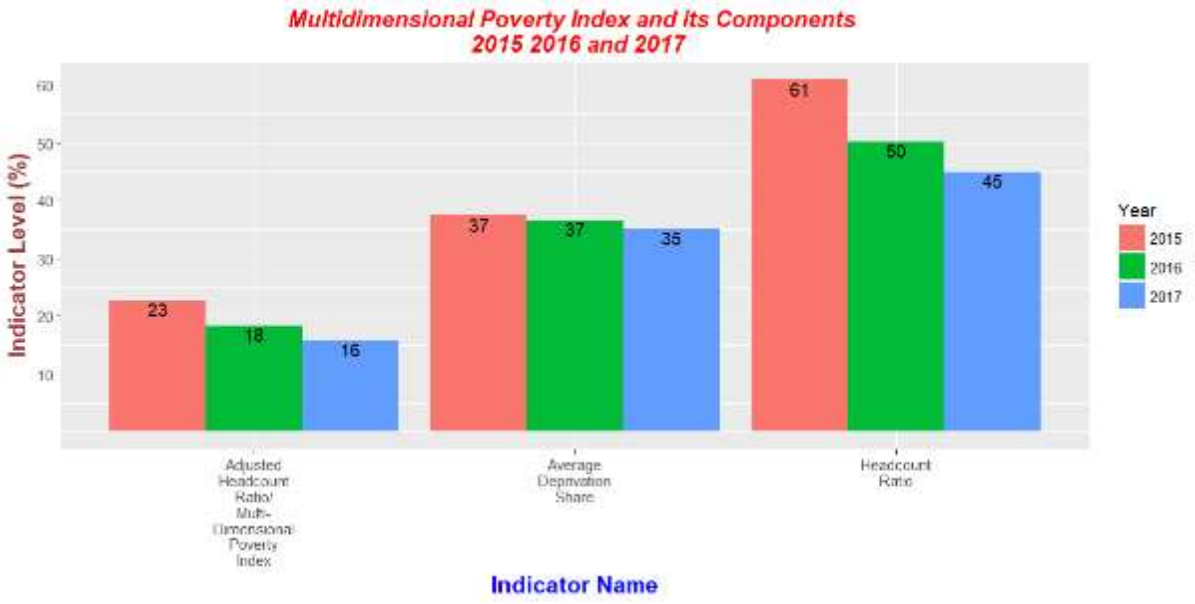


Figure 4.15: Multidimensional Poverty Index and its Components 2015, 2016 and 2017

4.3.2 Multidimensional Poverty Measures from the Survey of Living Conditions and Household Budget

The expanded MPI developed from the 2016 SLC-HBS was defined in Section 3.7.2 of this report. It is a one-time snapshot using a holistic view of the many dimensions of poverty. The results of the computations from this expanded MPI revealed that with a 20% deprivations cut-off, the level of headcount poverty was 79%, the average level of deprivations was 35%, therefore the level of multi-dimensional poverty was computed to be 28%. This level of MPI poverty is higher than the 18% computed for the MPI-LFS which contained a limited number of dimensions when compared to the 2016 SLC-HBS MPI which included the additional dimension of security from crime, food security and health insurance along with three indicators on climate change vulnerability. Figure 4.16 shows the inter-relationship between

monetary and MPI poverty. The X-axis graphics shows the percent of the deprivations experienced and the Y axis reflects per capita adult equivalent consumption expenditure used to measure MPI poverty.

4.3.2.1 Combining Consumption/Income and Social Deprivations

In combining multidimensional poverty with consumption-based poverty, it is necessary to consider simultaneously both spaces in order to identify the cross classified groups in the population based on the 2016 SLC-HBS dataset. To do so, the classification method illustrated in Figure 4.16 is used. The vertical axis of Figure 4.16 represents the space of economic wellbeing, which is measured by people's per capita adult equivalent consumption. The wellbeing threshold makes it possible to differentiate whether or not people have sufficient consumption as specified by the monetary poverty line determined from the 2016 SLC-HBS dataset.

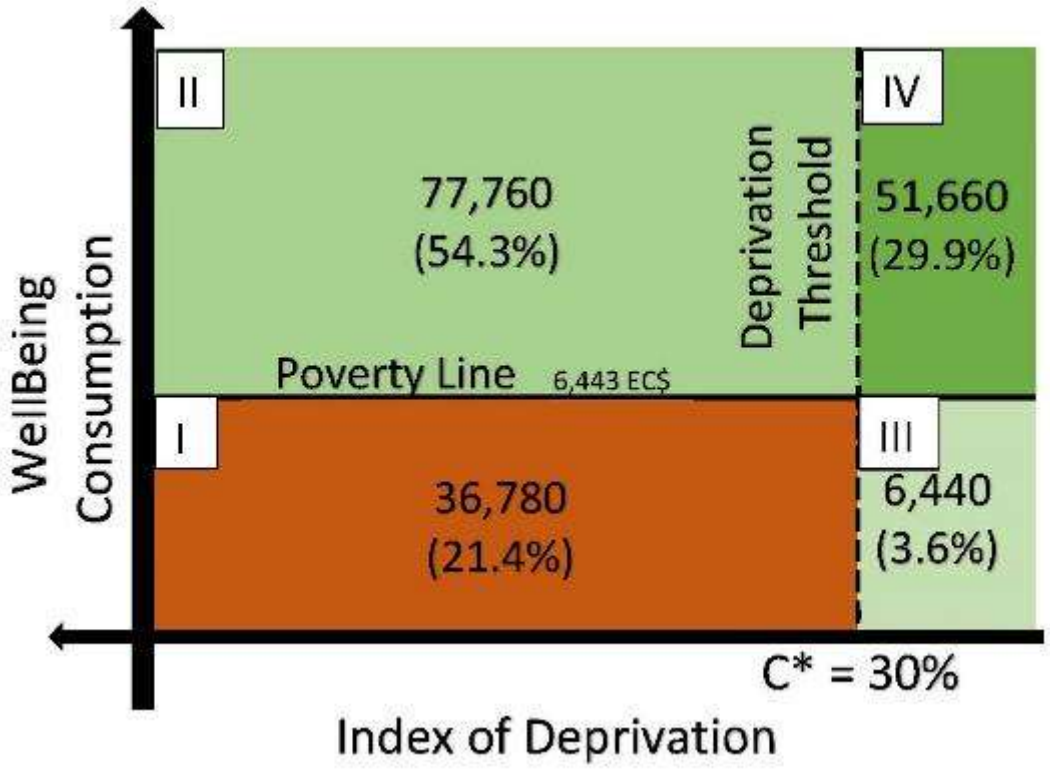


Figure 4.16: Population in Multi-Dimensional Poverty

The horizontal axis represents the space of social deprivations specified in our table of dimensions and indicators and measured through the raw head count index numbers by indicator. Unlike the usual presentation in Cartesian graphs, the population located to the left of this axis shows a greater percentage of deprivations than those to the right. Likewise, given that people who show at least 30% of deprivations are considered socially deprived, the value of the deprivation threshold is 30%.

According to this figure, once the poverty line and the deprivation index are determined, any person may be classified in one, and only one, of the following quadrants:

I. ***Multidimensional poor*.** 36,780 or 21.4% of the population with per capita adult equivalent consumption below the poverty line and with 30% or more deprivations.

II. ***Vulnerable due to social deprivation*.** 77,760 or 54.3% of the population socially deprived people with an per capita adult equivalent consumption higher than the poverty line.

III. ***Vulnerable due to consumption/income*.** 6,440 persons or 3.6% of the total population with no social deprivations and with per capita adult equivalent consumption below the poverty line.

IV. ***Not multidimensional poor and not vulnerable*.** 51,660 or 29.9% of the population with per capita adult equivalent consumption higher than the poverty line and with no social deprivations.

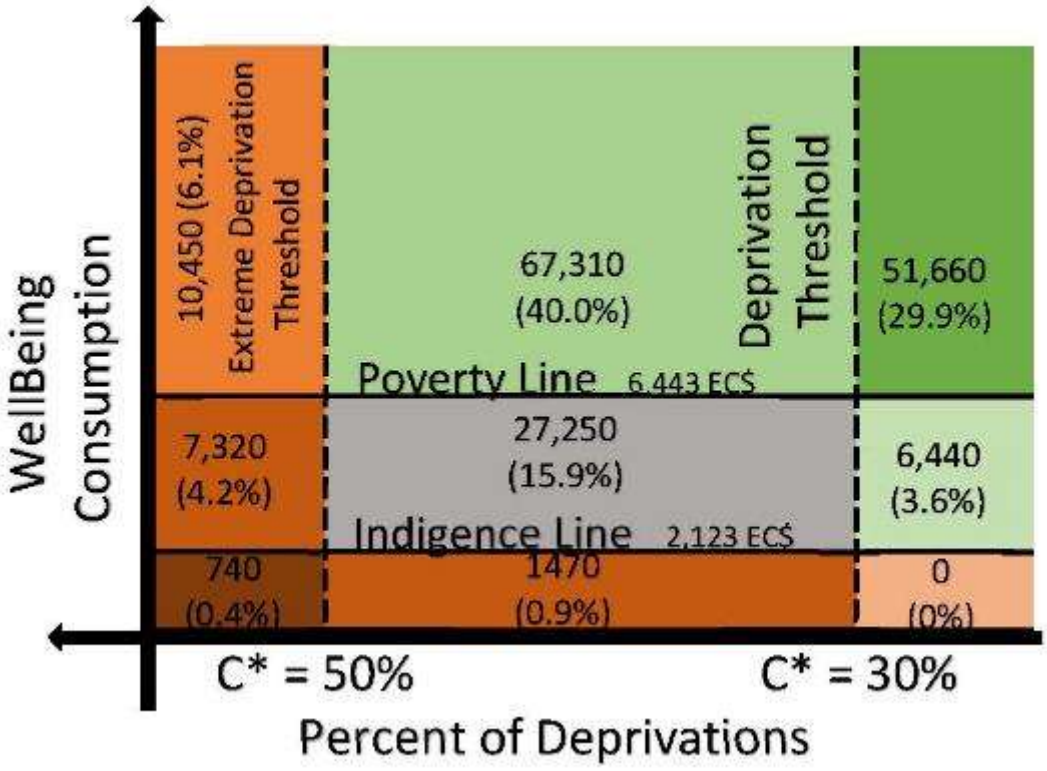


Figure 4.17: Population in Extreme Multi-Dimensional Poverty

Among the multidimensional poor, it is possible to identify the population in extreme multidimensional poverty by combining the minimum wellbeing threshold and the extreme deprivation threshold (*C**=50% of all deprivations), as shown in Figure 4.17.

This figure locates in quadrant **I** of Figure 4.17 the subset of multidimensional poor people who define quadrant **I''.** This sub quadrant (comprising 740 persons) represents the population living in *extreme multidimensional poverty*, since they have consumption that is so low that, even if spent entirely on food, they could not buy the necessary nutrients for a healthy life; additionally, they exhibit at least 50% of the 19 social deprivations identified in the five dimensions. The population in *moderate multidimensional poverty* that is not in extreme multidimensional poor, includes persons who are in monetary indigence 1,470 (0.9%), not in monetary indigence but in monetary poverty, 27,250 (15.9%) and persons who are not in monetary poverty but in multi-dimensional poverty of 40.0%, the sum of these groups can be considered to be in *moderate multidimensional poverty.*

4.3.2.2 SLC-HBS Raw Headcount Poverty Rates

Figure 4.18 shows each of the raw headcount indices included in the SLC-HBS MPI. The construction of the SLC-HBS MPI is an extension of the LFS-MPI to include, two crime related indicators in the living standards dimension, an expanded food security indicator and a new indicators on health insurance coverage, chronic health conditions and financial literacy/numeracy in the health and education dimensions respectively. The SLC-HBS MPI also includes a new dimension shown in the figure, named environment and climate change vulnerability all the indicators included in this dimension are new. The raw head count on these indicators are also shown in Figure 4.18 which follows.

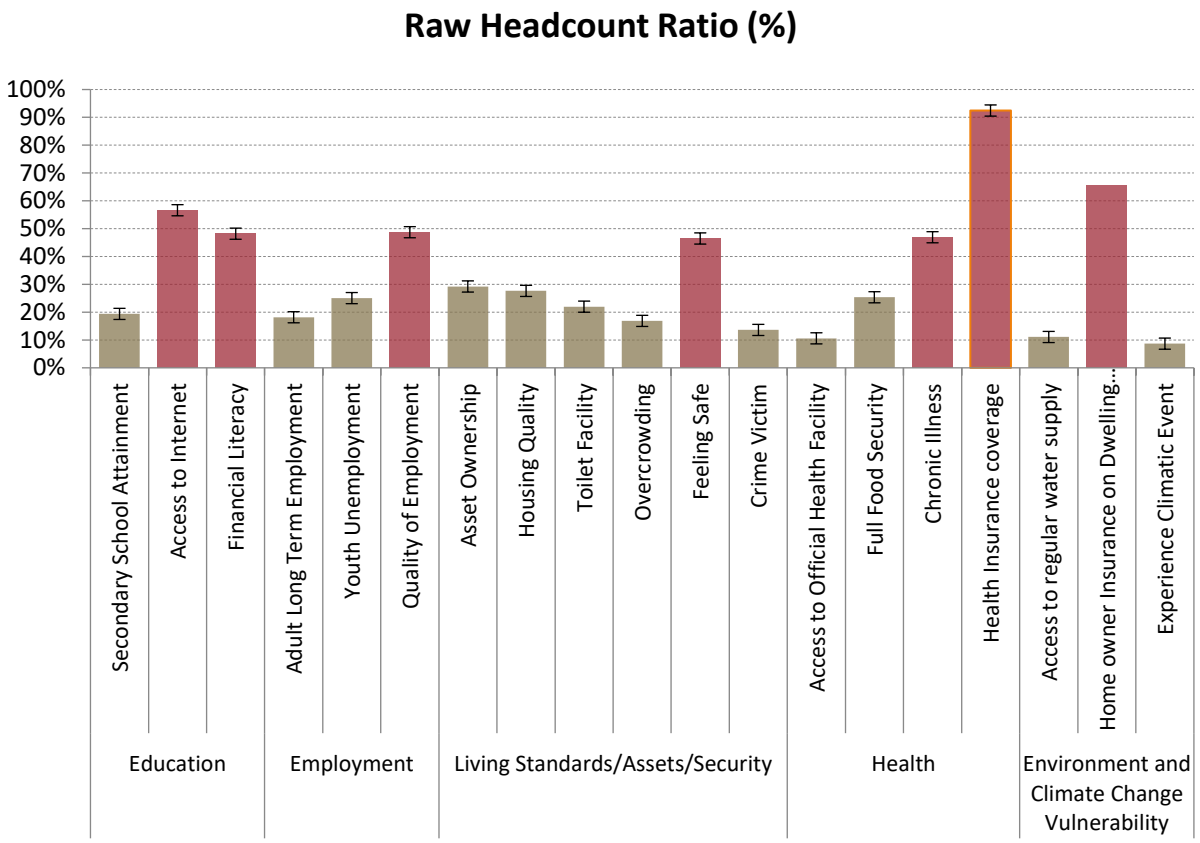


Figure 4.18: Raw Headcount Ratio (%)

The national raw headcounts were highest for deprivations related to health insurance coverage (92.5%), home owner insurance (65.4%) followed by lack of internet access (56.6%), quality of employment (48.7%), financial literacy/numeracy (48.2%), chronic illness (46.9%) etc in order of importance. These represents the most significant indicators impacting the levels of multi-dimensional poverty in Saint Lucia. Any policy which significantly reduces the level of these indicators will have a significant impact on the level of MPI poverty.

The first new indicator is an SDG security indicator which measures the extent to which persons feel safe walking around in their neighbourhood. There had been a heightened state of unease in St Lucia during 2016, which persisted in 2017 due to the increased incidence of murders which peaked in 2017 at a rate of 37 per 100,000. This would put St Lucia in the top 15, up from position 19 in the global country rankings. During the first quarter of 2018 the situation appears to have been brought under control. The SDG indicator for feeling safe was 46.5% nationally: there was however a very big difference between urban areas of Gros-Islet/Castries compared to the rest less urban mostly rural parts of St Lucia, the rate in Gros-Islet/Castries was 56.6% versus 33.1% in the rest of Saint Lucia of persons who did not feel safe.

The crime victim indicator is also an SDG which reflects a composite of the level of crime against persons and property. In this case while the levels of persons who experienced crime against their person or property was higher in Castries/Gros Islet, 14.7% versus 12.2% in the rest of St Lucia, there is a clear disparity in the perception of personal safety in Urban versus rural areas where the perception of crime reflected in the crime safe indicator is much higher than its relative incidence measured with persons who had actually experienced crime.

In the health dimension, a full food insecurity index has been included, the indicator 25.4% reflects the percent of households which experienced food insecurity, defined as households who said yes to four of more of the eight questions indicating a form of food insecurity existed. This indicator appears to track very closely to the level of monetary poverty measured at 25%. The other indicator, health insurance, shows that 92.5% of households nationally do not have at least one person who has health insurance. This is an indicator which shows the relatively high exposure of the population to the incidence of multi-dimensional poverty due to lack of access to health insurance. Government policy is quite rightly focused on improving the level of health insurance coverage of the population, if successful this can have a significant impact in reducing the level of the MPI.

Table 4.12: MPI Raw Headcount Ratio by Dimension, Indicator, and Region

Dimension	Indicator	Raw Headcount Ratio Gros Islet/ Castries (%)	Raw Headcount Ratio Rest of Saint Lucia (%)	Raw Headcount Ratio National (%)
Education	Secondary School Attainment	14.9%	25.3%	19.4%
	Access to Internet	50.4%	65.1%	56.6%
	Financial Literacy	53.0%	41.8%	48.2%
Employment	Adult Long-Term Employment	16.6%	20.2%	18.2%
	Youth Unemployment	22.6%	28.4%	25.1%
	Quality of Employment	27.5%	33.4%	48.7%
Living Standards/ Assets/Security	Asset Ownership	24.0%	36.1%	29.2%
	Housing Quality	25.6%	30.3%	27.6%
	Toilet Facility	16.0%	29.9%	22.0%
	Overcrowding	22.1%	10.0%	16.9%
	Feeling Safe	56.6%	33.1%	46.5%
	Crime Victim	14.7%	12.2%	13.6%
Health	Access to Official Health Facility	10.4%	10.9%	10.6%
	Full Food Security	25.3%	25.4%	25.4%
	Chronic Illness	47.3%	46.4%	46.9%
	Health Insurance coverage	90.2%	95.4%	92.5%
Environment and Climate Change Vulnerability	Access to regular water supply	6.7%	16.9%	11.1%
	Home owner Insurance on Dwelling Unit	60.4%	72.1%	65.4%
	Experience Climatic Event	9.4%	7.8%	8.7%

In the new dimension of Environment and Climate Change Vulnerability, there are three indicators which have been highlighted. Firstly, at the national level 20.5% of households do not have access to a regular supply of water for daily living. This is defined as the percent of households not receiving four or more days of water in the last seven days, the level of deprivation on this indicator is significantly lower at 16.3% in rural areas when compared to urban areas of Castries/Gros-Islet where the level of deprivation on this indicator is twice as

high at 30.6%. This is one of the two indicators which shows relatively significant disparity between urban and rural areas, the other being feeling safe against crime. The other two indicators in this dimension indicate firstly the high level of dwelling units in St Lucia which are not covered by dwelling unit insurance at 65.4%. Alternatively, typically a climatic event in the past five years have only seriously affected 8.7% of households.

4.3.2.3 SLC-HBS MPI by Castries/Gros-Islet (North) versus the Rest of Saint Lucia (South)

There are a number of indicators where the disparity between the North and South of the island is most visible. These are in order of importance overcrowding where the percent of overcrowding in North of the island is over twice the rate in the South of the island. Since the North of the island is significantly more urban than the south and given the existence in the North of a significantly larger number of slum households and slum areas compared to the South this result is not unexpected. However, it does point to the need for the rationalization of inner-city housing to address the overcrowding problems being experienced in especially the urban households in the North of the Island. Secondly, the indicator feeling safe is significantly higher in the North as opposed to the South of the island, by a factor of 1.7 to 1. Conversely, deprivation levels in the North are significantly less than the South for access to water, in the North this indicator is 6.7% compared to the South where the indicator is 16.9%. The other indicator where the disparity between the North and the South is significantly different is in Secondary School attainment deprivation.

4.3.2.4 SLC-HBS MPI by District

Multi-dimensional poverty was highest in Dennery followed by Anse la Raye/Canaries and Choiseul at 0.37 and 0.32 respectively (Table 4.13). Note that the level of confidence in these differences does not pass the statistical confidence threshold of 95%. However, this table may give an indication of regional disparities since they appear to correlate with population level data on household assets. Data from the Census 2011 and previous studies confirms the result that Anse la Raye/Canaries is the poorest of all the Districts in St Lucia, which, therefore this is not a surprising result. The percent of the population experiencing more than 30% of the deprivations is highest overall in Dennery.

Table 4.13: Subgroup Decomposition with k = 31

	Subgroup Decomposition with k=31									
Cut-off	**CASTRIES CITY**	**CASTRIES SUB-URB**	**ANSE-LA-RAYE**	**SOUFRIERE**	**CHOISEUL**	**LABORIE**	**VIEUX-FORT**	**MICOUD**	**DENNERY**	**GROS-ISLET**
Adj. Head. Ratio	0.27	0.25	0.32	0.30	0.32	0.27	0.31	0.27	0.37	0.21
Standard Error	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
Headcount Ratio	67%	61%	81%	72%	78%	68%	74%	67%	84%	52%
Standard Error	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Av. Depr. Share	41%	41%	39%	41%	41%	40%	41%	40%	43%	41%
Standard Error	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Population Share	2%	38%	5%	5%	3%	3%	10%	10%	8%	16%
Percentage Contribution by Region										
Adj. Head. Ratio	1%	10%	2%	2%	1%	1%	3%	3%	3%	3%
Headcount Ratio	1%	23%	4%	4%	3%	2%	7%	7%	7%	9%
Av. Depr. Share	1%	16%	2%	2%	1%	1%	4%	4%	3%	7%

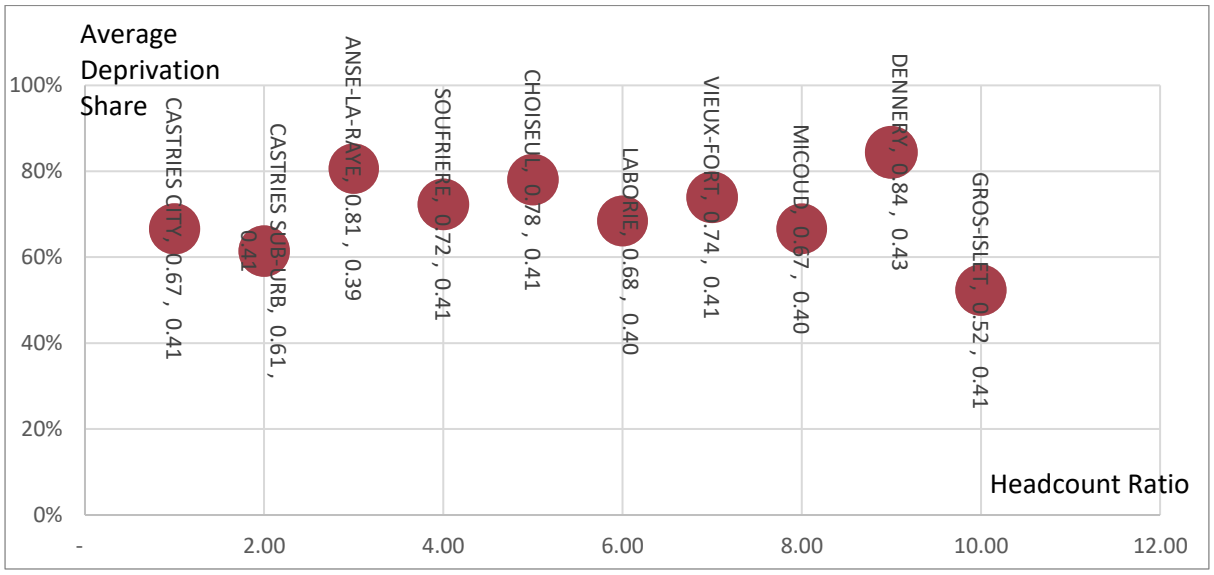


Figure 4.19: Multidimensional poverty by region

Figure 4.20 shows how Multi-dimensional poverty changes as the cut-off/threshold changes. As the percent of deprivations required to classify a household as MPI poor increases, the MPI index falls. The rate of decline in the MPI may not be consistent with the rate of increase in the threshold. The district of Laborie stands out as it shows that its MPI score improves at an increasing rate relative to other districts of Saint Lucia as the threshold increases over 35%.

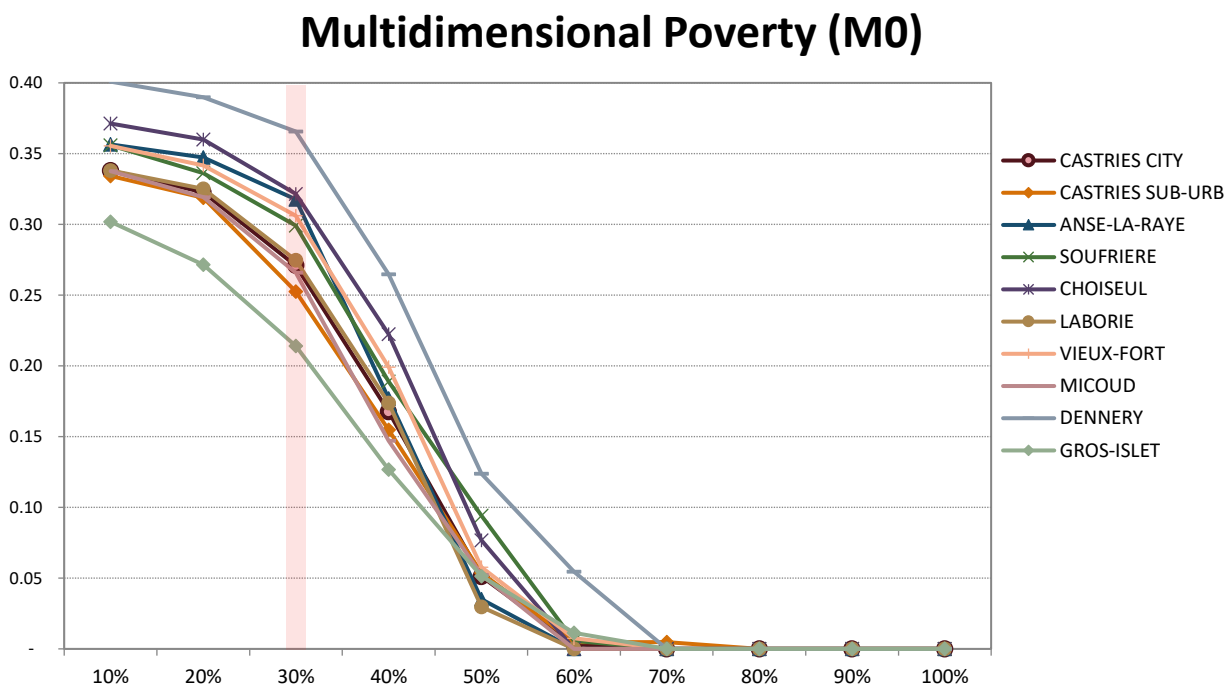


Figure 4.20: Multidimensional Poverty (M0)

Figure 4.21, Figure 4.22, and Figure 4.23 show three maps of the headcount, intensity and MPI respectively. While the overall MPI is consistent with the overall headcount component of the MPI for Castries Rural in particular the average level of deprivation amongst the poor is no different from the level experienced in Choiseul or Vieux-fort and it is actually worse than the intensity of deprivation experienced in Micoud, Soufriere and Labour. Even for Gros-Islet the intensity of deprivation amongst the poor is worse than it is in Soufriere, Laborie and Micoud. These results show that while the MPI index for the Urban Districts of Castries and Gros-Islet are above average, the deprivation of the poor is significantly above average. Vieux-Fort, while urban definitely underperforms other Urban Districts of St Lucia on the headcount and the overall MPI.

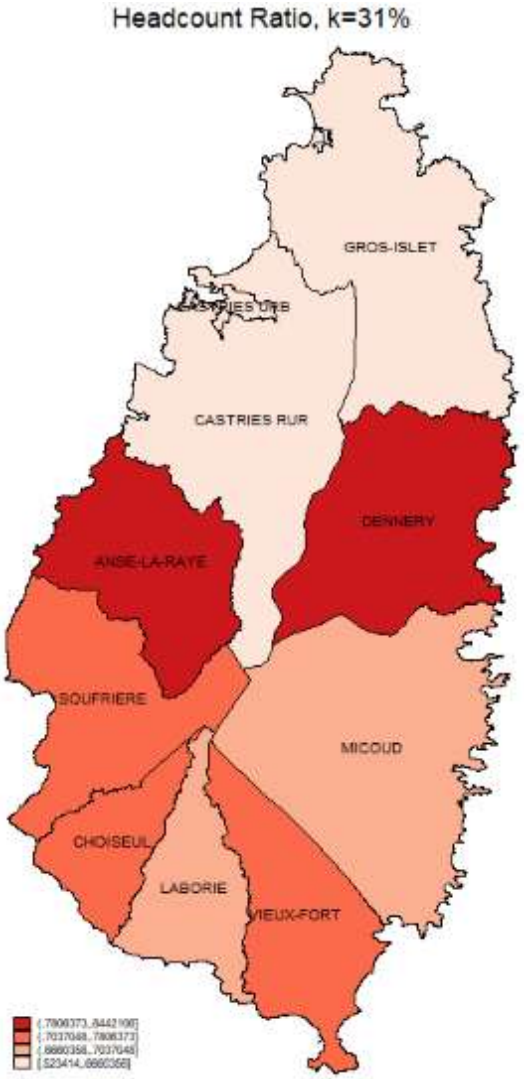


Figure 4.21: Map of SLC-HBS MPI Headcount Ratio by District

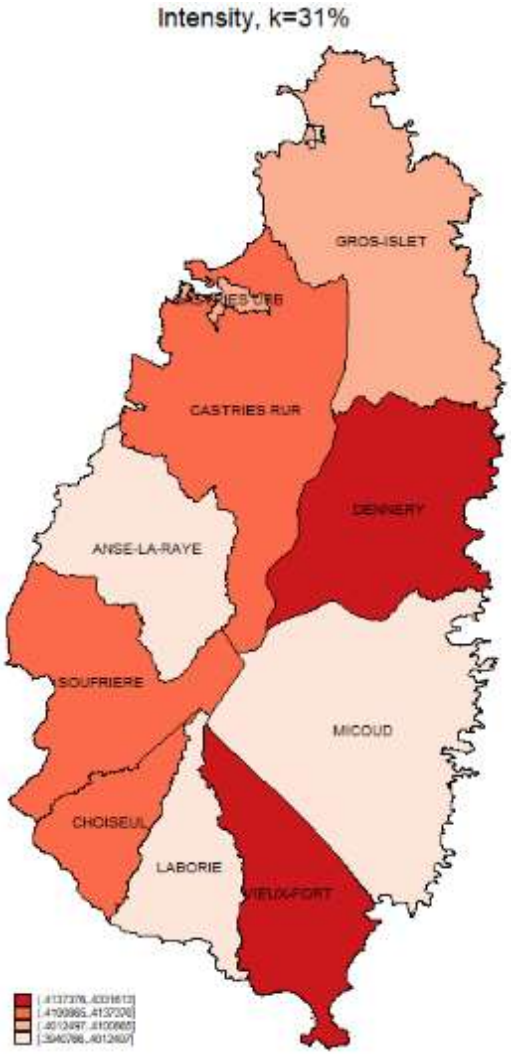


Figure 4.22: Map of SLC-HBS MPI Intensity by District

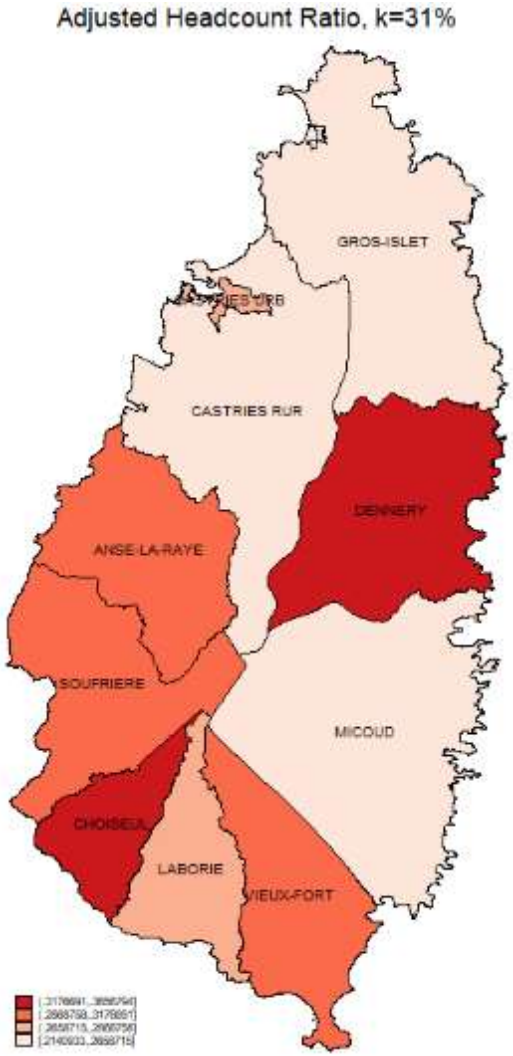


Figure 4.23: Map of SLC-HBS MPI Adjusted Headcount Ratio by District

4.4 MODELLING POVERTY - THE RISK OF BEING POOR

4.4.1 Interpretation of the results from the model

Employment status of the household head also showed a strong relationship with the likelihood an individual would be poor. While having a household head not in the labour force increased the likelihood that an individual would be poor in urban and rural settings alike, moving to a household with an unemployed head increased the likelihood an individual would be poor in rural settings by 50.8 percent and in urban settings by 70.5 percent.

Table 4.14[35] shows some of the main drivers of poverty in Saint Lucia disaggregated by urban/rural. This table analyses changes in the probability of being in poverty using a probit regression model. Rows denote changes in values for various variables – such as change from having no children 0-6 years old to having one child, change from male-headed household to female-headed household. Columns report the percentage changes in the probability of being in poverty for rural and urban areas and across 2006 and 2016.

The probability of being in poverty in 2006 increased by roughly 37 percent if an individual moved from an urban household with no children aged 0-6 to an urban household with one child aged 0-6 years old. The probability of being in poverty in 2016 increased by 52.7 percent if an individual moved to an urban household with 1 child and by 99.1 percent if an individual moved to an urban household with 2 children. The situation of children from urban areas in poor households is however significantly worse in 2016 than it was in 2006 and this situation must be highlighted since this group of households are experiencing elevated levels of poverty and deprivation.

In 2016, if an individual moved from a male headed urban household to a female headed urban household, ceteris paribus, the probability of being poor increased by 13 percent. Interestingly, in the rural setting, moving to a female headed household decreased the likelihood of being poor by 9.5 percent.

The education of the household head also shows a significant relationship with the likelihood of an individual being poor. With each successive level of education attained by household heads, the likelihood that the individual would be poor fell progressively. Individuals from households with post-secondary and tertiary level educated heads were more than 80 percent less likely to be poor.

Employment status of the household head also showed a strong relationship with the likelihood an individual would be poor. While having a household head not in the labour force increased the likelihood that an individual would be poor in urban and rural settings alike, moving to a household with an unemployed head increased the likelihood an individual would be poor in rural settings by 50.8 percent and in urban settings by 70.5 percent.

[35] Employment status of the household head also showed a strong relationship with the likelihood an individual would be poor. While having a household head not in the labour force increased the likelihood that an individual would be poor in urban and rural settings alike, moving to a household with an unemployed head increased the likelihood an individual would be poor in rural settings by 50.8 percent and in urban settings by 70.5 percent.

Table 4.14 is the result of running a binomial logistic regression where the dependent variable is dichotomous, poor or non-poor versus the dependent variables identified.

Table 4.14: Changes in the probability of being in poverty (percent)

	SLC-HBS 2006		SLC-HBS 2016	
	Urban	**Rural**	**Urban**	**Rural**
Demographic event, child born in the family:				
Change from having no children 0-6 years old to having 1 child	36.9	38.7	52.7	37.3
Change from having no children 0-6 years old to having 2 children	69.4	69.2	99.1	62.7
Gender of the household head				
Male	(base)	(base)	(base)	(base)
Female	11.8	0.8	13.0	-9.5
Education of the household head				
None	(base)	(base)	(base)	(base)
Pre-primary (infant) or primary	-10.6	0.0	-39.0	-40.3
Lower/junior secondary (forms 1-3)/senior primary	-29.8	-18.9	-51.2	-48.2
Upper secondary (forms 4 & 5)	-48.9	-27.0	-63.2	-62.7
Post-secondary, non-tertiary (diploma or associate degree)	-58.4	-42.5	-80.1	-82.4
Tertiary (university)	-91.7	-84.4	-84.4	-87.4
Other	27.9	46.3[36]	-71.8	-85.4
Pre-school	0.0	-42.0		
Employment status of the household head				
Employed	(base)	(base)	(base)	(base)
Unemployed	46.4	24.1	70.5	50.8
Not in Labour Force	17.8	14.4	36.1	36.6
Not Applicable	-84.7	97.9	0.0	0.0

[36] Data comparability issue forces the analysis to focus on 2016 in this specific “Other” category.

5 CHILD POVERTY[37]

5.1 INTRODUCTION

Child poverty limits the access of children to vital resources, including nutrition, water, sanitation, basic health and social services. These situations can prevent children from achieving their full potential due to cultural, physical, mental and social development, participation and protection deprivations.

The Convention on the Rights of the Child (CRC) which entitles children[38] to an adequate standard of living, and emphasises that growing up poor violates their rights. What this means is that, if child poverty is not addressed, the potential for inter-generational patterns of poverty to persist will be increased, thereby threatening future national economic and social development objectives.

Box 5.1: SDG Child Poverty Targets and Indicators:

Goal 1: End poverty in all its forms everywhere

Target 1.1: By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than $1.90 a day.

Indicator 1: Proportion of population below the international poverty line disaggregated by sex, age group, employment status and geographic location.

Target 1.2: By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions

Indicator 1: Proportion of population living below the national poverty line, disaggregated by sex and age group.

Indicator 2: Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions

Equally important are the explicit references to children in Sustainable Development Goal (SDG) 1 (Box 5.1) and the fact that reducing child poverty will require specific interventions differing from those needed to tackle overall poverty. Accordingly, an analysis of child poverty is an essential component of any national poverty assessment.

This Chapter provides an investigation of the level, trends and characteristics of child poverty based on the results of the 2016 Saint Lucia SLC-HBS.

5.2 CHILD POVERTY IN SAINT LUCIA IN 2016 AND CHANGE SINCE 2006

Figure 5.1 and Table 5.1 present data on child poverty in Saint Lucia in 2016 and the changes that have occurred since 2006. In 2016, around 16,800 children on the island were poor representing a poverty rate of 34.5%. This poverty rate is some 13% percentage points higher than the equivalent adult rate of 21.3% (Table 5.1). Similar disparities in child and adult poverty rates have been observed throughout the Eastern Caribbean, worldwide and in OECD countries.[39] As a consequence of the higher child poverty rate, the child proportion of the poor

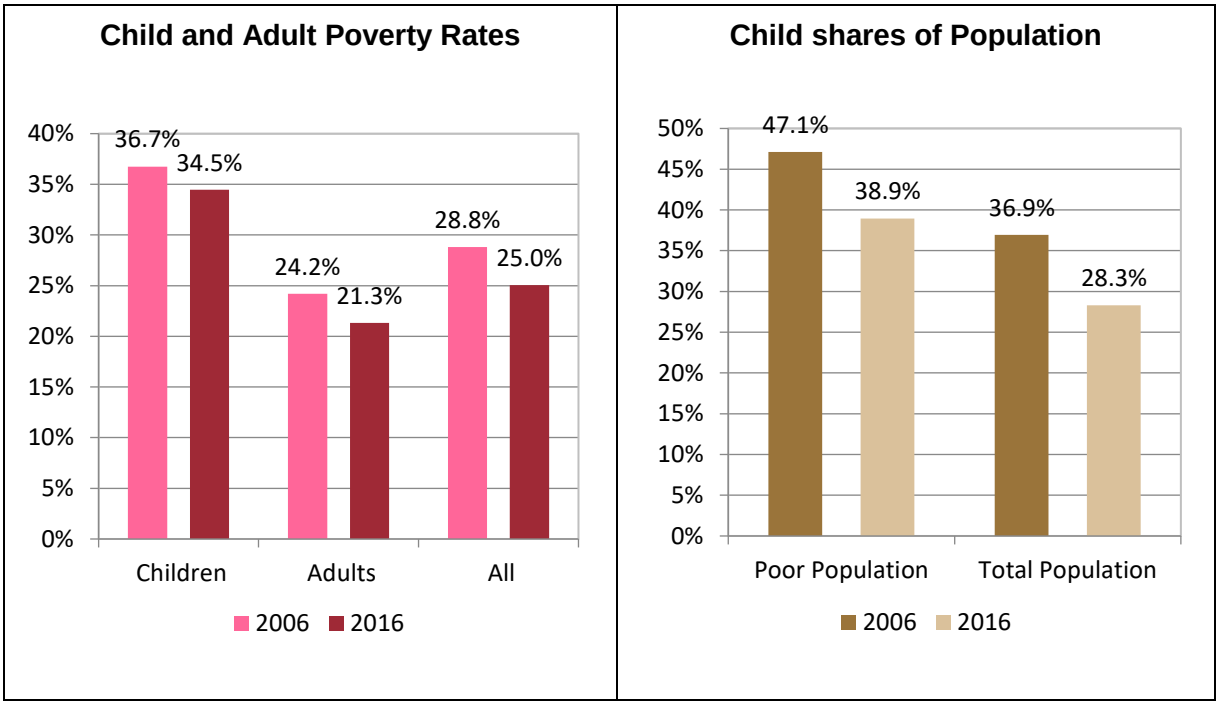
[37] This Chapter has been prepared with the assistance of UNICEF.

[38] As per the CRC, children are defined as persons aged between 0 and 17 years. This reflects the fact that, in any countries, 18 years is the age at which children legally adults. Unless stated to the contrary, all references to children in this chapter refer to persons in this age group.

[39] See: OECS Commission and UNICEF, Child Poverty in the Eastern Caribbean Area, Castries, 2017; and Evans M., et al., New Estimates of Extreme Poverty for Children 2016;

population, 38.9%, is greater than their share of the total population, 28.3%. While the level of child poverty is higher than is desirable and means that around1 in 3 children is poor, it should be emphasized that almost two thirds of St Lucian children were not poor in 2016.

Figure 5.1: Child Poverty in Saint Lucia, 2016 and 2006



The child indigence rate is low at around 2% meaning that, in 2016, there were around 1,000 indigent children in the country. These children account for around 44% of the total indigent population. Although higher than the adult indigence rate, the low level of child indigency should be seen as a positive result, as should the fact that the overall poverty rate using the International Poverty Line[40] is only 0.6%.

The Figure and Table also show the changes in child poverty levels that have occurred since 2006 when the previous SLC-HBS was undertaken. Between 2006 and 2016, the child poverty rate in St Lucia reduced from 36.7% in 2006 to 34.5% in 2016, a decrease of around 2.3% points. Although slightly lower than the decrease in the adult poverty rate, the changing demographic structure of the country, which has resulted in children's share of the total population decreasing from 36.9% to 28.3% in the last 10 years, means that there were some 5,500 fewer poor children in St Lucia in 2016 than in 2006 – a reduction of almost a quarter. As a result, the child share of the poor population has decreased from around 47% to 39%. At the same time, the number of indigent children has decreased by 458, equivalent to a decline of around a third of the 2006 value. In contrast, the number of poor adults has increased by around 1,250.

http://documents.worldbank.org/curated/en/402511475417572525/New-estimates-of-extreme-poverty-for-children; and OECD, 2017, http://www.oecd.org/els/CO_2_2_Child_Poverty.pdf.

[40] See section 3.5 for definition.

Table 5.1: Child Poverty in Saint Lucia, 2016 and 2006

	Poverty Status				Poverty Rates		Child and Adult Shares[2]			
	Indigent	**All Poor[1]**	**Not Poor**	**Total**	**Indigence**	**All Poor**	**Indigence**	**All Poor[1]**	**Not Poor**	**Total**
SLC-HBS 2016										
Children	**974**	**16,832**	**32,011**	**48,843**	**2.0%**	**34.5%**	**44.1%**	**38.9%**	**24.7%**	**28.3%**
Adults	1,237	26,393	97,403	123,796	1.0%	21.3%	55.9%	61.1%	75.3%	71.7%
ALL	2,211	43,225	129,414	172,639	1.3%	25.0%	100%	100%	100%	100%
SLC-HBS 2006										
Children	**1,432**	**22,380**	**38,528**	**60,908**	**2.4%**	**36.7%**	**53.6%**	**47.1%**	**32.8%**	**36.9%**
Adults	1,238	25,135	78,799	103,934	1.2%	24.2%	46.4%	52.9%	67.2%	63.1%
ALL	2,670	47,515	117,327	164,842	1.6%	28.8%	100%	100%	100%	100%

1. Including indigent.
2. Child and adult percentages of sub-group populations.

5.3 Child Age Groups

Table 5.2 shows a fairly consistent pattern of poverty rates decreasing as the age group increases. One explanation could be that the presence of younger children reduces the likelihood that mothers will be working thereby reducing household income. When associated with limited child benefit schemes, this can lead to increased poverty.

Table 5.2: Child Poverty by Age Group

Age Group	Poverty Status			Poverty Rate
	Poor	Not Poor	Total	
All children	16,831	32,011	48,842	34.5%
0-4 years	4,797	8,043	12,840	37.4%
5-9 yrs.	4,685	8,301	12,986	36.1%
10-17 yrs.	7,349	13,667	23,016	31.9%
Youth (15-24 yrs.)	*9,297*	*19,646*	*28,943*	*32.1%*
Adults (18+ years)	**26,393**	**97,403**	**123,796**	**21.3%**
ALL	**43,224**	**129,414**	**172,638**	**25.0%**

5.4 Child Poverty in Urban And Rural Areas

Figure 5.2 and Table 5.3 present data on child poverty in urban and rural areas. Note that as the focus of this Chapter is child poverty and to improve clarity, the analysis in this and subsequent sections excludes households with no children[41]. The headline finding is that the child poverty rate is appreciably higher in rural areas, 41.4% compared to 32%. This mirrors the finding for overall poverty in Saint Lucia. However as almost three quarters of the population lives in urban areas, the majority of poor children, nearly 69%, also live in urban areas.

Figure 5.2: Child Poverty and Rural Urban Location

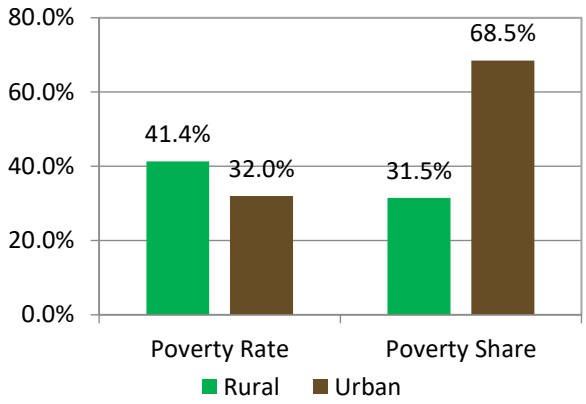


Table 5.3: Child Poverty in Urban and Rural Areas, 2016

Location	Poverty Status[1]			Poverty Rate	Rural/ Urban Shares[2]		
	Poor	Not Poor	TOTAL		Poor	Not Poor	TOTAL
Rural	5,299	7,514	12,813	**41.4%**	**31%**	**23%**	**26%**
Urban	**11,532**	**24,497**	**36,029**	**32.0%**	69%	77%	74%
Total	16,831	32,011	48,842	34.5%	100%	!00%	100%

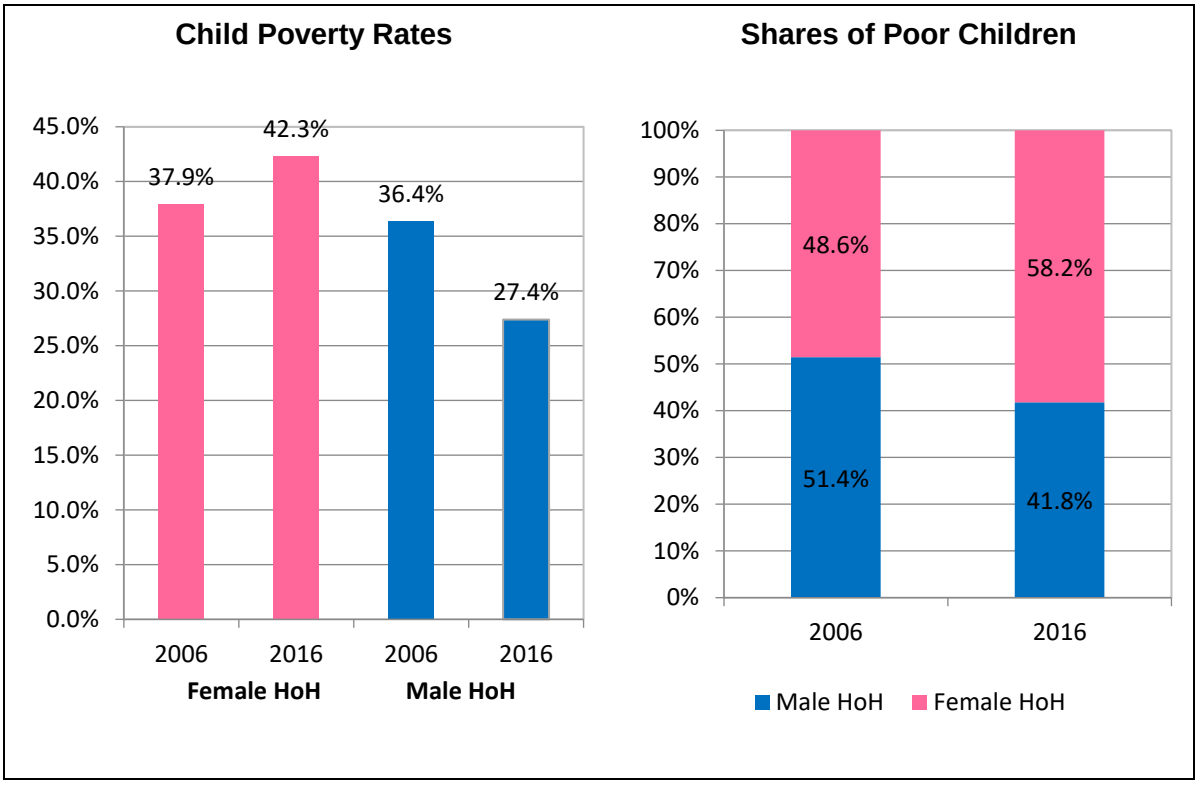
1. Children only.
2. Percentage distribution of children by rural and urban location.

5.5 Child Poverty And Sex Of Head Of Household

The child poverty rate is much higher in female headed households than in those headed by males, 42.3% compared to 27.4% - a difference of almost 15 percentage points (Figure 5.3 and Table 5.4). In consequence, the share of poor children living in female headed households, 58.2%, is substantially higher than the proportion living in male headed households, 41.8%. Thus, notwithstanding the higher poverty rate in female headed households and the increase in the share of poor children living in female headed households, over 40% of poor children continue to live in male headed households.

[41] No child households comprise 54% of all households and accommodate just under one third of the population.

Figure 5.3: Child Poverty and Sex of Head of Household, 2006 and 2016



The 2016 results represent a sharp turnaround from 2006 when both child poverty rates and population shares varied little between male and female headed households. Since 2006, the poverty rate for female headed households has increased while it has decreased for male headed households. As a result, the share of poor children in female headed households has increased from around 49% to 58%. Further analysis indicates that a likely contributing factor to these changes is that the average number of children in poor female headed households barely changed between 2006 and 2016 (from 2.9 to 2.8) whereas, in poor male headed households, this ratio decreased from 3.0 to 2.3 children per household. As will be seen in the next section, there is a strong relationship between poverty rates and the number of children in the household.

The combined impact of these changes contributed to a reduction in the overall child poverty rate, notwithstanding the increase in child poverty in female headed households. However, the respective shares of all children living in female and male headed households (47.5% and 52.5%) remained constant between 2006 and 2016.

Table 5.4: Child Poverty by Sex of Head of Household

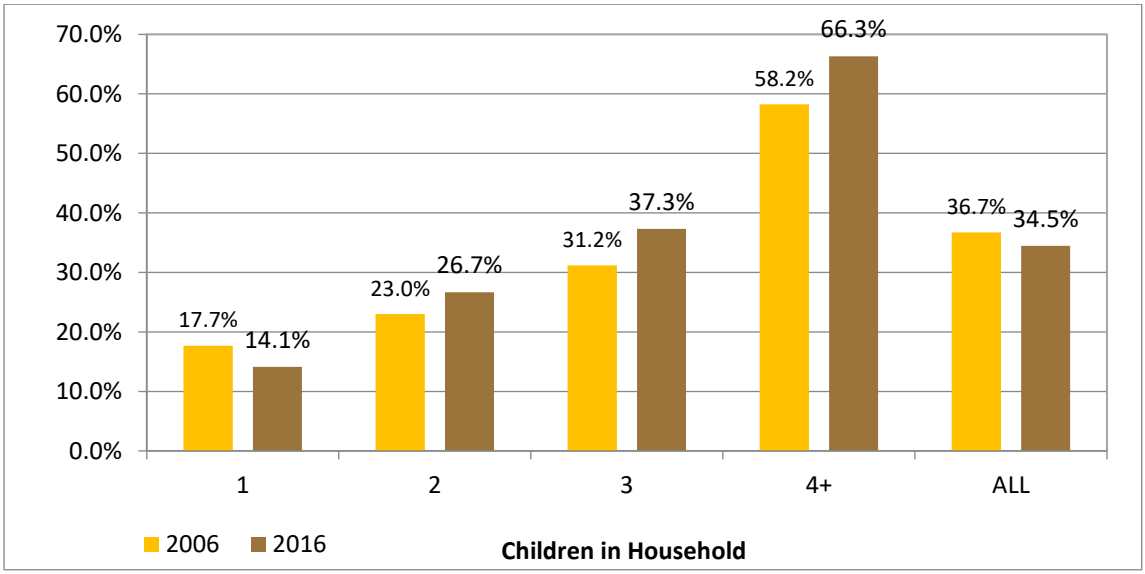
Sex of HoH	Poverty Status			Poverty Rates		Child Shares of Female and Male Headed Households			
						Poor Households		All Households	
	Poor	Not Poor	Total	2016	2006	2016	2006	2016	2006
Female HoH	9,800	13,369	23,169	42.3 %	37.9%	58.2 %	48.6%	47.4%	47.6%
Male HoH	7,031	18,642	25,673	27.4 %	36.4%	41.8 %	51.4%	52.6%	52.4%
Total	16,831	32,011	48,842	34.5 %	37.1% [1]	100 %	100%	100%	100%

1. Negligible difference compared to Table 5.1 due to missing values in 2006 data.

5.6 Child Poverty By Number Of Children In Household

Child poverty rises sharply as the number of children in the household increases (Figure 5.4). Specifically, the poverty rate increases from 14.1% for 1 child households to 66.3% for children living in households with 4 or more children. Noteworthy is the fact that 1 child households have a poverty rate which is identical to the rate for no child households, indicating that the risk of poverty does not increase if a household only has 1 child. The poverty rate in 2 child households is also below the overall child poverty rate (34.5%) while the poverty rate for 3 child households has a similar level. This general pattern is not unexpected and was observed in St Lucia in 2006 as well as in most Eastern Caribbean countries.[42]

Figure 5.4: Child Poverty Rates and the Number of Children in the Household



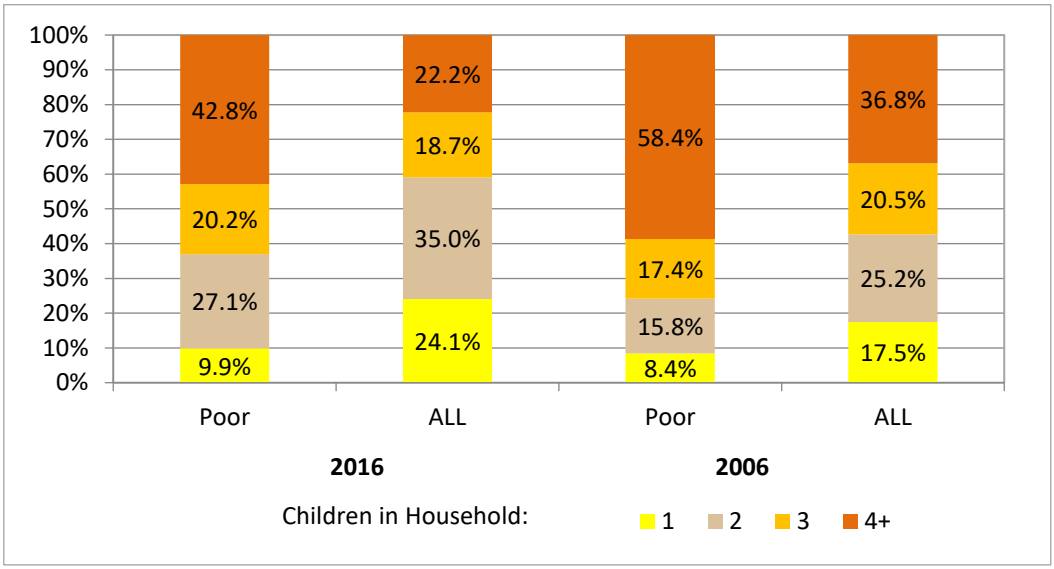
In 2016, households with 4 or more children accounted for 43% of poor children compared with 22% of all children (poor and non-poor). The reverse is true for 1 and 2 child households which accounted for 37% of poor children but almost 60% of all children (Figure 5.5 and Table 5.5). These differing patterns indicate that: (i) the risk of poverty is much higher in households with 4 or more children; and (ii) while children from these households constitute a substantial

[42] OECS Commission and UNICEF, 2017, op. cit.

proportion of all poor children, a similar proportion of poor children are found in 1 and 2 child households.

A striking finding is that the disparity between the poverty rates in households with the most and the least children increased between 2006 and 2016. In 2006, there was a differential of 40.5 percentage points between the poverty rates for 4+ child and 1 child households; by 2016, this differential had increased to 52.2 percentage points. A similar trend also applies for 2 and 3 child households relative to 1 child households.

Figure 5.5. Shares of Children by the Number of Children in the Household



The Figures also show the changes that have occurred since 2006. The most striking is the fact that while the child poverty rate for 1 child households has decreased since 2006, those for 2, 3 and 4+ child households have all increased. Yet the overall child poverty rate decreased. The explanation for this apparent paradox is that the share of the child population in 1 and 2 child households increased from 43% in 2006 to 59% in 2016 while the corresponding share of children in 3-4 child households decreased from 58% to 41%; this corroborates the earlier finding that demographic change has been an important factor in decreasing child poverty. Indeed, applying the 2016 poverty rates to the 2006 distribution of children per household would result in a 2016 child poverty rate of over 41%.

Further analysis reveals that when poverty rates for large (4+ children) households are cross tabulated with the sex of the household head, the child poverty rate for female headed households is extremely high at over 80% and that this sub-group of households accounts for around a third of all poor children. This finding provides a potential for the targeting of poverty reduction initiatives to this sub-group.

Table 5.5: Child Poverty by Number of Children in the Household

Children in Household	Poverty Status[1]			Poverty Rate		Share of Children by Size of Household			
						Poor Children		**All Children**	
	Poor	**Not Poor**	**Total**	**2016**	***2006***	**2016**	***2006***	**2016**	***2006***
1	**1,660**	**10,097**	**11,757**	**14.1%**	***17.7%***	**10%**	***8%***	**24%**	***17%***
2	4,565	12,543	17,108	26.7%	*23.0%*	27%	*16%*	35%	*25%*
3	3,397	5,712	9,109	37.3%	*31.2%*	20%	*17%*	19%	*21%*
4 or more	7,210	3,658	10,868	66.3%	*58.2%*	43%	*58%*	22%	*37%*
All Child Households	**16,832**	**32,010**	**48,842**	**34.5%**	***36.7%***	**100%**	***100%***	100%	*100%*

1. Children only.

5.7 Child Poverty and Household Structure

Figure 5.6 and Table 5.6 present the child poverty rates for three types of household structure: single parent, nuclear family and extended family[43].The key finding is that child poverty rates are much higher in single parent and extended family households. Poverty rates in these households are respectively around 13 and 23 percentage points higher than for nuclear families. The poverty rate for extended families is over double that for nuclear families and these households contain over 60% of poor children. In contrast, only a fifth of poor children live in nuclear families although these households account for a third of all children.

Figure 5.6: Child Poverty and Household Structure

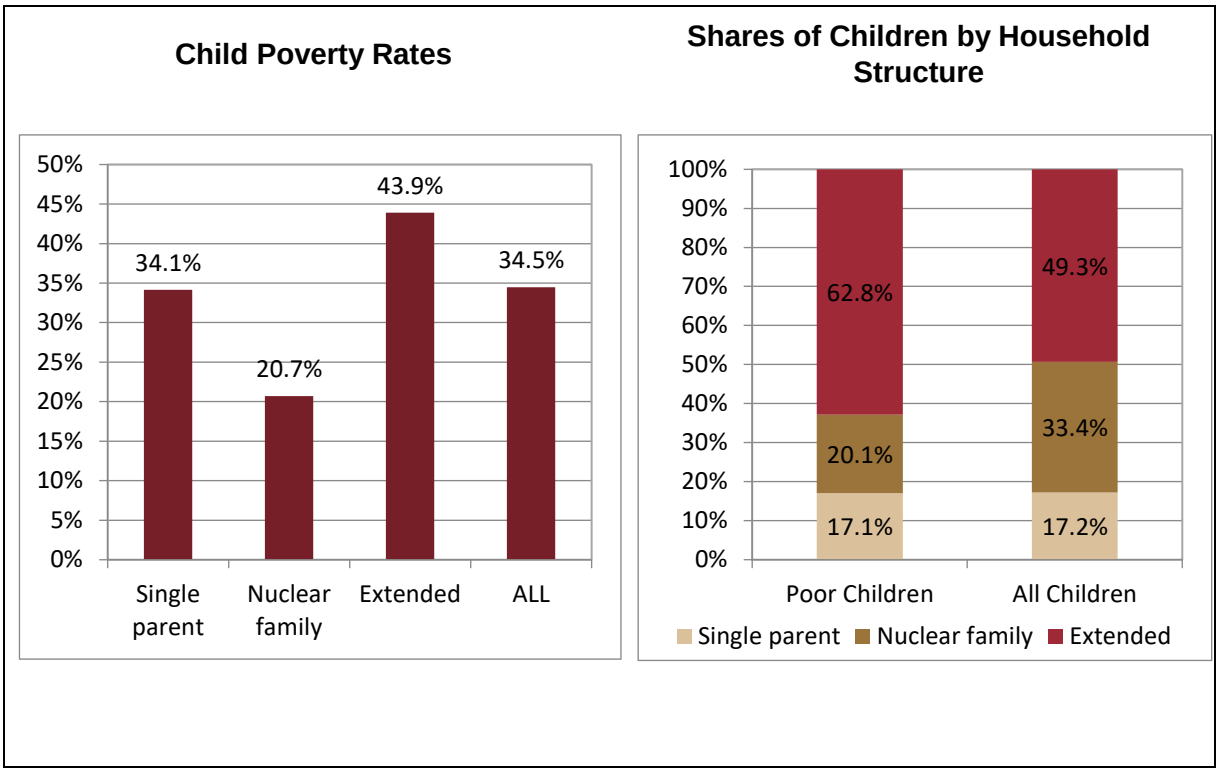


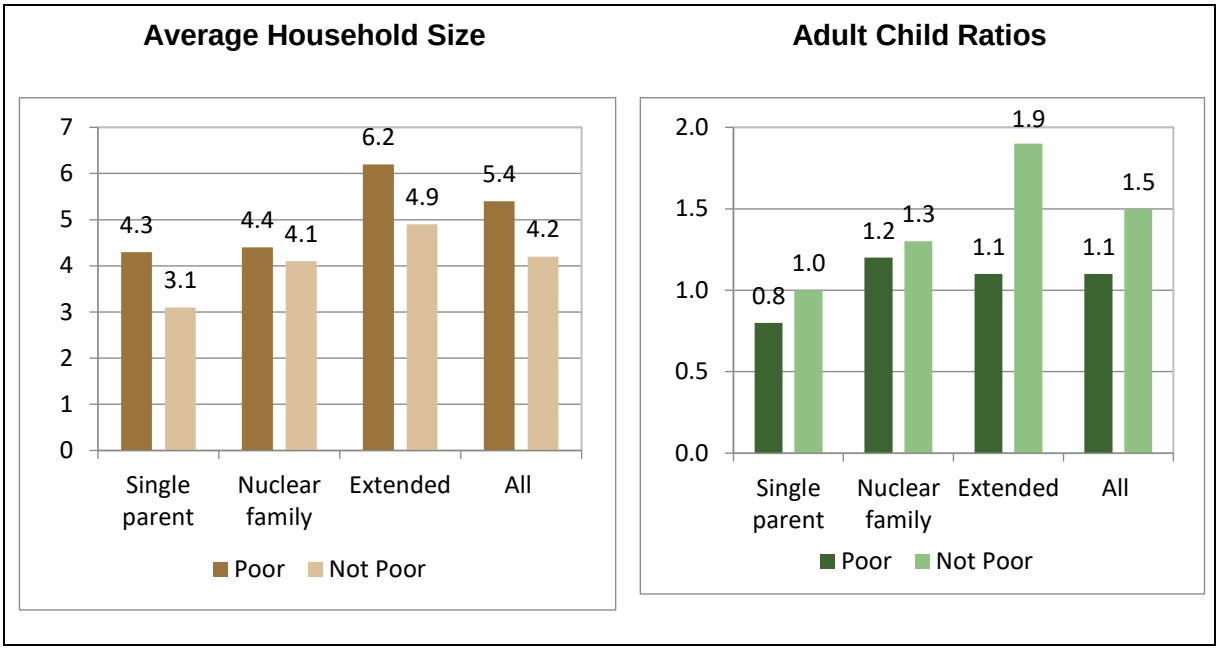
Table 5.6: Child Poverty and Household Structure

Household Structure	Poverty Status			Poverty Rate	Share of Children by Structure of Household	
	Poor	**Not Poor**	**Total**		**Poor Children**	**All Children**
Single parent[1]	**2,877**	**5,548**	**8,425**	**34.1%**	**17.1%**	**17.2%**
Nuclear family[1,2]	3,382	12,952	16,334	20.7%	20.1%	33.4%
Extended[3]	10,573	13,511	24,084	43.9%	62.8%	49.3%
All	16,832	32,011	48,843	34.5%	100.0%	100.0%

[43] Single Parent Household: 1 adult and children only. A minority of these households include adult children, whose presence of has little impact on the poverty rates; nuclear family: Head of household + partner/ spouse + children only; may also include some adult children; extended family: households with grandchildren/ siblings/ cousins, etc. of the head of household.

In single parent and extended family households, average household sizes are substantially higher and adult-child ratios substantially lower, in poor as opposed to not poor households. In nuclear families, there is little variation in either of these indicators (Figure 5.7).

Figure 5.7: Child Poverty and Household Structure: Household Size and Adult Child Ratios



These variations by household structure go some way to explaining the disparity in child poverty rates between male and female headed households (see Figure 6. 3 above). Figure 5.8 shows the distribution of the child population by female and male heads of household and household structure.

The principal results are: (i) female heads are disproportionately represented in one parent households; and (ii) women are also heads in over half the extended family households. As seen in Figure 6.4, these are the household types that have the highest child poverty rates. Conversely, nuclear families, where poverty is lower, are rarely headed by women.

Figure 5.8: Distribution of Children by Sex of HoH and Household Structure

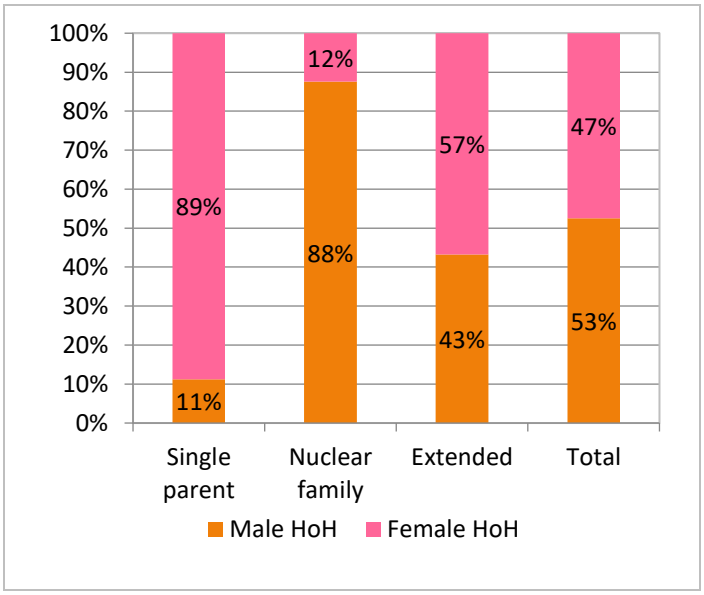
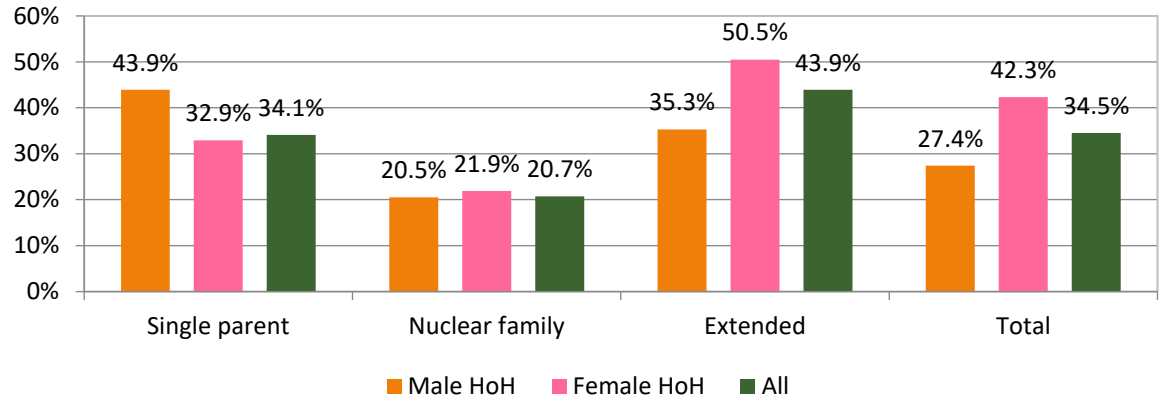


Figure 5.9 shows child poverty rates by sex of head of household and household structure. Female poverty rates are high (32.9%) in single parent households where they predominate. Moreover, the child poverty rate for female headed extended families is also much higher than

in those headed by men - 50.5% compared to 35.5%. Conversely, few female headed households are nuclear families, where the child poverty rate is much lower.

Figure 5.9: Child Poverty Rates by Sex of HoH and Household Structure



Note: The child poverty rate for single parent male headed households is based on a low sample size (20 households and 28 children). This poverty rate should therefore be interpreted with caution. Additionally, these households account for only 2.5% of all poor children.

From the results of the above two figures, one can conclude that the gender variation in female and male headed households headship rates goes some way to explaining the difference in child poverty rates between male and female headed households.

Table 5.7: Household Structure and Sex of Head of Household

Item	Sex of HoH	Household Structure			
		Single parent	**Nuclear family**	**Extended**	**Total**
Child Population	Male HoH	948	14,302	10,424	25,674
	Female HoH	7,478	2,032	13,660	23,170
	All	8,426	16,334	24,084	48,844
	% Female	**11.3%**	**12.4%**	**56.7%**	**47.4%**
Child Poverty Rates[2]	Male HoH	43.9%[1]	20.5%	35.3%	27.4%
	Female HoH	32.9%	21.9%	50.5%	42.3%
	All	34.1%	20.7%	43.9%	34.5%

1. See note to Figure 6.10.
2. Obtained from analysis of data not included in the Table for the sake of clarity.

5.8 Poor Children And The School Feeding Programme

The School Feeding Programme (SFP) is one of the Government of Saint Lucia's headline social protection programme that aims to provide healthy meals and snacks for children in all

infant and primary schools.[44] Table 5.8 summarises information on the coverage of the SFP for all children aged 3 to 16 years.[45] Overall, the SFP was available to around 19,000 school age pupils, equivalent to just over half the total number of children in the 3 to 16 year age group. Of these, around 13,000 directly benefited from the programme, representing around 70% of the availability.

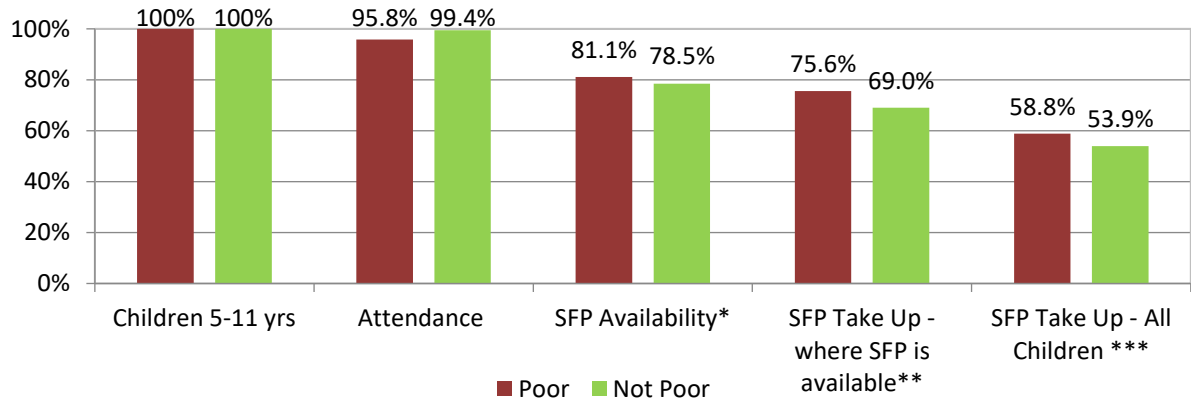
Table 5.8: General Characteristics of School Feeding Programme

Age Group	All Children[1]	Attending School	Attendance Rate	SFP available	SFP Availability Rate[2]	Benefit from SFP[3]	SFP Take up Rate[4]
3-16 yrs.	**36,222**	**34,539**	**95%**	**18,657**	**54%**	**12,846**	**69%**
3-4 yrs.	3,854	2,918	76%	1,334[5]	46%	1,178[5]	88%
5-11 yrs.	17,998	17,666	98%	14,028	79%	10,013	71%
12-16 yrs.	14,370	13,955	97%	3,295	24%	1,655[5]	50%
% 5-11 yrs.	50%	51%		75%		78%	

1. Excluding small number of school pupils where SFP availability was missing.
2. % of SFP availability.
3. I.e. receive snacks or meals from the SFP. In principle, all SFP beneficiaries have to make a small payment; this is borne out by the survey data.
4. % of SFP available.
5. Low samples (under 40 individuals).

The Table 5.9 shows a wide variation between age groups in terms of school attendance, SFP availability and take up rates. Low samples complicate interpretation; particularly for older children, the majority of whom will be in secondary school where the SFP is not available. For these reasons, the subsequent analysis concentrates on the 5 to 11-year age group. This group encompasses the majority of children in schools where the SFP is available and who benefit from it. The analysis is presented in Figure 5.10.

Figure 5.10: Poverty Characteristics of the School Feeding Programme, Children 5-11 years



* % of school attenders. ** SFP Beneficiaries as % of SFP availability. *** SFP Beneficiaries as % of all children 5-11 years.

[44] "*The School Feeding Programme is a social assistance programme that is provided by the Ministry of Education at infant and primary schools. This programme provides a hot nutritious meal for children at lunch time*.": http://www.govt.lc/services/school-feeding-programme

[45] This age range includes all children stating that the SFP was available in their school.

The availability of the SFP is high for the 5-11-year age group at around 80%; there is little difference between poor and not poor children. Just over 70% of children in schools where the SFP is available receive snacks and/or meals from the programme. The take up rate is slightly higher for poor children, 76%, than for not poor children, 69%. Overall, around 59% of poor children aged 5 to 11 years benefit from the SFP which is higher than for not poor children, 54%.

The poverty rate for SFP beneficiaries is higher than that for the age group as a whole, 37.5% compared to 35.5%. However, the difference is small and indicates that the SFP currently has only a slight pro poor focus. This finding also holds true for all children aged 3 to 16 years receiving benefits from the SFP.

Table 5.9: Poverty Characteristics of School Feeding Programme

Children 5-11 yrs.	Poor	Not Poor	Total	Poverty Rate
All	**6,382**	**11,616**	**17,998**	**35.5%**
Attending school	6,116	11,550	17,666	34.6%
SFP Availability	4,962	9,066	14,028	35.4%
Receive SFP benefits	**3,753**	**6,260**	**10,013**	**37.5%**
Indicators (%)				
School Attendance	95.8%	99.4%	98.2%	
SFP Available[1]	81.1%	78.5%	79.4%	
SFP Take up – SFP available[2]	75.6%	69.0%	71.4%	
SFP Take up – All Children[3]	**58.8%**	**53.9%**	**55.6%**	

1. % of school attenders.
2. SFP Beneficiaries as % of SFP availability.
3. SFP Beneficiaries as % of all children 5-11 years.

5.9 Children and the Multi-dimensional Poverty Index

The MPI has been designed to incorporate aspects of deprivation not captured by the income-based poverty line. Accordingly, the MPI is based on indicators related to household deprivation in terms of education, health, employment, living standards and security, and environmental/ climate change vulnerability. The MPI therefore provides a more holistic approach to assessing poverty and deprivation than income poverty indicator.

Table 5.10 shows that the MPI deprivation rate for children is 67.2% and is virtually identical to that for adults, 66%. The primary reason for this is that several of the MPI indicators, for example, those related to employment, fear of crime, lack of health and housing insurance, are largely independent of the presence of children in the household.

Table 5.10: MPI Headcount Deprivation Rates

Group	**MPI Deprived***	**MPI Not Deprived**	**Total**	**MPI deprivation rate**
Children	**32,803**	**16,039**	**48,842**	**67.2%**
Adults	81,730	42,065	123,795	66.0%
Total	114,533	58,104	172,637	66.3%

* A household is defined as deprived if it is deprived in 30% or more of the MPI indicators (*Section 4.3.2 above*).

Table 5.11 shows the percentage distribution of children according to their poverty and MPI status. Around half of children are poor and MPI-deprived, or not poor and not MPI-deprived, indicating that these two approaches to poverty measurement give consistent results. On the other hand, a substantial proportion (39%) of children are not living in poverty but are MPI-deprived; in contrast, few income poor children (6%) are not MPI-deprived.

Table 5.11: Children – MPI Deprivation and Income Poverty Status

MPI Deprivation	Income poverty status		Total
	Poor	Not Poor	
Deprived	**28.4%**	38.8%	67.2%
Not Deprived	6.1%	**26.8%**	32.8%
Total	34.5%	65.5%	100.0%

5.10 Key Findings

Just over one in three Saint Lucian children were poor compared to one in five adults. In absolute numbers, nearly 17,000 children were poor, and they accounted for 39% of the poor population. This is a pattern found almost universally in both developed and developing countries. Reasons for child poverty rates being higher than those for adults could include: (i) the additional costs of supporting children (feeding, clothing, educating, etc.); and (ii) reduced house incomes as the primary carer usually stops working or reduces their working hours. Nevertheless, the majority of children are not poor, and adults constitute the majority of the poor population. In 2016, there were slightly under 1,000 indigent (severely poor) children. This represents a low indigence rate of 2% and means that around 1 in 17 poor children are indigent.

There has been a decrease in the child poverty rate since 2006, from 36.7% to 34.5% ten years later. Although this decline is not large, allied to the change in the demographic structure of the population, the number of poor and indigent children in Saint Lucia has decreased substantially by around one third and one quarter respectively.

The child poverty rate in rural areas is higher than it is in urban areas, 41% compared to 32%, as it is for adults. However, as the majority of the population lives in urban areas, almost 70% of poor children live in urban areas.

The child poverty rate for female headed households, 42%, is over half as much again as the rate for male headed households (27%) resulting in almost 60% of poor children living in female headed households. This represents a major change since 2006 when there was little difference in child poverty rates between female and male headed households. Nevertheless, over 40% of poor children currently live in male-headed households.

Child poverty increases sharply with the number of children in the household, from 14% in single child households to 66% in households with 4 more children. These households account for over 40% of poor children. Although the poverty rate for one child households has decreased since 2006, it has risen for all other larger child households. The decrease in the overall child poverty rate is thus due primarily to a reduction in the proportion of children living in households with 3 or more children rather than a decrease in poverty rates.

Child poverty also varies with household structure. Whereas the poverty rate for nuclear families, 21% is well below the overall child poverty rate (34.5%) and that for single parent households is close to this average, the rate for extended family households, at 44%, is much

higher. To a large extent, this reflects the larger size and lower adult child ratios in extended family households.

The abovementioned disparity in child poverty rates between female and male headed households is closely linked to household structure. Over 85% of single parent households and 54% of extended family households are female headed compared with only 13% of nuclear families where poverty rates are much lower.

Saint Lucia's SFP currently reaches around 80% of children aged 5 to 11 years, around 70% of whom benefit through receiving snacks/ meals from the SFP. Around 59% of poor children currently benefit from the SFP compared to 54% in not poor households. The SFP has a pro-poor focus in that relatively more poor than non-poor children benefit, however this is marginal.

The MPI for children is 67.2% which differs little from the MPI for adults. The primary reason for this lack of variation is that several of the MPI component indicators are independent of the presence of children in the household. At the same time, the two approaches to poverty measurement (the income poverty and the MPI deprivation) give consistent results, as the great majority of income poor children are also MPI deprived; the MPI deprivation is also a more all-embracing concept 'casting a wider net' which includes a sizeable proportion (39%) of children who are not income poor.

5.11 Policy Implications

The following policy implications arise from these findings:

- First and foremost, and notwithstanding the decrease over the last 10 years, the level of child poverty in Saint Lucia is such as to render essential the inclusion of measures to address child poverty in any poverty reduction strategy/ action plan.
- The existence of higher poverty rates amongst sub-groups of poor children, e.g. rural communities and female headed households should not be used as a reason to deflect attention from the substantial proportions of poor children that are found in other sub-groups, e.g. urban and male headed households - 69% and 42% of poor children respectively. On the other hand, the identification of groups with higher child poverty rates and high shares of poor children, for example households with 4 or more children, especially those headed by females where the poverty rate exceeds 80%, merits a high priority and provides a potential basis for the targeting of interventions.
- To some extent, tackling child poverty will involve the strengthening of general poverty reduction programmes, such as those designed to reduce unemployment and stimulate job creation.
- However, the findings from the analysis clearly indicate that there is a need for programmes and policies that: (i) directly address the needs of poor children; and (ii) reduce the likelihood of children becoming poor in the future. Examples of such programmes are: (i) strengthening and extending social protection programmes for children (e.g. child benefits, social welfare), including targeting mechanisms; (ii) strengthening social services and child protection activities; and (iii) sectoral interventions to improve access to education and health services for children.
- Likewise, there will be a need for interventions targeted at age-specific sub-groups of children, such as those of pre-, primary- and secondary-school age, and teenagers.
- There will also be a need to address non-income issues which affect the wellbeing of children and for which information is not amenable to investigation through the SLC-HBS. Examples of such issues are domestic violence, family break-up, the physical and

sexual abuse of children and substance abuse, all of which can compromise children's life chances.

- Notwithstanding its high availability rate, there is potential to strengthen the SFP by taking steps to do some or all of the following: (i) further increase the availability of the SFP; (ii) encourage take up in schools where it is provided; and (iii) make special efforts to ensure that the neediest children are beneficiaries. Arguably, the last two merit the greatest priority.

6 LABOUR AND EMPLOYMENT

6.1 THE LABOUR MARKET

The promotion of inclusive and sustainable economic growth providing for employment and decent work for all is Goal 8 of the SDGs. Employment creation has long been a major goal of economic policy in Saint Lucia, as it has been for the rest of the Caribbean. Every political administration since independence has placed employment at the centre of its development programme. This chapter provides an analysis of various facets of the labour market in Saint Lucia, based on data generated in the most recent SLC-HBS and allows for comparison with the SLC-HBS of 2006.

Table 6.1 provides a comparison of the main indicators on the labour market for the 2006 SLC-HBS and 2016 SLC-HBS. The employed to working age population increased by 3.7 percent, from 59 percent to 62.7 percent over the period, and working age population as a fraction of the total population increased from 60 percent to 67 percent: this establishes an underlying demographic factor, of a fall in the youngest cohort as a percentage of the population, with a decline in birth rates. Significantly, the unemployment rate climbed from 13.2 percent to 23.3 percent over the period: The Great Recession was one factor in the decline of the economy of Saint Lucia. Yet the poverty rate among low earners fell from 21.9 percent to 16.5 percent. However, the poverty rate among the unemployed increased from 32.5 percent to 35.4 percent. Median earnings increased by 40.5 percent, which was much in excess of the rate of inflation: consumer prices rose by 17.5 percent between 2007 and 2016. Meanwhile, the Gini coefficient increased from 0.369 to 0.404 suggesting an increase in inequality among the labour force, as did the Theil index.

Table 6.1: Main Indicators of the Labour Market

	SLC-HBS 2006	SLC-HBS 2016	Change
Unemployment rate	13.2	23.3	10.1
Employment-to-working-age-population ratio	59.0	62.7	3.7
Working age population as a fraction of total population	60.0	67.0	7.0
Median earnings (EC$)	1,075.0	1,510.3	435.3
Median hourly earnings	26.9	37.8	10.9
Low earnings rate	98.5	96.9	-1.6
Poverty rates among low earners	21.9	16.5	-5.4
Poverty rate among the unemployed	32.5	35.4	2.8
Share of low earners who have low earnings due to short hours	3.2	5.3	2.1
Share of low earners who work long hours	80.1	76.6	-3.5
Share of non-low earners who escape low earnings due to long hours	26.0	31.6	5.6
Theil index for earnings	25.1	30.8	5.8
Gini coefficient for earnings	36.9	40.4	3.5

The labour force data must be seen against the backdrop of the change in the structure of the population. As can be seen in Table 6.2, the total population increased by 5 per cent from 164,803 in 2006 to 172,638 in 2016. The population 6 years of age and above increased by 6 percent, and the working age population by 17 percent. The inactive population decreased by 33 percent, reinforcing the finding of an increase in participation. In particular, the percentage

of those above working age, who chose to continue working increased: there was a drop in the number who remained inactive. This implies that employment creation policies can no longer focus on those entering the labour market for the first time: there are the elderly who continue being labour force participants. Unemployment increased massively, with the number unemployed in 2016 rising by 148 percent. Figure 6.1 through Figure 6.4 provide both the distribution of the working age population by employment status and the distribution of the population by working age ranges for 2006 and 2016.

Table 6.2: Hierarchical Decomposition of the Labour Force (Levels)[46]

	SLCHBS 2006	SLCHBS 2016	Percentage change
0. Total population	**164,803**	**172,638**	**5**
1. Population 6 years and above	**148,908**	**157,686**	**6**
1.1 Child population (6-14 years of age)	**33,893**	**24,895**	**-27**
1.2 Population above the working age limit	**16,133**	**17,146**	**6**
1.2.1 Employed	*2,498*	*3,772*	*51*
1.3 Working age population (15-64 years of age)	**98,882**	**115,645**	**17**
1.3.1 Inactive	*31,649*	*21,111*	*-33*
1.3.2 Active	*67,233*	*94,534*	*41*
1.3.2.1 Employed	58,360	72,525	24
1.3.2.2 Unemployed	8,873	22,009	148

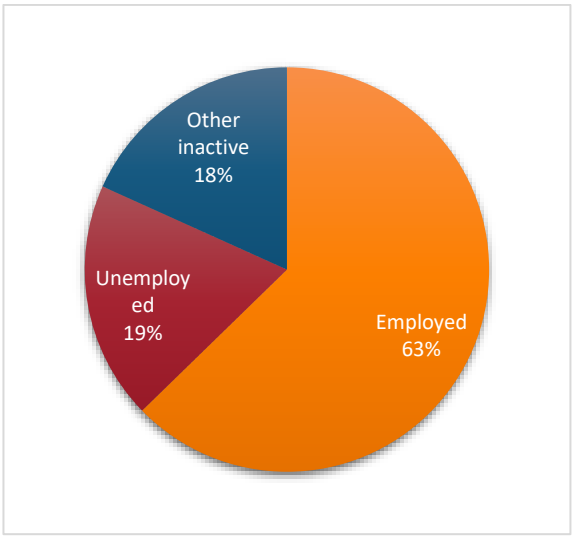


Figure 6.1: Distribution of Working Age Population by Employment Status (SLC-HBS2006)

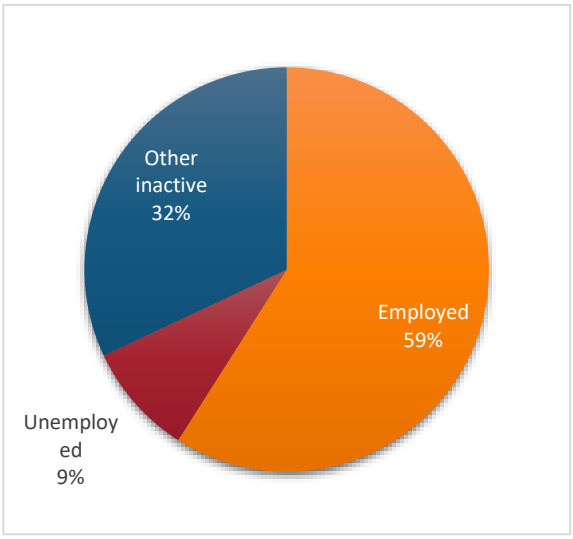


Figure 6.2: Distribution of Working Age Population by Employment Status (SLC-HBS2016)

[46] These results are derived as sum of weights for each group; if weights variable doesn't correspond to expansion factors interpretation of the results as number of people in each group is wrong

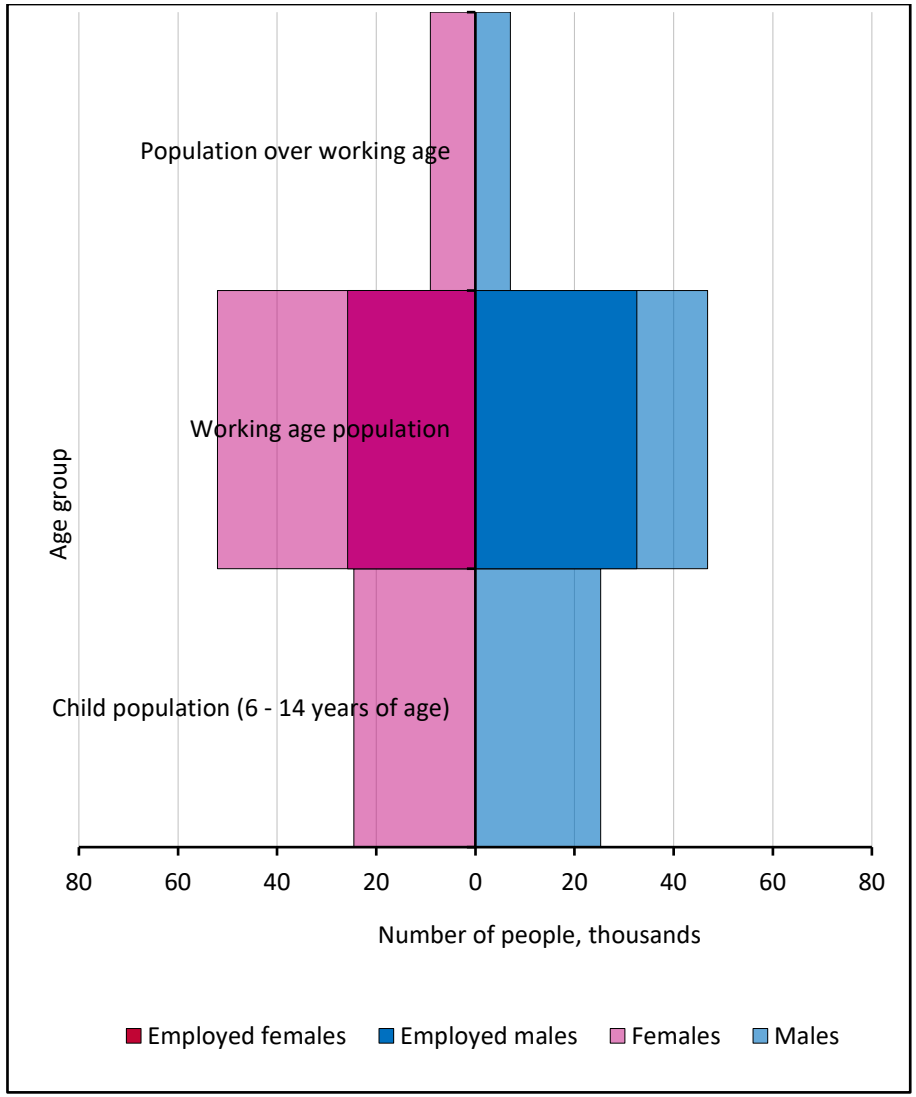


Figure 6.3: Employment Pyramid by Working Age Range (SLC-HBS2006)

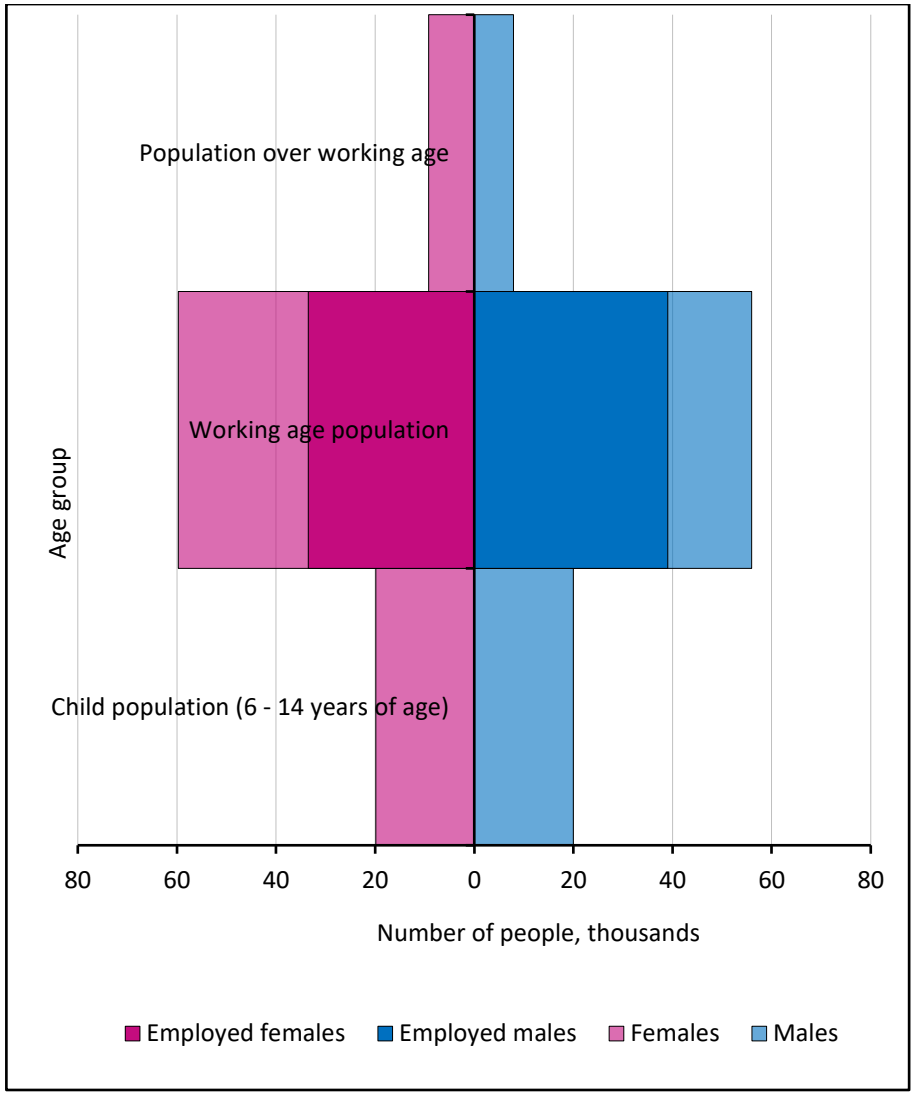


Figure 6.4: Employment Pyramid by Working Age Range (SLC-HBS2016)

Table 6.3 provides information on the employment categories, as shares of total employment. Noteworthy is the fact that the percentage of wage and salary workers fell between 2006 and 2016. This was significant in Agriculture, and correlatively, the percentage in Own Account Agriculture increased from 41.3 percent to 50.1 percent: some of these might have been elderly farmers. Median earnings of wage and salary workers in agriculture suggest that there were problems in the sector relative to the rest of the economy. Figure 6.5 and Figure 6.6 provide illustrations of this breakdown in total employment.

Table 6.3: Employment Categories, Shares in Total Employment

	SLCHBS 2006	SLCHBS 2016	Change
Total			
Wage and Salary Worker	81.9	78.7	-3.1
Employer	3.5	4.6	1.1
Own Account Worker	14.4	16.1	1.8
Contributing Family member	0.2	0.5	0.3
Non-agriculture			
Wage and Salary Worker	85.6	83.1	-2.5
Employer	2.9	3.7	0.8
Own Account Worker	11.4	13.1	1.7
Contributing Family member	0.1	0.2	0.0
Agriculture			
Wage and Salary Worker	48.9	30.8	-18.1
Employer	9.1	15.0	5.9
Own Account Worker	41.3	50.1	8.8
Contributing Family member	0.6	4.0	3.4

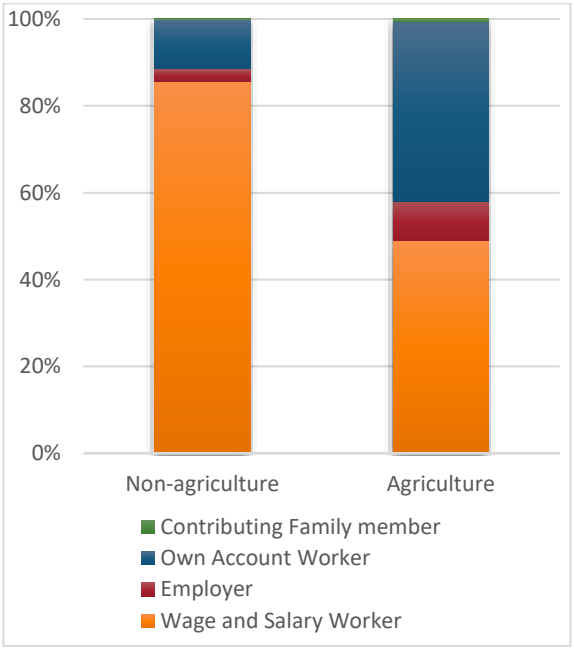


Figure 6.5: Distribution of Employment by Categories (SLC-HBS2006)

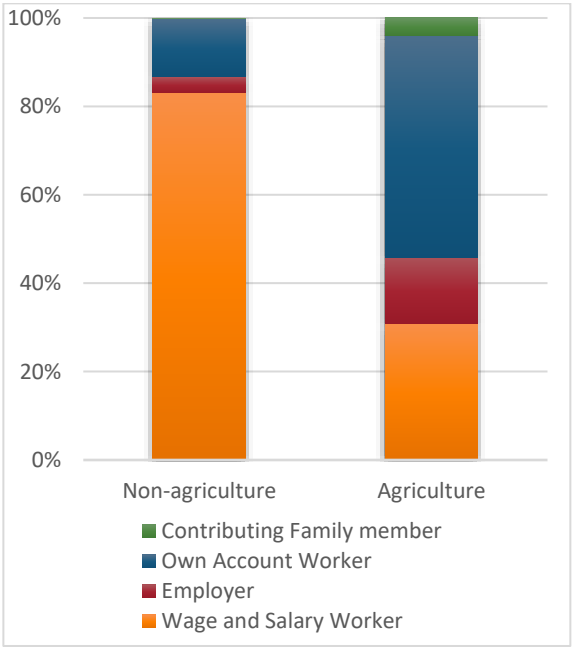


Figure 6.6: Distribution of Employment by Categories (SLC-HBS2016)

There was no change in median earnings between 2006 and 2016, and median hourly earnings showed the lowest increase. However, hourly earnings for workers in non-agriculture and for employers both in non-agriculture and in agriculture, increased much more than for wage and salary workers in agriculture. This along with the increase in the numbers in own account agriculture points to the difficulty in the sector, which served as a source for residual employment where better could not be achieved for some sections of the work-force.

Table 6.4 provides the distribution of the employed by economic sector. The substantial increase in the share of the Wholesale and Retail Trade might have been due to an increase in informal sector activity among the active population, while the decline in the share of Construction could be explained by the slower growth in the economy in 2016 compared to 2006.

Table 6.4: Distribution of the Employed by Economic Sector

Sector	Share of total employment		
	SLCHBS 2006	SLCHBS 2016	Change
Agriculture, Hunting, Forestry and Fishing	10.8	8.7	-2.1
Manufacturing	5.5	6.3	0.8
Construction	12.4	9.5	-2.8
Wholesale and Retail Trade+	8.8	17.3	8.5
Accommodation and Food Service	13.8	16.0	2.2
Transport, Storage and Communication	4.6	5.3	0.7
Financing, Insurance, Real Estate and Business Services	31.0	21.2	-9.8
Public Administration and Defence	6.7	10.5	3.9
Educational Services-Govt/Private	6.5	5.2	-1.3
Total	100.0	100.0	0.0

Table 6.5 gives the distribution of the employed by educational level achieved. What is significant is the change in the distribution between percentage with primary or less in 2006 and 2016. Whereas this group accounted for almost 45 percent of the employed workforce in 2006, by 2016, this had dropped to 33 percent and Secondary and Tertiary accounted for over 64 percent. Indeed, tertiary level workers accounted for just under 24 percent of the work-force in 2016 compared to 18.5 percent in 2006. A priori, there might have been some upgrading in educational levels of the work-force. When the work-force in agriculture and non-agriculture are compared, it is readily established that workers with more limited education were absorbed in agriculture in both years, and significantly, a declining percentage of tertiary level personnel were employed in agriculture. It is unlikely, then, that the sector would have been well geared to apply up-to-date scientific and technological information in the production of agricultural output. More recently, there has been an announced increase in output, indicative of a possible improvement in productivity.[47]

Table 6.5: Distribution of the Employed along Selected Characteristics - Level of Education

	Share of total employment

[47] https://stluciatimes.com/2017/08/16/st-lucias-banana-industry-set-recovery/

	SLCHBS 2006	SLCHBS 2016	Change
Level of education			
Total			
None	0.8	1.2	0.4
Primary	43.9	32.2	-11.6
Secondary	33.1	41.1	8.0
Tertiary	18.5	23.7	5.3
Not Stated	3.8	1.7	-2.1
Total	100.0	100.0	0.0
Non-agriculture			
None	0.8	0.8	0.0
Primary	40.5	28.9	-11.6
Secondary	35.6	43.0	7.4
Tertiary	19.9	25.5	5.6
Not Stated	3.2	1.8	-1.4
Total	100.0	100.0	0.0
Agriculture			
None	0.7	6.2	5.5
Primary	74.4	68.8	-5.6
Secondary	10.5	20.7	10.1
Tertiary	5.2	3.9	-1.4
Not Stated	9.1	0.5	-8.7
Total	100.0	100.0	0.0

Table 6.6 shows the inequalities in earnings by level of education for both years of the SLC 2006 and 2016, in Agriculture and non-Agriculture fields. Overall, inequality as measured by the Gini Coefficient increased in respect of earnings. However, a significant finding is the inequality in earnings among tertiary level personnel, which fell, whether in Agriculture or non-Agriculture. It might be that the numerical increase in the work-force eliminated the economic rents enjoyed by graduates in the earlier period when there might have been a shortage in tertiary level personnel. There was a decline in earnings inequality in Public Administration and Defence which was an important area for the expansion of employment, as a result of countercyclical initiatives, but also in the provision of public services on the part of Governments during the ten-year period. This bucked the overall trend of increasing inequality in earnings, given the nature of pay-scales in the public service.

Table 6.6: Earnings Inequalities by Level of Education. Gini Coefficient

	SLCHBS 2006	SLCHBS 2016	Change
Total			
None	28.3	36.2	7.9
Primary	32.6	37.2	4.6
Secondary	33.6	33.6	0.0
Tertiary	37.2	34.1	-3.0
Not Stated	38.9	68.3	29.4
Total	36.9	40.4	3.5
Non-agriculture			
None	28.8	31.9	3.0
Primary	32.3	35.0	2.8
Secondary	33.3	33.3	0.0
Tertiary	37.2	34.1	-3.1
Not Stated	42.0	68.7	26.7
Total	36.8	40.0	3.2
Agriculture			
None	0.0	36.2	36.2
Primary	32.9	44.4	11.5
Secondary	41.5	38.4	-3.1
Tertiary	35.0	19.5	-15.6
Not Stated	17.0	0.0	-17.0
Total	34.7	43.5	8.8

Table 6.7 shows the poverty rate for the Working Age Population by Individual Employment Status across urban and rural communities. Poverty levels fell for the employed in both urban and rural areas between the two years 2006 and 2016. However, among the unemployed, poverty increased, marginally for the unemployed in urban areas and substantially for the unemployed in rural areas. This would have added to rural urban migration.

Table 6.7: Poverty Rate of the Working Age Population by Individual Employment Status and Urban/Rural

	SLCHBS 2006	SLCHBS 2016	Change
Employment status			
Employed			
Urban	18.2	12.9	-5.3
Rural	30.6	24.5	-6.1
Total	21.6	16.1	-5.6
Unemployed			
Urban	33.6	34.4	0.7
Rural	30.4	37.4	7.0
Total	32.5	35.4	2.8
Inactive			
Urban	23.4	30.2	6.8
Rural	51.5	34.1	-17.3
Total	33.3	31.4	-1.9
Total working age population			
Urban	21.1	19.8	-1.2
Rural	38.3	29.2	-9.1
Total	26.3	22.5	-3.8
Total population			
Urban	23.1	21.8	-1.3
Rural	41.0	32.9	-8.0
Total	28.8	25.0	-3.8

Table 6.8 which focuses on poverty rates for the working age population by individual employment category across the urban rural divide, shows an interesting result. Poverty among own account workers was almost the same in 2006 in rural areas as in urban areas, but in 2016, it was almost half of the level in urban areas compared to rural areas. Again, this would have encouraged rural urban migration, since the urban areas offered the chance of better prospects in 2016.

Table 6.8: Poverty Rates of the Working Age Population by Individual Employment Category and Urban/Rural

	SLCHBS 2006	SLCHBS 2016	Change
Wage and Salary Worker			
Urban	18.2	13.3	-4.9
Rural	33.3	26.6	-6.6
Total	22.1	16.7	-5.4
Employer			
Urban	2.4	4.4	2.0
Rural	32.2	10.8	-21.4
Total	9.5	6.6	-2.9
Own Account Worker			
Urban	21.8	11.0	-10.8
Rural	21.6	20.9	-0.8
Total	21.8	14.4	-7.4
Contributing Family member			
Urban	51.6	26.0	-25.6
Rural	0.0	27.6	27.6
Total	34.8	26.5	-8.3
Total working age population			
Urban	21.1	19.8	-1.2
Rural	38.3	29.2	-9.1
Total	26.3	22.5	-3.8
Total population			
Urban	23.1	21.8	-1.3
Rural	41.0	32.9	-8.0
Total	28.8	25.0	-3.8

Table 6.9 treats with poverty and the sector in which worked, while Table 6.10 provides information on poverty in sector of employment of household head for the years 2006 and 2016. The percentages in poverty in Agriculture, Hunting, Forestry and Fishing fell by more than ten points. The percentage in Manufacturing fell even more from 33.1 percent in 2006 to 12.5 percent in 2016. On the other hand, the percentage poor rose in Financing, Insurance, Real Estate and Business, Public Administration and Defence, and Educational Services rose, the latter in particular from 20.4 percent in 2016 to 34.5 percent for heads. There is no readily available explanation for this.

Table 6.9: Poverty Rates of the Working Age Population by Individual Sector of Employment

	SLCHBS 2006	SLCHBS 2016	Change
Agriculture, Hunting, Forestry and Fishing	39.1	24.2	-15.0
Manufacturing	31.7	12.4	-19.3
Construction	28.7	19.3	-9.5
Wholesale and Retail Trade	21.1	15.1	-6.1
Accommodation and Food Service	19.3	17.5	-1.8
Transport, Storage and Communication	9.4	8.4	-1.0
Financing, Insurance, Real Estate and Business Services	17.3	18.5	1.2
Public Administration and Defence	6.2	11.5	5.3
Educational Services-Govt/Private	12.8	14.3	1.4
Activities Not Adequately Defined	31.8	31.9	0.1

Table 6.10: Poverty Rates of the Working Age Population by Sector of Employment Household Head

	SLCHBS 2006	SLCHBS 2016	Change
Agriculture, Hunting, Forestry and Fishing	37.5	26.6	-10.9
Manufacturing	33.1	12.5	-20.6
Construction	25.6	15.5	-10.0
Wholesale and Retail Trade	23.9	14.1	-9.8
Accommodation and Food Service	13.0	21.0	8.0
Transport, Storage and Communication	10.0	6.8	-3.1
Financing, Insurance, Real Estate and Business Services	19.3	25.9	6.6
Public Administration and Defence	8.5	13.7	5.3
Educational Services-Govt/Private	20.4	34.5	14.1
Activities Not Adequately Defined	29.1	30.0	0.8

Table 6.11 focuses on the distribution of the working age population by poverty and individual employment status. In 2006, 53.2 percent of the low earners were employed, while in 2016, the figure had dropped to 41.7 percent. The percentage of the employed who were poor had fallen.

Table 6.11: Distribution of the Working Age Population by Poverty and Individual Employment Status (shares of total employment)

	Poor			Non-poor		
	SLCHBS 2006	**SLCHBS 2016**	**Change**	**SLCHBS 2006**	**SLCHBS 2016**	**Change**
Total						
Employed non-low earners	0.0	0.1	0.1	1.2	2.5	1.3
Employed low earners	48.4	44.6	-3.8	61.6	65.5	3.9
Unemployed	11.1	29.9	18.8	8.2	15.9	7.7
Other inactive	40.5	25.4	-15.0	29.0	16.2	-12.8
Area of residence						
Urban						
Employed non-low earners	0.0	0.0	0.0	1.3	2.9	1.6
Employed low earners	53.2	41.7	-11.5	62.6	66.9	4.3
Unemployed	13.6	31.1	17.5	7.2	14.7	7.5
Other inactive	33.2	27.2	-5.9	29.0	15.5	-13.4
Rural						
Employed non-low earners	0.0	0.2	0.2	1.0	1.4	0.4
Employed low earners	42.5	49.5	7.0	58.7	61.6	2.9
Unemployed	7.9	27.8	19.9	11.3	19.1	7.9
Other inactive	49.6	22.5	-27.1	29.0	17.9	-11.2

The distribution of the Working Age Population by sector of employment for the poor and non-poor in 2006 and 2016, is shown in Table 6.12. There were changes in the distribution among the sectors in the employment of the poor and non-poor. In 2016, there was a fall in the percentage of the poor employed in Agriculture, Hunting, Forestry and Fishing, Manufacturing, and Construction, but an increase in employment in Wholesale and Retail Trade, and a major increase in Public Administration and Defence. There would have been flight from agriculture, as the export market for bananas tightened. The manufacturing sector languished in an uncompetitive mode. Construction is a sector that tends to be a harbinger of change in economic conditions: in a shrinking or stagnant economy, it would be in decline.

Table 6.12: Distribution of the Working Age Population by Poverty and Individual Sector of Employment (shares of total employment)

Sector	Poor			Non-poor		
	SLCHBS 2006	**SLCHBS 2016**	**Change**	**SLCHBS 2006**	**SLCHBS 2016**	**Change**
Agriculture, Hunting, Forestry and Fishing	20.0	12.7	-7.3	8.3	7.8	-0.5
Manufacturing	8.0	4.7	-3.3	4.6	6.6	2.0
Construction	16.8	11.4	-5.4	11.1	9.4	-1.7
Wholesale and Retail Trade	8.9	15.9	7.0	8.9	17.6	8.7
Accommodation and Food Service	13.0	16.9	3.9	14.6	15.7	1.1
Transport, Storage and Communication	2.0	2.7	0.7	5.1	5.8	0.7
Financing, Insurance, Real Estate and Business Services	25.4	23.8	-1.6	32.5	20.7	-11.8
Public Administration and Defence	1.9	7.3	5.4	7.8	11.1	3.3
Educational Services-Govt/Private	3.9	4.5	0.6	7.1	5.3	-1.8
Total	100.0	100.0	0.0	100.0	100.0	0.0

Wholesale and Retail Trade includes informal sector activities in Saint Lucia, and in tough times, employment is shared, as participants engage in activities in those areas that permit for ease of market entry. It attracts also a larger percentage of women than men. The increase in employment in Transport, Storage and Communication, can be attributed to the rebound in Tourism that started in the middle of the decade. As a result of initiatives by the government to stimulate employment directly, and as a result of the expansion in public services generally, Public Administration and Defence increased the share of jobs provided for both the poor and non-poor.

In respect of the non-poor, trends were broadly similar except for the share of employment in Manufacturing which increased, compared to the situation with the poor, in which regard, there was a decline. The decline in the share of Financing, Insurance, Real Estate and Business Services was much greater than was the case among the poor. *Table 6.13* provides information on the working age population by poverty status for the heads of households. The data broadly mirror the pattern described above for individuals.

Table 6.13: Distribution of the Working Age Population by Poverty and Employment Status of Household Head (shares of total employment)

	Poor			Non-poor		
	SLC-HBS 2006	**SLC-HBS 2016**	**Change**	**SLC-HBS 2006**	**SLC-HBS 2016**	**Change**
Agriculture, Hunting, Forestry and Fishing	27.6	17.7	-9.9	13.0	11.8	-1.2
Manufacturing	7.1	4.9	-2.2	4.1	8.2	4.1
Construction	14.8	8.9	-5.9	12.2	11.7	-0.5
Wholesale and Retail Trade	8.4	10.6	2.2	7.6	15.5	7.9
Accommodation and Food Service	6.6	15.1	8.5	12.5	13.7	1.2
Transport, Storage and Communication	3.1	2.3	0.8	7.9	7.7	-0.2
Financing, Insurance, Real Estate and Business Services	25.1	25.3	0.2	29.8	17.5	-12.3
Public Administration and Defence	2.5	6.6	4.1	7.5	10.0	2.5
Educational Services-Govt/Private	4.9	8.6	3.7	5.4	3.9	-1.5
Total	100.0	100.0	0.0	100.0	100.0	0.0

Table 6.14 and Table 6.15 provide information on the employed by poverty and individual employment category and likewise for heads. The employed poor were largely wage and salary workers, and likewise, poor heads of households were wage and salary workers – as much as 80 percent and over in both urban and rural areas, for workers generally: most households derive income from the participation of its members as employees. With heads of households, Own Account activity occupied as much as 25 percent of them in 2006 but this fell to 17 percent in 2016.

Table 6.14: Distribution of the Employed by Poverty and Individual Employment Category (shares of total employment)

	Poor			Non-poor		
	SLCHBS 2006	**SLCHBS 2016**	**Change**	**SLCHBS 2006**	**SLCHBS 2016**	**Change**
Total						
Wage and Salary Worker	83.7	82.7	-1.0	81.4	78.0	-3.4
Employer	1.6	1.9	0.3	4.1	5.1	1.0
Own Account Worker	14.5	14.6	0.1	14.4	16.4	2.1
Contributing Family member	0.3	0.8	0.5	0.2	0.4	0.3
Total	100.0	100.0	0.0	100.0	100.0	0.0
Area of residence						
Urban						
Wage and Salary Worker	83.4	84.7	1.3	83.1	80.0	-3.1
Employer	0.5	1.5	1.0	4.4	4.6	0.2
Own Account Worker	15.6	12.8	-2.8	12.3	14.9	2.6
Contributing Family member	0.5	1.0	0.5	0.1	0.4	0.3
Total	100.0	100.0	0.0	100.0	100.0	0.0
Rural						
Wage and Salary Worker	84.1	79.9	-4.2	75.9	71.8	-4.1
Employer	3.2	2.5	-0.7	3.0	6.6	3.6
Own Account Worker	12.7	17.0	4.3	20.7	21.1	0.3
Contributing Family member	0.0	0.6	0.6	0.3	0.5	0.2
Total	100.0	100.0	0.0	100.0	100.0	0.0

Table 6.15: Distribution of the Employed by Poverty and Employment Category of Household Head (shares of total employment)

	Poor			Non-poor		
	SLC-HBS 2006	**SLC-HBS 2016**	**Change**	**SLC-HBS 2006**	**SLC-HBS 2016**	**Change**
Total						
Wage and Salary Worker	69.3	80.2	10.9	72.8	65.2	-7.6
Employer	5.4	2.9	-2.5	6.3	9.2	2.9
Own Account Worker	25.3	16.9	-8.4	20.9	24.9	3.9
Contributing Family member		0.0			0.7	
Total	100.0	100.0	0.0	100.0	100.0	0.0
Area of residence						
Urban						
Wage and Salary Worker	69.9	82.1	12.2	76.5	66.1	-10.4
Employer	2.5	2.7	0.2	6.3	8.2	2.0
Own Account Worker	27.6	15.3	-12.4	17.3	24.7	7.4
Contributing Family member		0.0			1.0	
Total	100.0	100.0	0.0	100.0	100.0	0.0
Rural						
Wage and Salary Worker	68.5	77.2	8.7	61.7	62.4	0.7
Employer	9.4	3.3	-6.1	6.3	12.1	5.8
Own Account Worker	22.1	19.5	-2.6	32.0	25.5	-6.5
Contributing Family member		0.0			0.0	
Total	100.0	100.0	0.0	100.0	100.0	0.0

Table 6.16 shows the change in earnings by gender, age group and community over the period. Males experienced a larger increase in median earnings than females. The median earnings of the age group 15-24 increased by less than half of the earnings of the 25-54 age group. Interestingly, median earnings of rural communities increased by more than earnings in urban communities, and indeed, achieved parity.

Table 6.16: Earnings by selected groups

	Median Earnings by Groups		
	SLC-HBS 2006	**SLC-HBS 2016**	**Percentage change**
Total	1,075.0	1,510.3	40.5
Gender			
Male	1,075.0	1,600.0	48.8
Female	1,000.0	1,400.0	40.0

	Median Earnings by Groups		
	SLC-HBS 2006	SLC-HBS 2016	Percentage change
Age group			
15-24	1,000.0	1,200.0	20.0
25-54	1,075.0	1,600.0	48.8
55-64	1,075.0	1,400.0	30.2
Area of residence			
Urban	1,075.0	1,510.3	40.5
Rural	1,000.0	1,510.3	51.0
District			
Castries City	1,075.0	1,500.0	39.5
Castries Sub-Urban	1,075.0	1,510.3	40.5
Anse la Raye/ Canaries*	1,075.0	1,500.0	39.5
Soufriere*	1,075.0	1,500.0	39.5
Choiseul*	1,000.0	1,500.0	50.0
Laborie*	1,000.0	1,150.0	15.0
Vieux Fort	1,000.0	1,200.0	20.0
Micoud	1,075.0	1,600.0	48.8
Dennery	1,000.0	1,510.3	51.0
Gros-Islet	1,075.0	1,656.0	54.0
Completed Educational Levels			
None	1,075.0	1,000.0	-7.0
Primary	1,000.0	1,200.0	20.0
Secondary	1,075.0	1,400.0	30.2
Tertiary	1,600.0	3,000.0	87.5
Not Stated	1,075.0	1,540.0	43.3
Industry			
Agriculture, Hunting, Forestry and Fishing	1,000.0	1,200.0	20.0
Manufacturing	1,000.0	1,300.0	30.0
Construction	1,075.0	2,000.0	86.0
Wholesale and Retail Trade	1,075.0	1,250.0	16.3
Accommodation and Food Service	1,075.0	1,590.0	47.9
Transport, Storage and Communication	1,075.0	1,900.0	76.7
Financing, Insurance, Real Estate and Business Services	1,075.0	1,400.0	30.2
Public Administration and Defence	1,600.0	2,300.0	43.8
Educational Services-Govt/Private	1,600.0	2,500.0	56.3
Non-poor	1,075.0	1,600.0	48.8
Poor	1,000.0	1,140.0	14.0
Quintiles of consumption			
Lowest quintile	1,000.0	1,050.0	5.0
2	1,000.0	1,385.0	38.5
3	1,000.0	1,400.0	40.0

	Median Earnings by Groups		
	SLC-HBS 2006	SLC-HBS 2016	Percentage change
4	1,075.0	1,600.0	48.8
Highest quintile	1,600.0	2,500.0	56.3

Table 6.17 provides information on low earners. The percentage of earners with low earnings due to short hours increased from 3.2 percent in 2006 to 5.3 percent in 2016. Only in Castries City was there a fall in the percentage of low earners over the period. This fell from 9.6 percent in 2006 to 4.7 percent in 2016. Table 4-9 shows the poverty rate among the unemployed across communities. As expected, this tended to be higher than the national average in both surveys. Interestingly, the rate was over 40 percent and among the highest, in the Castries City, Vieux Fort, Soufriere and Dennery, which can be regarded as more urban in their characteristics, as well as in Anse la Raye/Canaries. This was notwithstanding the fact that the poverty rate among the unemployed in rural areas was higher than in urban areas.

Table 6.17: Share of Low Earners Who Have Low Earnings due to Short Hours

	SLC-HBS 2006	SLC-HBS 2016	Change
Total	3.2	5.3	2.1
Gender			
Male	2.9	4.4	1.5
Female	3.5	6.4	2.9
Age group			
15-24	4.0	3.9	-0.2
25-54	3.0	5.4	2.4
55-64	2.9	6.1	3.2
Area of residence			
Urban	3.8	4.7	1.0
Rural	1.7	6.8	5.1
District			
Castries City	9.6	5.6	-4.0
Castries Sub-Urban	3.4	6.7	3.3
Anse la Raye/ Canaries*	3.0	7.7	4.7
Soufriere*	0.0	1.2	1.2
Choiseul*	0.0	5.1	5.1
Laborie*	0.0	6.2	6.2
Vieux Fort	0.8	3.3	2.5
Micoud	3.1	2.2	-0.9
Dennery	0.0	14.0	14.0
Gros-Islet	3.2	2.8	-0.4
Completed Educational Levels			
None	24.8	12.8	-12.0
Primary	3.0	5.8	2.8
Secondary	3.1	4.8	1.7
Tertiary	2.9	5.4	2.4

	SLC-HBS 2006	SLC-HBS 2016	Change
Not Stated	3.5	2.9	-0.6
Agriculture, Hunting, Forestry and Fishing		5.1	
Manufacturing		4.9	
Construction		4.9	
Wholesale and Retail Trade		3.4	
Accommodation and Food Service		4.3	
Transport, Storage and Communication		7.0	
Financing, Insurance, Real Estate and Business Services		6.4	
Public Administration and Defence		4.2	
Educational Services-Govt/Private		8.9	
Activities Not Adequately Defined		9.7	
Non-poor	2.9	5.1	2.1
Poor	4.2	6.7	2.4
Quintiles of consumption			
Lowest quintile	4.0	7.8	3.8
2	2.3	4.9	2.6
3	3.2	5.7	2.5
4	2.5	5.0	2.5
Highest quintile	4.0	4.5	0.5

Table 6.18 shows up-to-date trends in the labour market based on the Labour Force Surveys conducted by the Statistics Division over the period 2015 to 2017, which includes the period when the 2016 SLC-HBS was undertaken. It reflects labour adjustment as the country adjusts to the realities of the international economy, and as the Government implements fiscal policies, both creating the context in which the domestic private sector in turn manages to produce goods and services allowing for survival and growth in the respective sectors of engagement. The labour market is based on derived demand, and Table 6.19 is the result of the underlying economic trends on the demand for labour against the backdrop of a supply determined in part by the demographics of Saint Lucia, and of workers committed to offer their labour in the country, rather than abroad.

Table 6.18: Labour market summary table

	Annual 2015	Jan - Mar 2016	Apr - Jun 2016	Jul - Sep 2016	Oct - Dec 2016	Annual 2016	Jan - Mar 2017	Apr - Jun 2017	Jul - Sep 2017	Oct - Dec 2017	Annual 2017	Change
Working-age population ('000s)	141	146	142	144	142	144	145	143	144	142	143	0
Labour force ('000s)	102	106	103	105	105	105	101	105	106	98	102	-2
Labour force participation rate (%)	72.2	72.9	72.2	72.8	73.4	72.8	69.8	73.5	73.4	69.0	71.4	-1.4
Employment ('000s)	77	83	81	84	82	82	81	83	88	75	82	-1
Employment-to-population ratio (%)	54.8	56.8	56.7	58.3	57.6	57.4	55.7	58.2	61.1	53.0	57.0	-0.3
Unemployment ('000s)	24.5	23.5	22.0	20.9	22.6	22.2	20.3	21.8	17.8	22.7	20.6	-1.6
Unemployment rate (%)	24.1	22.1	21.4	20.0	21.6	21.3	20.1	20.8	16.8	23.2	20.2	-1.1
Time-related underemployed ('000s)	8.5	10.4	10.0	11.4	8.4	10.1	6.4	5.2	5.9	4.4	5.5	-4.6
Time-related underemployment as a share of labour force (%)	8.4	9.8	9.8	10.9	8.0	9.6	6.3	5.0	5.6	4.5	5.3	-4.3
Youth unemployment ('000s)	12.1	11.7	10.5	10.0	11.9	11.0	10.7	12.0	10.0	11.2	11.0	-0.1
Youth unemployment rate (%)	41.0	37.0	37.8	35.9	43.1	38.4	38.7	39.6	34.3	41.6	38.5	0.1
Industry Group												
Agriculture, forestry and fishing	11.7	10.3	10.9	9.3	11.7	10.5	10.3	8.7	10.8	11.7	10.4	-0.1
Mining and quarrying	0.2	0.3	0.6	0.1	0.2	0.3	0.4	0.7	0.3	0.2	0.4	0.1
Manufacturing	6.7	6.4	6.0	5.9	4.8	5.8	5.5	5.9	6.2	5.3	5.8	-0.1
Electricity, gas, steam and air conditioning supply	0.3	0.4	0.6	0.4	0.4	0.4	0.5	0.3	0.1	0.2	0.3	-0.1

	Annual 2015	Jan - Mar 2016	Apr - Jun 2016	Jul - Sep 2016	Oct - Dec 2016	Annual 2016	Jan - Mar 2017	Apr - Jun 2017	Jul - Sep 2017	Oct - Dec 2017	Annual 2017	Change
Water supply; sewerage, waste management and remediation activities	0.3	0.5	1.0	0.7	0.7	0.7	0.5	0.6	0.7	0.3	0.5	-0.2
Construction	8.5	8.3	9.0	9.1	9.4	8.9	9.3	7.8	10.1	9.9	9.3	0.3
Wholesale and retail trade; repair of motor vehicles and motorcycles	16.0	15.3	16.7	18.7	15.4	16.5	13.7	14.7	15.9	15.8	15.0	-1.5
Transportation and storage	5.8	4.4	5.8	5.3	5.0	5.1	4.6	6.9	5.1	4.4	5.3	0.2
Accommodation and food service activities	14.5	17.1	15.5	16.2	16.2	16.2	18.3	16.4	17.8	16.1	17.2	0.9
Information and communication	1.3	2.5	1.0	1.2	1.3	1.5	0.7	2.0	0.7	1.2	1.2	-0.3
Financial and insurance activities	1.6	1.3	1.7	1.8	1.4	1.6	2.1	1.5	2.4	2.2	2.1	0.5
Real estate activities	0.3	0.5	0.1	0.3	0.1	0.3	0.8	0.5	0.5	0.5	0.6	0.3
Professional, scientific and technical activities	1.7	2.0	1.0	1.1	1.5	1.4	1.6	1.6	0.9	1.7	1.4	0.0
Administrative and support service activities	4.7	6.4	4.9	5.0	5.6	5.5	7.2	6.9	5.2	6.4	6.4	0.9
Public administration and defence; compulsory social security	9.7	9.7	8.2	8.4	7.8	8.5	7.8	10.0	6.8	7.5	8.0	-0.5
Education	6.9	4.8	6.6	4.9	6.4	5.6	7.1	5.5	6.8	4.9	6.1	0.5
Human health and social work activities	2.7	4.1	3.8	3.1	2.3	3.3	2.9	2.8	3.9	3.2	3.2	-0.1
Arts, entertainment and recreation	0.9	1.4	1.0	1.1	2.2	1.4	1.2	1.5	1.1	1.3	1.3	-0.2
Other service activities	2.1	1.5	2.0	2.2	3.1	2.2	2.1	3.2	1.8	2.5	2.4	0.2

	Annual 2015	Jan - Mar 2016	Apr - Jun 2016	Jul - Sep 2016	Oct - Dec 2016	Annual 2016	Jan - Mar 2017	Apr - Jun 2017	Jul - Sep 2017	Oct - Dec 2017	Annual 2017	Change
Activities of households as employers; activities of households for own use	3.8	2.7	3.5	4.6	4.4	3.8	3.1	2.5	2.7	4.5	3.2	-0.6
Activities of extraterritorial organizations and bodies	0.2	0.1	0.2	0.7	0.1	0.3	0.1	0.2			0.1	-0.2
Share of vulnerable employment in total employment (%)	6.4	7.1	5.5	6.4	5.7	6.1	6.6	5.6	6.7	5.4	6.1	-0.1
Earnings (local currency units)	859.3	937.0	902.7	1,139.1	1,210.7	1,048.2	1,243.8	1,374.5	1,413.6	1,117.6	1,286.8	238.6
Social security coverage rate (%)	34.8	65.1	63.1	62.2	59.2	62.4	66.1	63.6	61.6	60.5	63.0	0.6

Table 6.19: Labour market summary table

	SLC-HBS 2006	SLC-HBS 2016	Change
Working-age population ('000s)	115	133	18
Labour force ('000s)	70	99	29
Labour force participation rate (%)	60.8	74.7	13.9
Employment ('000s)	61	76	15
Employment-to-population ratio (%)	52.9	57.5	4.6
Unemployment ('000s)	9.1	22.9	13.8
Unemployment rate (%)	13.0	23.1	10.0
Youth unemployment ('000s)	5.9	11.2	5.4
Youth unemployment rate (%)	25.6	37.6	12.0
Youth NEET share of youth population (%)	33.3	31.6	-1.8
Industry			
Agriculture, Hunting, Forestry and Fishing	11.3	9.9	-1.4
Manufacturing	4.9	6.2	1.2
Construction	11.0	8.8	-2.2
Wholesale and Retail Trade	8.0	16.3	8.2
Accommodation and Food Service	12.4	15.0	2.6
Transport, Storage and Communication	4.4	5.3	0.9
Financing, Insurance, Real Estate and Business Services	28.0	20.3	-7.8
Public Administration and Defence	6.0	9.8	3.8
Educational Services-Govt/Private	5.8	4.8	-1.0
Activities Not Adequately Defined	6.6	3.7	-2.9
Share of vulnerable employment in total employment (%)	15.6	18.1	2.5
Earnings (local currency units)	1,075.0	1,500.0	425.0
Working poor ('000s)	13.0	12.1	-0.9
Share of working poor in total employment (%)	21.3	15.9	-5.5

6.2 LABOUR FORCE PARTICIPATION

Table 6.20 provides age cohort specific participation by sex. The participation rates of the 15-19 showed an increase from 31.4 to 36.7 percent between 2006 and 2016. This was not expected, in the light of the increasing participation of this age group in full time education. On the other hand, the economic difficulty of the period might have led to an added worker effect, in which all potential work-force participants in the household entered the labour market to assure income flows. At the other end of the age spectrum – workers 55 and over, both males and females – showed substantial increase in participation.

Table 6.21 on the other hand shows the labour force participation rates by sex and by region for the two years, 2006 and 2016. The increases for both males and females for two of the most urban areas – Castries City and Gros Islet stand out and provide further corroboration of the rural urban drift.

The labour force data are presented by educational attainment and age group in Table 6.22. The effect of universalising secondary education and the increase in access to post-secondary and tertiary education is evident between the two years. The percentages with such levels of education in the younger age cohorts rose between 2006 and 2016. However, large numbers and over 33 percent of the work-force in 2016 had achieved only primary level education, notwithstanding the fact that this was an improvement on 2006 when over 45 percent had achieved no higher than primary.

Table 6.20: Labour force and labour force participation rate, by sex and age group

	SLC-HBS 2006			SLC-HBS 2016			Change		
	Male	**Female**	**Both sexes**	**Male**	**Female**	**Both sexes**	**Male**	**Female**	**Both sexes**
Labour force ('000s)									
15-19	3.8	1.7	5.4	3.1	2.3	5.4	-0.7	0.7	0.0
20-24	4.9	4.5	9.4	7.3	5.5	12.7	2.4	1.0	3.3
25-29	4.7	3.4	8.1	5.3	6.4	11.7	0.7	3.0	3.6
30-34	4.3	4.2	8.5	5.5	5.5	11.1	1.2	1.3	2.5
35-39	4.8	5.3	10.2	5.9	5.1	11.1	1.1	-0.2	0.9
40-44	4.8	3.9	8.7	4.8	5.4	10.2	0.0	1.6	1.6
45-49	3.4	3.6	7.0	5.3	4.6	9.9	1.9	1.0	2.9
50-54	2.3	2.0	4.3	5.3	5.0	10.3	3.0	3.0	6.0
55-59	2.3	1.2	3.5	4.1	3.4	7.5	1.8	2.2	4.0
60-64	1.4	0.8	2.1	2.7	1.9	4.6	1.3	1.2	2.5
65+	2.0	0.7	2.7	2.9	1.8	4.6	0.9	1.0	1.9
Total	38.7	31.2	70.0	52.2	46.9	99.2	13.5	15.7	29.2
Labour force participation rate (%)									
15-19	41.0	20.5	31.4	47.2	28.4	36.7	6.2	8.0	5.4
20-24	82.5	63.8	72.3	94.8	83.9	89.7	12.3	20.1	17.5
25-29	90.3	65.9	78.1	94.4	86.8	90.1	4.1	20.9	12.0
30-34	92.5	76.5	83.8	93.3	84.4	88.6	0.8	8.0	4.8
35-39	95.4	78.5	85.8	96.3	88.5	92.5	0.9	10.0	6.8
40-44	92.6	68.4	80.0	95.9	95.8	95.8	3.3	27.4	15.8
45-49	91.9	75.7	82.8	96.0	87.6	91.9	4.1	11.9	9.1
50-54	78.7	60.5	69.1	96.2	84.2	90.0	17.4	23.7	20.9
55-59	76.4	45.4	62.3	91.1	69.0	79.6	14.7	23.6	17.3
60-64	70.4	24.8	42.5	78.3	54.5	66.3	8.0	29.7	23.7
65+	28.3	8.1	16.9	36.1	19.1	27.0	7.9	11.0	10.1
Total	71.8	51.1	60.8	81.8	68.1	74.7	10.0	17.0	13.9

Table 6.21: Labour force and labour force participation rate, by sex and region

	SLC-HBS 2006			SLC-HBS 2016			Change		
	Male	**Female**	**Both sexes**	**Male**	**Female**	**Both sexes**	**Male**	**Female**	**Both sexes**
Labour force ('000s)									
Castries City	3.6	4.0	7.6	8.1	7.5	15.6	4.5	3.5	8.0
Castries Sub-Urban	12.9	11.1	24.0	11.8	12.8	24.5	-1.2	1.7	0.5
Anse la Raye/ Canaries*	2.4	1.5	3.9	3.0	1.8	4.8	0.6	0.3	0.9
Soufriere*	1.9	1.4	3.2	2.5	2.2	4.7	0.6	0.9	1.5
Choiseul*	1.3	1.0	2.3	1.7	1.6	3.3	0.4	0.6	1.0
Laborie*	1.5	1.1	2.6	2.1	1.9	3.9	0.6	0.8	1.4
Vieux Fort	3.6	2.6	6.1	5.2	3.9	9.1	1.6	1.3	3.0
Micoud	4.2	2.8	7.0	5.6	4.2	9.8	1.3	1.4	2.7
Dennery	2.4	1.8	4.2	3.3	3.1	6.4	0.9	1.3	2.2
Gros-Islet	5.0	4.1	9.0	9.1	7.9	16.9	4.1	3.8	7.9
Total	38.7	31.2	70.0	52.2	46.9	99.2	13.5	15.7	29.2
Labour force participation rate (%)									
Castries City	69.5	56.1	61.7	82.4	67.5	74.5	12.9	11.4	12.8
Castries Sub-Urban	77.6	57.3	66.7	82.3	73.6	77.5	4.6	16.2	10.7
Anse la Raye/ Canaries*	76.1	45.1	60.3	82.3	59.3	71.9	6.1	14.2	11.6
Soufriere*	65.2	42.3	53.1	73.5	62.9	68.1	8.3	20.6	15.0
Choiseul*	72.9	48.3	59.4	75.9	66.0	70.7	3.0	17.7	11.3
Laborie*	64.5	37.3	49.6	76.6	66.0	71.2	12.1	28.6	21.5-
Vieux Fort	74.2	48.9	61.0	84.5	66.4	75.7	10.4	17.5	14.7
Micoud	71.2	45.4	58.1	85.1	60.1	72.2	13.9	14.7	14.2
Dennery	67.0	45.8	55.9	75.0	68.8	71.9	8.0	23.0	16.0
Gros-Islet	64.6	52.0	58.3	84.8	70.7	77.6	20.2	18.7	19.4
Total	71.8	51.1	60.8	81.8	68.1	74.7	10.0	17.0	13.9

Table 6.22: Labour force by educational attainment, by age group

	SLC-HBS 2006					SLC-HBS 2016					Change				
	None	**Primary**	**Secondary**	**Tertiary**	**Not Stated**	**None**	**Primary**	**Secondary**	**Tertiary**	**Not Stated**	**None**	**Primary**	**Secondary**	**Tertiary**	**Not Stated**
Labour force ('000s)															
15-24	0.2	3.8	7.6	3.0	0.2	0.0	1.1	13.1	3.7	0.2	-0.2	-2.6	5.5	0.7	0.0
25-34	0.1	6.1	6.7	3.3	0.4	0.0	3.4	12.7	6.1	0.5	-0.1	-2.7	6.0	2.9	0.0
35-44	0.1	9.2	5.8	3.2	0.5	0.1	7.3	8.8	4.8	0.4	0.0	-1.9	3.0	1.6	-0.2
45-54	0.1	6.7	2.4	1.6	0.5	0.4	10.4	6.0	3.0	0.3	0.3	3.7	3.7	1.4	-0.2
55-64	0.0	3.7	0.7	0.5	0.7	0.5	7.7	1.7	1.8	0.4	0.5	4.0	0.9	1.3	-0.3
65+	0.0	1.7	0.3	0.2	0.6	0.5	3.2	0.2	0.6	0.2	0.5	1.5	-0.1	0.4	-0.4
15+	0.6	31.2	23.5	11.8	2.9	1.6	33.2	42.5	20.0	1.9	1.0	2.0	19.0	8.2	-1.0
Share of the labour force (%)															
15-24	1.5	25.3	51.3	20.4	1.6	0.0	6.3	72.0	20.6	1.1	-1.5	-19.0	20.7	0.2	-0.5
25-34	0.7	36.6	40.4	19.8	2.5	0.2	15.0	55.9	27.0	2.0	-0.5	-21.7	15.5	7.1	-0.5
35-44	0.6	48.9	30.6	17.1	2.8	0.5	34.2	41.1	22.5	1.7	-0.1	-14.7	10.5	5.4	-1.0
45-54	1.0	59.4	21.1	14.4	4.1	2.2	51.6	29.9	14.8	1.5	1.2	-7.8	8.8	0.4	-2.6
55-64	0.6	65.7	12.8	8.9	12.0	4.2	63.9	13.8	15.0	3.0	3.5	-1.7	1.0	6.1	-9.0
65+	0.0	63.0	9.8	5.7	21.5	10.7	69.5	4.0	12.2	3.6	10.7	6.5	-5.8	6.5	-18.0
15+	0.9	44.6	33.5	16.9	4.1	1.6	33.5	42.8	20.2	1.9	0.8	-11.1	9.3	3.3	-2.3

6.3 UNEMPLOYMENT IN FOCUS

Table 6.25 shows unemployment rates by gender and by age group for 2006 and 2016. As noted before, unemployment climbed between the two years. Females were more likely to be unemployed, and youth unemployment was much more acute than in other age groups. Unemployment was particularly severe on the poor, and therefore on those in the lowest quintile in 2016 – over 40 percent.

The data on the quintile distribution of unemployment demonstrates that while the ravages of unemployment impacted all groups in the society, the burden fell disproportionately on the lowest income groups. Firstly, the poor were more subject to unemployment in both years. In 2006, the unemployment rate was 18.9 percent for the lowest quintile and 7.1 percent in the highest, and the rate was lower, the higher the quintile. While the same conditions held for the groups in 2016, with unemployment falling across the quintiles, the lowest income group suffered an unemployment rate of 44.3 percent compared to a rate of 9.2 percent for the highest quintile.

Specifically, in respect of the 2016 survey, Table 4a (put in only the Labour Force participation rate and the unemployment rate from the table) shows the labour force participation rate, and unemployment rates for males and females. The lower labour force participation rate for females is evident – 68.1 percent compared to 81.8 percent for men. There were substantial differences in participation rates between men and women across the age cohorts, with the youngest and the oldest being the most significant, 20 percent in both cases: while participation rates for males was 72.9 percent for males 15-24, it was 52.9 percent for females, and in the 55 plus age group, it was 60.9 percent for males, but 40.0 percent for females.

Significantly also, the differences in participation narrowed in the 35-44 age group between men and women. Another interesting finding is the difference in participation rate by educational level for men and women. Females with no education had a participation rate of only 19.4 percent, compared to males with no education at 52.5 percent. The differences in participation rates narrowed with improved educational status. Thus, females with post-secondary education had a participation rate of 82.1 percent compared to men at 87.1 percent. Two other significant findings were the lower rate of unemployment for females compared to males in the 15-24 age group. – 25.1 percent vs 34.5 percent and the lower unemployment rate for with no education compared to men with no education.

Table 6.23 Male and female labor force participation, employment and unemployment rates by selected individual characteristics

	Labor force participation rate		Employment rate		Unemployment rate		Share of population out of the labour force	
	Male	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**
Total	81.8	68.1	64.9	50.6	16.9	17.5	18.2	31.9
Age								
15-24	72.9	52.9	38.4	27.8	34.5	25.1	27.1	47.1
25-34	93.6	85.7	78.6	64.5	15.0	21.2	6.4	14.3
35-44	96.1	92.1	82.3	74.9	13.8	17.2	3.9	7.9
45-54	96.1	85.8	86.8	66.6	9.2	19.2	3.9	14.2
55+	60.9	40.0	50.9	32.6	10.0	7.4	39.1	60.0
Marital status								
Never married	86.7	76.1	65.9	53.6	20.8	22.5	13.3	23.9
Married	78.1	65.9	70.6	55.7	7.4	10.3	21.9	34.1
Widowed	37.8	30.4	30.8	28.3	7.1	2.1	62.2	69.6
Legally separated	77.4	69.9	57.7	64.4	19.7	5.5	22.6	30.1
Divorced	76.9	63.0	71.6	60.6	5.2	2.4	23.1	37.0
Not stated	86.8	79.0	67.2	51.3	19.6	27.7	13.2	21.0
Education								
No education	52.5	19.4	43.3	14.0	9.2	5.4	47.5	80.6
Primary	81.5	61.3	66.1	45.6	15.4	15.7	18.5	38.7
Secondary	84.4	72.0	61.4	48.3	23.1	23.7	15.6	28.0
Post-secondary	87.1	82.1	79.0	70.5	8.1	11.6	12.9	17.9

Age of women at marriage and at first birth does impact their participation in the labour market. Table 10 shows the mean age at first birth for women by selected household characteristics. The data reveal that poor women have their first born earlier than non-poor women and the higher the quintile, the older the age at which women have their first child.

Table 6.24: Mean age at first birth among females by selected household characteristics[48]

	Age at First Birth
Total	21.8
Household head's sex	
Male	22.1
Female	21.5
Area of residence	
Urban	22.2
Rural	20.7
Poverty Status	
Poor	19.6
Non-poor	22.5
Residence and Poverty	
Urban - poor	19.8
Urban - nonpoor	22.9
Rural - poor	19.5
Rural - nonpoor	21.3
Quintiles of welfare aggregate	
Lowest quintile	19.5
2	20.8
3	21.7
4	22.7
Highest quintile	24.6
Regions	
Castries City	20.9
Castries Sub-Urban	22.1
Anse la Raye/Canaries	19.4
Soufriere	22.1
Choiseul	21.8
Laborie	21.9
Vieux Fort	22.4
Micoud	20.5
Dennery	20.5
Gros Islet	23.4

[48] Note: Women aged 15-49 years.

Table 6.25 provides a summary of Unemployment Rates among Selected Groups – gender, age groups, area of residence, district, along with completed education. Higher unemployment among females compared to males, is a constant in the two survey years. Youth unemployment was higher in 2006 but seemed to have dropped in 2016, perhaps just at the point of a turn-around in the economy of Saint Lucia. However, interestingly, workers with secondary level education seemed to have had higher unemployment in 2016, than primary level graduates. Noteworthy feature in the two surveys is the highest level of unemployment in the lowest quintile.

Table 6.25: Unemployment Rates Among Selected Groups

	Unemployment Rate by Groups			Group Share Among Unemployed		
	SLC-HBS 2006	SLC-HBS 2016	Change	SLC-HBS 2006	SLC-HBS 2016	Change
Total	13.2	23.3	10.1	100.0	100.0	0.0
Gender						
Male	11.3	20.9	9.6	46.7	46.9	0.3
Female	15.5	25.9	10.4	53.3	53.1	-0.3
Age group						
15-24	31.7	47.4	15.7	53.0	39.1	-13.9
25-54	8.3	17.7	9.4	43.7	51.6	8.0
55-64	5.2	16.9	11.6	3.3	9.3	5.9
Area of residence						
Urban	12.2	21.9	9.7	66.0	67.1	1.1
Rural	15.8	26.8	11.0	34.0	32.9	-1.1
District						
Castries City	10.3	24.0	13.7	8.6	16.3	7.7
Castries Sub-Urban	12.8	17.9	5.1	33.6	18.8	-14.8
Anse la Raye/ Canaries*	5.7	32.8	27.2	2.5	7.0	4.5
Soufriere*	15.3	22.0	6.7	5.1	4.4	-0.7
Choiseul*	24.6	26.5	1.9	5.6	3.7	-2.0
Laborie*	15.4	36.8	21.4	4.3	6.1	1.9
Vieux Fort	13.3	38.2	24.8	9.1	14.8	5.7
Micoud	18.9	23.9	5.0	14.2	10.1	-4.1
Dennery	16.2	21.0	4.7	7.5	6.0	-1.4
Gros Islet	10.1	17.1	7.0	9.6	12.7	3.1
Completed Educational Levels						
None	24.5	19.8	-4.7	1.7	1.0	-0.7
Primary	13.1	22.0	8.9	43.5	30.0	-13.5
Secondary	16.6	29.4	12.8	43.5	56.5	13.1
Tertiary	7.6	11.6	4.0	10.0	10.3	0.2
Not Stated	5.1	28.3	23.2	1.3	2.2	0.9

	Unemployment Rate by Groups			Group Share Among Unemployed		
	SLC-HBS 2006	SLC-HBS 2016	Change	SLC-HBS 2006	SLC-HBS 2016	Change
Non-poor	11.6	18.9	7.4	67.5	64.6	-2.8
Poor	18.6	40.1	21.4	32.5	35.4	2.8
Quintiles of consumption						
Lowest quintile	18.9	44.3	25.4	22.8	30.6	7.8
2	18.3	26.4	8.1	24.9	20.7	-4.1
3	13.9	26.0	12.1	21.0	23.3	2.3
4	11.0	17.4	6.4	18.7	16.2	-2.4

Table 6.26 is a composite table on the 2016 survey on gender differences in labour force participation rates, unemployment, poverty status, rural and urban residence, across quintiles and regions. Again, the lower labour force participation rates among women pervade – 81.8 percent vs 68.1 percent, which two latter statistics mirror the share of the population not in the labour force. For the most part, higher unemployment rates obtain for women also – 16.9 percent for men and 17.5 percent for women, which statistics are not unrelated to segmentation in the labour market and to rural and urban pursuits in employment.

Table 6.26: Male and female labour force participation, employment and unemployment rates by selected household characteristics

	Labour force participation rate		Unemployment rate	
	Male	Female	Male	Female
Total	81.8	68.1	16.9	17.5
Household head's sex				
Male	82.0	70.1	14.9	18.1
Female	81.2	66.5	22.2	17.1
Area of residence				
Urban	82.5	69.9	16.7	16.4
Rural	80.1	63.5	17.2	20.4
Poverty Status				
Poor	75.1	62.1	25.9	28.4
Non-poor	83.6	69.8	14.3	14.4
Residence and Poverty				
Urban - poor	77.2	62.9	29.3	30.3
Urban - nonpoor	83.7	71.6	14.0	13.0
Rural - poor	72.5	60.6	21.5	25.4
Rural - nonpoor	83.5	64.8	15.3	18.3
Quintiles of welfare aggregate				
Lowest quintile	75.1	62.2	27.3	32.6
2	82.8	63.2	21.3	17.5
3	82.8	72.8	20.5	18.7
4	81.2	69.9	13.0	13.1

	Labour force participation rate		Unemployment rate	
	Male	**Female**	**Male**	**Female**
Highest quintile	85.6	71.1	6.3	8.6
Regions				
Castries City	82.4	67.5	18.2	17.5
Castries Sub-Urban	82.3	73.6	15.1	12.8
Anse la Raye/Canaries	82.3	59.3	25.5	21.5
Soufriere	72.8	62.9	12.5	17.4
Choiseul	75.9	66.0	16.8	18.2
Laborie	76.6	66.0	24.3	26.2
Vieux Fort	84.5	66.4	22.9	33.0
Micoud	85.1	60.1	14.0	18.8
Dennery	75.0	68.8	11.1	19.4
Gros Islet	84.8	70.7	15.3	11.8

6.4 Industry and Occupational Differences

While over time, labour force participation of women has been increasing, there remain substantial differentials in participation by industry and by occupation between men and women. This is revealed in Table 6.27 which provides information on the distribution of men and women across industry and occupation for the 2016 survey. A higher percentage of men were in Agriculture, Hunting, Forestry and Fishing, Transport, Storage and Communication, and of course Construction.

Table 6.27: Male and female employment by industry and occupation - total, rural and poor households

	Total		Rural		Poor	
	Male	**Female**	**Male**	**Female**	**Male**	**Female**
Total	100.0	100.0	100.0	100.0	100.0	100.0
Sector						
Agriculture, Hunting, Forestry and Fishing	7.8	1.3	13.9	2.1	7.8	1.3
Manufacturing	3.5	2.0	3.9	2.8	2.2	0.4
Construction	7.8	0.4	7.7	0.1	5.9	0.4
Wholesale and Retail Trade	6.0	8.4	4.3	7.3	3.0	5.4
Accommodation and Food Service	6.2	7.1	2.1	3.5	5.3	3.8
Transport, Storage and Communication	3.9	0.8	2.3	0.7	1.2	0.3
Other Services	6.9	11.0	7.2	9.6	5.9	6.9
Public Administration and Defence	4.6	4.0	4.3	4.3	1.3	2.5
Educational Services-Govt/Private	1.1	3.1	0.9	3.3	0.4	1.9
Activities Not Adequately Defined	52.2	61.9	53.3	66.3	67.1	77.0
Occupation						
Managers	5.3	7.6	1.4	6.0	0.9	2.4
Professionals	7.1	11.7	2.7	11.3	2.8	3.9
Technicians and associate professionals	7.2	9.4	3.9	7.1	4.4	5.5
Clerical support workers	2.1	10.8	2.5	9.9	1.5	2.7
Service and sales workers	17.9	41.6	19.9	43.3	17.9	60.6
Skilled agricultural, forestry and fishery workers	14.9	2.8	26.9	5.8	23.3	4.0
Craft and related trades workers	20.9	2.4	23.3	1.9	20.0	1.5
Plant and machine operators, and assemblers	9.2	1.6	6.8	2.5	2.3	0.4
Elementary occupations	15.4	12.1	12.7	12.2	26.8	18.9

The services attracted a higher percentage among women in generally – Accommodation and Food Service, Educational and Public Services. The contrast was more stark when examined at the occupational level. A higher percentage of women were involved as professionals, clerical support workers, and in sales and services. Men were more heavily involved as skilled agricultural workers, in craft and related trades and in plant and machine operations. The share of women in the various sectors in 2016 compared to men is reflected in Figure 6.7. Table 6.28 shows earnings of males and females by sector and by occupation, and in rural communities and among the poor. Invariably, earnings of women were lower in almost every case.

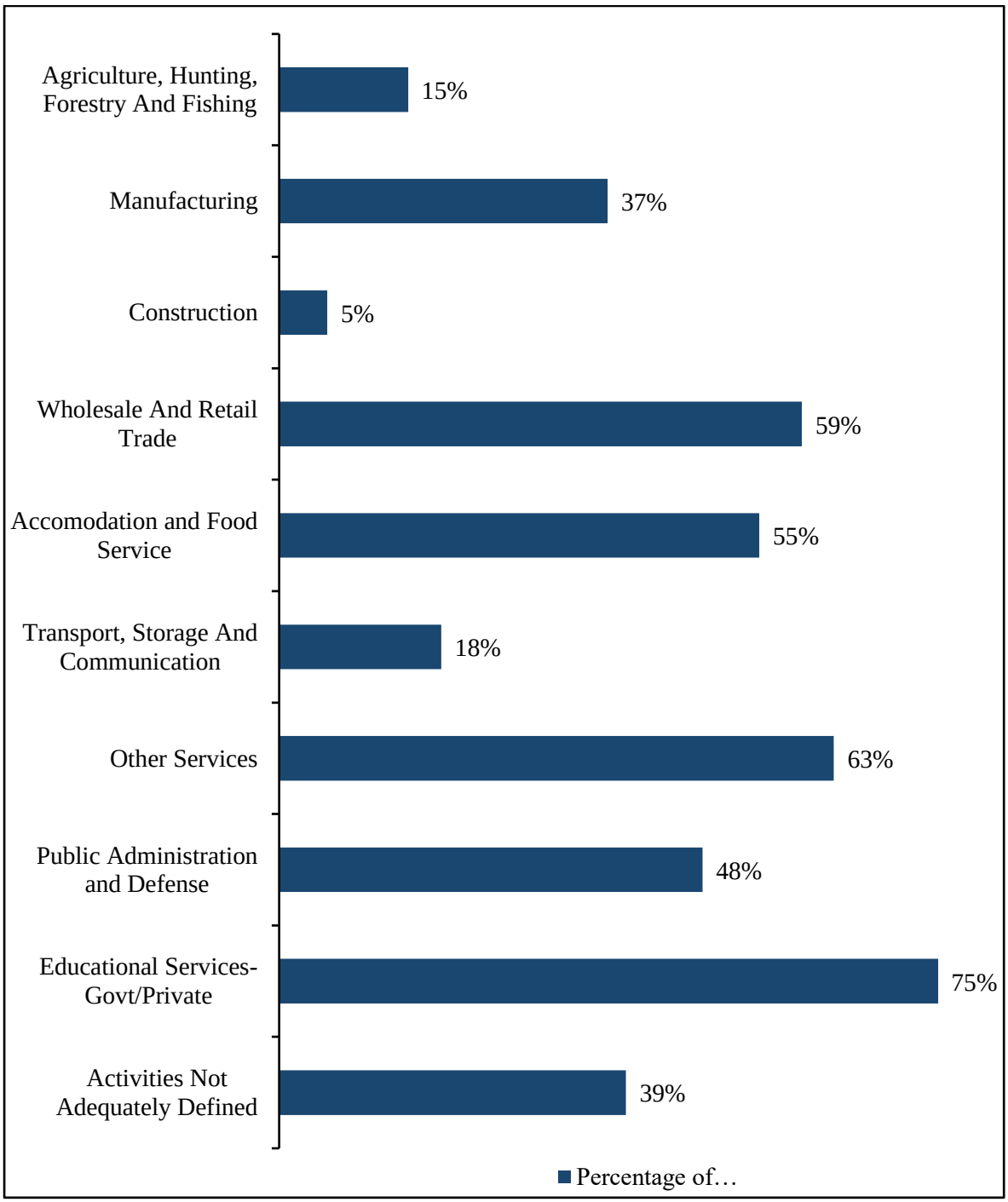


Figure 6.7: Percentage of female employees by industry

Table 6.28: Male and female mean earnings by industry and occupation - total, rural and poor households

	Total		Rural		Poor	
	Male	**Female**	**Male**	**Female**	**Male**	**Female**
Sector						
Agriculture, Hunting, Forestry and Fishing	1,756.0	1,232.5	1,934.4	1,379.3	1,360.1	1,016.1
Manufacturing	2,013.2	1,490.0	2,037.7	929.2	1,420.8	718.5
Construction	2,725.5	1,808.7	3,506.1	5,000.0	1,838.2	848.6
Wholesale and Retail Trade	1,953.9	1,434.0	2,104.8	1,284.5	1,246.9	890.2
Accommodation and Food Service	2,214.7	1,846.5	1,937.0	1,897.9	1,375.7	1,195.2
Transport, Storage and Communication	2,479.4	2,430.8	2,315.4	1,699.6	1,616.6	1,633.3
Other Services	2,055.1	1,847.0	1,723.5	1,586.2	1,121.8	944.1
Public Administration and Defence	2,930.8	2,739.0	2,785.6	2,277.1	1,397.3	1,177.4
Educational Services-Govt/Private	3,061.3	2,627.7	3,151.8	3,083.3	1,318.2	1,121.6
Activities Not Adequately Defined	2,132.4	2,326.5	1,520.5	1,284.6	1,425.5	1,921.3
Occupation						
Managers	3,952.0	3,946.4	3,345.3	3,092.1	1,442.9	1,040.9
Professionals	3,464.9	3,344.2	2,953.8	3,477.8	1,527.8	1,569.6
Technicians and associate professionals	2,951.3	2,318.2	2,566.0	1,910.8	1,365.8	1,319.1
Clerical support workers	1,941.3	1,990.8	2,198.0	1,883.2	1,380.7	1,257.5
Service and sales workers	1,829.0	1,320.5	2,067.1	1,156.7	1,227.2	1,021.7
Skilled agricultural, forestry and fishery workers	1,854.3	1,329.1	2,043.1	1,475.2	1,375.5	1,243.3
Craft and related trades workers	2,529.5	1,009.1	3,231.4	1,574.6	1,777.0	1,104.2
Plant and machine operators, and assemblers	2,397.0	1,451.7	2,307.5	977.3	1,526.3	1,600.0
Elementary occupations	1,297.1	1,094.6	1,268.8	1,440.9	1,253.6	835.4

There were substantial differences in the levels of inequality among men and women as wage and salary workers. As can be seen in

Table 6.29, the Gini coefficient for male wage and salary workers was 0.359 while for female wage and salary workers it was 0.4, suggesting that there was greater disparity between the highest paid female workers and the lowest paid among them. However, the disparity was much greater among males as employers than among women as employers – 0.507 versus 0.374. As own account workers, males and females had broadly similar levels of inequality – 0.416 versus 0.412.

Table 6.29: Male and female earnings inequality indices (detailed), wage-earners and self-employed

	Total	Male	Female
Work category			
Wage and Salary Worker			
Gini coefficient		0.359	0.400
Coefficient of Variation		0.776	0.799

	Total	Male	Female
A (1/2)	0.115	0.104	0.126
A (-1)	0.383	0.332	0.422
A (0)	0.214	0.191	0.236
GE (0)	0.241	0.212	0.269
GE (1)	0.246	0.226	0.266
GE (2)	0.317	0.307	0.325
Employer			
Gini coefficient		0.507	0.374
Coefficient of Variation		2.074	0.745
A (1/2)	0.245	0.241	0.115
A (-1)	0.583	0.572	0.398
A (0)	0.389	0.380	0.218
GE (0)	0.493	0.478	0.245
GE (1)	0.679	0.669	0.244
GE (2)	2.308	2.090	0.311

6.5 THE WORKING POOR

In Table 6.30, we find that the share of the working poor in total employment fell for men but not for women in whatever age group, again indicative of the inferior labour market experience for women in both survey years.

Table 6.30: Working poor and share of working poor in total employment, by sex and age group

	SLC-HBS 2006			SLC-HBS 2016			Change		
	Male	**Female**	**Both sexes**	**Male**	**Female**	**Both sexes**	**Male**	**Female**	**Both sexes**
Working poor ('000s)									
15-29	3.2	1.2	4.4	2.1	1.7	3.8	-1.1	0.5	-0.6
30+	5.3	3.2	8.5	4.8	3.5	8.2	-0.5	0.2	-0.3
Total	8.5	4.5	13.0	6.9	5.2	12.1	-1.6	0.7	-0.9
Share of working poor in total employment (%)									
15-29	31.5	17.8	26.0	21.7	19.5	20.6	-9.8	1.6	-5.3
30+	21.9	16.5	19.5	15.1	13.4	14.3	-6.9	-3.1	-5.2
Total	24.7	16.9	21.3	16.6	14.9	15.9	-8.1	-1.9	-5.5

6.5.1 Where are the working poor located?

Table 6.31 provides information on the working poor by sector. What is noteworthy here is the fact that the sector Agriculture, Hunting, Forestry and Fishing had the highest share and number of working poor in 2006. However, in 2016, Finance, Insurance, Real Estate and Business Services had taken over that dubious distinction. In

Table 6.32, information on the working poor by region is provided. The dominance of the more urban communities is interesting and of Castries Sub-urban in particular. However, we are warned about the interpretation to be placed on the data for Anse La Raye/Canaries, Soufriere, Choiseul and Laborie, given the small numbers that their presence constitutes in the sample.

Table 6.31: Working poor and share of working poor in total employment, by sector and sex

	SLC-HBS 2006			SLC-HBS 2016			Change		
	Male	**Female**	**Both sexes**	**Male**	**Female**	**Both sexes**	**Male**	**Female**	**Both sexes**
Working poor ('000s)									
Agriculture, Hunting, Forestry and Fishing	2.1	0.5	2.6	1.6	0.3	1.9	-0.5	-0.2	-0.7
Manufacturing	0.4	0.5	0.9	0.5	0.1	0.5	0.0	-0.4	-0.4
Construction	1.9	0.0	1.9	1.2	0.1	1.3	-0.8	0.1	-0.7
Wholesale and Retail Trade	0.5	0.6	1.0	0.6	1.2	1.8	0.2	0.6	0.8
Accommodation and Food Service	1.0	0.4	1.4	1.1	0.9	1.9	0.1	0.4	0.5
Transport, Storage and Communication	0.2	0.1	0.3	0.3	0.1	0.3	0.1	0.0	0.0
Financing, Insurance, Real Estate and Business Services	1.5	1.2	2.8	1.2	1.5	2.7	-0.3	0.3	0.0
Public Administration and Defence	0.1	0.1	0.2	0.3	0.6	0.8	0.2	0.5	0.6
Educational Services-Govt/Private	0.2	0.2	0.5	0.1	0.4	0.5	-0.1	0.2	0.1
Activities Not Adequately Defined	0.5	0.7	1.2	0.1	0.1	0.3	-0.3	-0.6	-0.9
Total	8.5	4.5	13.0	6.9	5.2	12.1	-1.6	0.7	-0.9
Share of working poor in total employment (%)									
Agriculture, Hunting, Forestry and Fishing				24.9	26.4	25.1			
Manufacturing				15.3	5.4	11.6			
Construction				18.2	25.4	18.6			
Wholesale and Retail Trade				12.3	15.9	14.4			
Accommodation and Food Service				21.1	13.6	17.0			
Transport, Storage and Communication				7.7	7.8	7.7			
Financing, Insurance, Real Estate and Business Services				21.4	15.5	17.7			
Public Administration and Defence				7.2	15.9	11.4			
Educational Services-Govt/Private				10.1	15.7	14.3			
Activities Not Adequately Defined				7.5	11.5	9.1			
Total	24.7	16.9	21.3	16.6	14.9	15.9	-8.1	-1.9	-5.5

Table 6.32: Working poor and share of working poor in total employment, by sex and region

	SLC-HBS 2006			SLC-HBS 2016			Change		
	Male	**Female**	**Both sexes**	**Male**	**Female**	**Both sexes**	**Male**	**Female**	**Both sexes**
Working poor ('000s)									
Castries City	0.4	0.2	0.6	0.8	0.7	1.5	0.4	0.5	0.9
Castries Sub-Urban	2.6	1.2	3.8	1.2	1.2	2.4	-1.4	0.0	-1.4
Anse la Raye/Canaries*	0.8	0.5	1.3	0.5	0.4	0.9	-0.3	-0.1	-0.4
Soufriere*	0.6	0.2	0.8	0.4	0.2	0.6	-0.2	0.0	-0.2
Choiseul*	0.2	0.3	0.5	0.2	0.1	0.2	0.0	-0.2	-0.2
Laborie*	0.5	0.3	0.7	0.2	0.2	0.4	-0.3	-0.1	-0.3
Vieux Fort	0.7	0.4	1.1	0.7	0.5	1.2	0.1	0.0	0.1
Micoud	1.3	0.4	1.8	1.1	0.6	1.7	-0.2	0.1	-0.1
Dennery	0.6	0.3	0.9	1.1	0.8	1.9	0.5	0.5	1.0
Gros Islet	0.9	0.6	1.5	0.7	0.6	1.3	-0.2	-0.1	-0.2
Total	8.5	4.5	13.0	6.9	5.2	12.1	-1.6	0.7	-0.9
Share of working poor in total employment (%)									
Castries City	12.5	5.1	8.6	11.9	12.8	12.4	-0.6	7.8	3.8
Castries Sub-Urban	22.8	13.0	18.3	12.7	11.4	12.0	-10.2	-1.6	-6.3
Anse la Raye/Canaries*	33.8	35.1	34.3	22.6	35.2	27.1	-11.2	0.0	-7.2
Soufriere*	35.0	18.5	28.4	18.0	12.3	15.5	-17.0	-6.2	-12.9
Choiseul*	18.5	38.1	27.1	12.2	5.5	9.1	-6.3	-32.6	-18.0
Laborie*	34.3	30.4	32.8	14.0	17.8	15.7	-20.3	-12.6	-17.1
Vieux Fort	22.1	19.6	21.1	19.4	23.7	20.9	-2.7	4.0	-0.2
Micoud	37.5	20.8	31.2	24.3	20.5	22.9	-13.2	-0.2	-8.3
Dennery	26.7	22.9	25.3	39.4	35.8	37.8	12.7	12.9	12.5
Gros Islet	19.2	17.8	18.6	9.9	8.5	9.3	-9.2	-9.3	-9.3
Total	24.7	16.9	21.3	16.6	14.9	15.9	-8.1	-1.9	-5.5

6.6 INCOME FROM EMPLOYMENT

Table 6.33 provides wages/earnings by educational attainment and sex for the two years. Females earned less or the same in 2006, and less than males in every educational category in 2016. Where there are disparities by sex, they were less in respect of secondary and tertiary levels of education.

Table 6.33: Wages/earnings by educational attainment and sex

	Completed Educational Levels	None	Primary	Secondary	Tertiary	Not Stated
SLC-HBS 2006	Male	1,600.00	1,075.00	1,075.00	1,600.00	1,075.00
	Female	1,075.00	1,000.00	1,075.00	1,600.00	600
	Both sexes	1,075.00	1,000.00	1,075.00	1,600.00	1,075.00
SLCHBS 2016	Male	1,000.00	1,500.00	1,510.30	3,000.00	2,000.00
	Female	500	971	1,200.00	2,800.00	1,500.00
	Both sexes	1,000.00	1,200.00	1,400.00	2,800.00	1,800.00
Change	Male	-600	425	435.3	1,400.00	925
	Female	-575	-29	125	1,200.00	900
	Both sexes	-75	200	325	1,200.00	725

6.7 ACCESS TO INCOME FROM ALL SOURCES

In sum, the data reveal a number of notable trends. While poverty levels fell, and median earnings improved between the two surveys, unemployment increased substantially over the period, and with that female unemployment and youth unemployment in particular, ballooned. As the economy stagnated, youth entering the labour market faced rough times. Conditions in the rural sector were such as to encourage rural-urban drift. The poor were disproportionately impacted by unemployment: the disparity was far more pronounced in 2016. Without the expansion of employment by Government, unemployment might have been much worse.

7 EDUCATION

> *"The fundamental cure for poverty is not money but knowledge"*
> *Sir William Arthur Lewis*

Education and the development of human resources have long been identified as key ingredients in the drive towards national prosperity. Human capital accumulation and access to education are both crucial factors which have a direct impact on income distribution. Higher average levels of education are often expected *ceteris paribus* to reduce income inequality since it enables a large proportion of those in a country to benefit from activities which demand higher skill levels. As such, education forms not only one of the key elements of the national development strategy[49], but also a crucial part of policies and strategies[50,51] towards the eradication and reduction of poverty and attendant social, political and environmental ills.

The education system has expanded in breadth and depth since independence in keeping with the policy direction of the Government. Over this period, citizens of Saint Lucia have exhibited notable progress in educational outcomes, which augurs well for a country seeking to get on a path of economic diversification given the declining role of agriculture and its exports as a driver of economic growth.

7.1 OVERVIEW OF THE EDUCATION SYSTEM

7.1.1 Structure of the Education System

The formal education system of Saint Lucia is run by the state through the Ministry of Education, Innovation, Gender Relations and Sustainable Development. The laws governing the education system are incorporated in the Education Act of 1999 (revised 2001). The Act clearly stipulates the ages for compulsory school attendance as follows,

> *"Every child shall attend school from the beginning of the school year in which that child attains the age of 5 years until the end of the school year in which that child attains the age of 15 years."*

Though the Education Act covers individuals aged 5 to 15 years of age, the education system caters to the needs of infants under 2 years of age through to young adults aged 17 years and over. The structure of the education system is highlighted in Figure 7.1 below and comprises Early Childhood Education Centres (ECCE), Primary Schools, Secondary Schools, Tertiary Level Institutions and Skills Training Institutions.

Infants typically spend two years at the pre-primary level, while pre-adolescents spend seven years at the primary level (three years at the infant level and four at the junior level) and adolescents five years at the secondary level (three at lower secondary forms, and two at upper secondary forms). Subsequent to the successful completion of secondary education, students

[49] Government of Saint Lucia. 2008. Saint Lucia National Vision Plan. Castries: Ministry of Finance, Economic Growth, Job Creation, External Affairs and the Public Service.
[50] Government of Saint Lucia. 2015. Education Sector Development Plan: Priorities and Strategies 2015 - 2020. Castries: Ministry of Education, Human Resource Development and Labour.
[51] Government of Saint Lucia. 2014. Education for all 2015 National Review for Saint Lucia. Ministry of Education, Human Resource Development and Labour.

desirous of continuing may proceed to one of the divisions of Sir Arthur Lewis Community College (SALCC), the post-secondary department at the Vieux Fort Comprehensive Secondary School (which caters primarily to the needs of students in the southern part of the island) or may proceed directly to university programmes abroad. The Sir Arthur Lewis Community College is the main post-secondary institution on the island and offers Certificate and Associate Degree level programmes studies in a wide range of areas.

7.1.1.1 ECCE

Early Childhood Education is provided at purpose-built Pre-Schools and Day Care centres managed by the Ministry of Education. Formerly, Day Care services were provided by the Ministry of Community Development. However, since 2007 these services were placed under the purview of the Ministry of Education. While all Pre-Schools in operation are privately owned and operated, Day Care Centres are both government/publicly and privately operated. The ECCE Sub-Sector is headed by an Education Officer who manages and supervises all services offered. Children typically spend two years at the pre-primary level before transitioning to the primary level. With a view to ensure that children in disadvantaged homes could exercise their right to early childhood education, a programme of Roving Care Givers was established. This programme had to be discontinued in 2014 on account of resource constraints.[52] However, the Education Sector Development Plan [53] has identified the reintroduction, expansion and institutionalisation of the Roving Care Givers Programme as a key Early Childhood Education Initiative for the period 2015-2020.

7.1.1.2 Primary

The primary school level is comprised of a three-year long programme for infants and a subsequent four-year programme of primary education. Upon the completion of these seven years of education, students take the Common Entrance Examination to determine placement for additional compulsory secondary schooling. Those students who are not satisfied with their assigned secondary school after their first attempt are permitted to repeat the grade. Because the 1997 Saint Lucia Education Act requires that all students remain in school until 16 years of age, those who did not gain entry into a secondary school, were placed into a three-year "senior primary" programme which focused on preparing students for future jobs. This enacted legislation kept students in school until they were of legal age to begin working.

7.1.1.3 Secondary

Secondary education consists of a five-year program which is comprised of a three lower secondary and two upper secondary years. Though the stipulated compulsory school age in Saint Lucia is 5 – 15 years of age, secondary school students customarily attend up to 17 years of age. At the end of the completion of five years of secondary Education, students take the Caribbean Examination Council's (CXC) Ordinary Level Examinations.

There does exist an unofficial hierarchy in the secondary school system, with the long-established institutions enjoying pride of place in the minds of the public and attracting the students who perform best on the Common Entrance Examination. On the basis of this level of streaming, it is

[52]Government of Saint Lucia. 2014. Education for all 2015 National Review for Saint Lucia. Ministry of Education, Human Resource Development and Labour.
[53] Government of Saint Lucia. 2015. Education Sector Development Plan: Priorities and Strategies 2015 - 2020. Castries: Ministry of Education, Human Resource Development and Labour.

these secondary schools that produce the best results at the CXC examinations, with 90 percent or more of students securing five or more passes.

The percentages are much lower at what are effectively the second rung schools: in one of these, just about 30 percent might secure five passes at one sitting. It is also at these schools mainly, that an attempt has been made to introduce technical and vocational education. Unfortunately, this field is still seen as relevant only to students who are of lesser ability. Thus, notwithstanding the potential for labour market preparation that some courses provide, negative signalling mars the possibilities that these programmes offer by way of a trained and skilled work-force. The competitiveness of small countries lacking in natural resources, resides largely in the skills and knowledge base reposed in the work-force.

7.1.1.4 Tertiary

Secondary school graduates who perform well enough on the CXC or General Certificate Examination may pursue higher education locally, regionally or internationally. Post-secondary education is provided locally via two Public Post-Secondary/ Tertiary Institutions, The University of the West Indies Open Campus and five Private Universities.

The Sir Arthur Lewis Community College is the main post-secondary institution on the island and offers Certificate and Associate Degree level programmes studies in arts, sciences, and general studies; nursing, education, and midwifery; technical education and management studies; and teacher education and education administration. The Vieux-Fort Comprehensive Secondary school, which caters to the educational needs of students located in the south of the island, offers Certificate and Associate Degree level programmes in a subset of subject areas offered by SALCC.

The UWI Open Campus, which supplanted the Distance Education Centre, commenced business in 2008 through the collaborative efforts of the GOSL and the UWI. The open campus offers Certificate, Degree and Masters programmes in a variety of areas including Tourism and Hospitality, Business Administration, Banking and Finance, Specialised Teacher Education and Social Work. The open campus was established with a view to improve access to overseas degree programmes to citizens of Saint Lucia.

Saint Lucia hosts four private Universities, one general university, the Monroe College, and three specialised medical universities, all which are satellite institutions of medical universities based in the United States. The Monroe College caters to the educational needs of international, regional and local students and roughly three quarters of its student intake annually are accounted for by Saint Lucian Nationals. The Monroe College offers full-time and part-time programmes at the Bachelors and Masters Degree levels. The four offshore Medical Schools are namely: The International American University (IAU) College of Medicine, the American International Medical University (AIM-U), Spartan Health Sciences University School of Medicine and the Atlantic University School of Medicine.

7.1.1.5 Skills Training Institutions

Opportunities for skill training are provided by a range of institutions including the National Enrichment and Learning Programme (NELP), the National Skills Development Centre (NSDC) and the Centre for Adolescent Rehabilitation and Education (CARE). The NELP offers continued educational opportunities to persons 16 years and over, though females have represented roughly

three quarters of their candidates at the time of the study. Opportunities for individuals to pursue Academic courses and Technical/Enrichment Courses are provided through the programme.

While CXC English and Mathematics courses are the two most subscribed at the NELP, the institution offers a range of other technical/enrichment opportunities in the areas of Auto Mechanics, Cake Making, Carpentry, Craft, Electrical Installation, Fish Handling and Processing, Plumbing, Pastry Making and Garment Construction at both the Basic and Intermediate Levels. Wide access to these services is ensured through centres located in communities stretching from Gros Islet in the north to Vieux-Fort in the south.

The NSDC provides training and services in a range of areas including Job Attachments and Placements, Job Search Workshops, Career Counselling and Technical Vocational Skills Training. Some of these opportunities are provided through targeted initiatives by the NSDC such as the Women in Equality Empowerment Project (WEEP), the Caribbean Youth Empowerment Project (CYEP) and the Single Mothers in Life Enhancing Skills Project (SMILES).

The Centre for Adolescent, Rehabilitation and Education (CARE) also provides training in a number of skills areas including technical/vocational courses as well as academic courses. Programmes are of two years duration. Gender segmentation remains a feature of these programmes with young women usually unwilling to enter fields largely dominated by males and vice versa.

7.1.1.6 Special Education Centres

For those students with visual, hearing, or mental challenges, a range of special education centres operate to cater to their special needs. Specialised education programmes are offered at five centres around the country including the Vieux Fort Special Education Centre, the Soufriere Special Education Centre, the Dunnottar School, the Lady Gordon Opportunity Centre and the Blind Welfare Association.

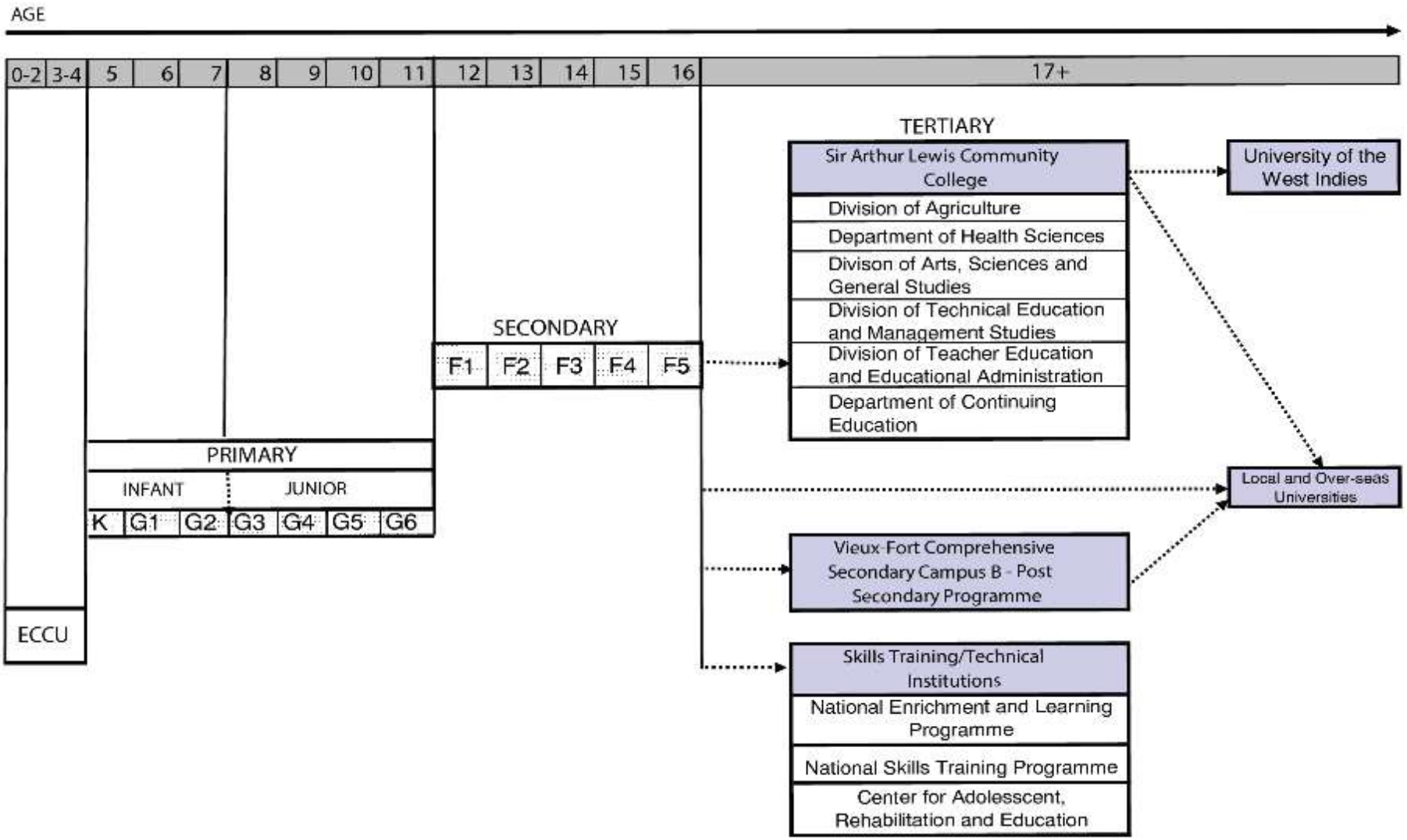


Figure 7.1: Structure of The Education System of St. Lucia 2015/16

7.1.2 Financing of Education

National budgetary allocation towards education grew sluggishly over the last decade (Figure 7.2). Primary and secondary education have been allocated the majority of the education budget over the last ten years, followed by tertiary education, then institutions of all other levels. Collectively primary and secondary education accounted for roughly three quarters of the education budget over the last decade. Given the steady increase in the recruitment of secondary school teachers to treat with the needs of universal secondary education since academic year 2005/06, in addition the completion of four additional secondary schools in academic year 2006/08, it is not surprising that recurrent expenditure on secondary education has grown substantially while the primary education budget has steadily declined over the last decade. Interestingly, the allocation towards tertiary education budget steadily decreased over the same period.

Demographic trends over the last two decades have impacted enrolment in primary and secondary schools (Figure 7.3 and Figure 7.5). Total pupils attending primary school have steadily decreased from 31,372 in 1995/96 to 15,463 in 2015/16. Total primary schools in operation also steadily declined from 86 in 1995/96 to 74 in 2015/16. Higher enrolment of male pupils among primary schools was observed over the entire time period investigated. Even though enrolment dropped by half over the last two decades, only 12 primary schools ceased operations over the same period, and the total number of primary school teachers dropped from 1,175 in 1996/97 to 1,008 in 2015/16. The proportion of female primary teachers steadily increased over the same period. As at academic year 2015/16, female primary teachers outnumbered male primary teachers roughly six to one.

Considerable effort can be noted on the part of the GOSL to achieve universal secondary education by academic year 2005/06. Over the last two decades, there was an increase in the number of secondary schools and secondary school places, not only via the construction of new schools, but also by the extension of several existing schools on the island. The total number of secondary schools in operation increased from 15 in 1995/96 to 23 in 2015/16. Net enrolment of students increased steadily from 9,721 in 1995/96 to 15,655 in 2009/10, reflective of the completion of the eight new secondary schools over the same period. Subsequent years witnessed gradual contraction in secondary enrolment to 13,360 in 2015/16. Higher enrolment of female pupils among secondary schools was observed in all years except 2009/10 – 2011/12.

While the number of primary school teachers gradually fell over the last two decades, the total number of secondary teachers steadily increased from 620 in 1995/96 to 1,025 in 2015/16 to treat with the increased demand for teachers due to the universalisation of secondary education. Similarly, female teachers continued to outnumber male teachers, with steadily increasing numbers of female secondary school teachers. There exists a dominance of female teachers and care givers in the Education System of Saint Lucia. All care givers at the ECCE centres are females, while more than four fifths of all primary school teachers are females and roughly two thirds of all secondary school teachers are females. The percentage of female trained teachers is also higher than males as well as the percentage of female graduate teachers.

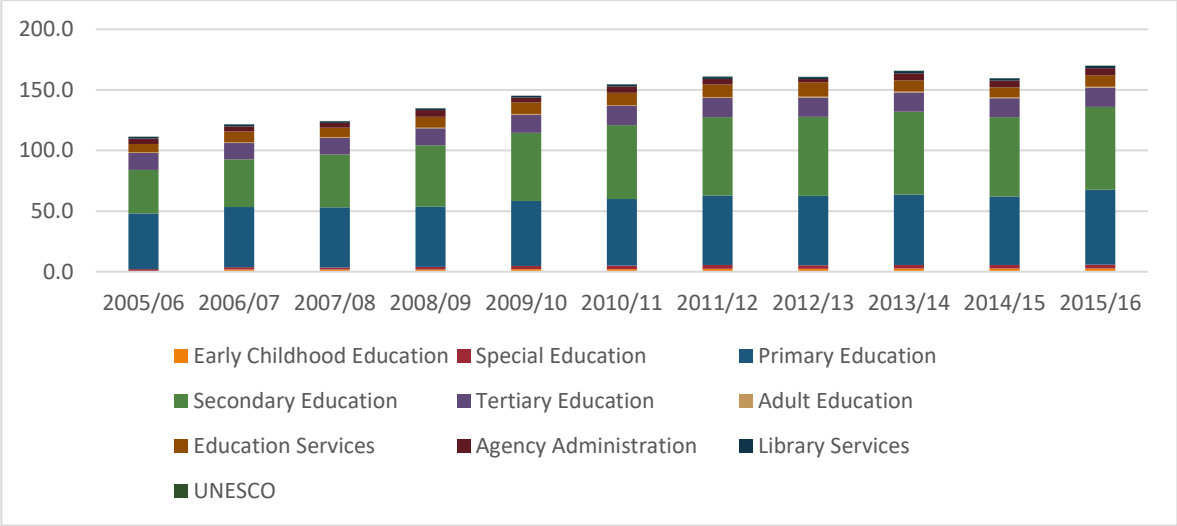


Figure 7.2: Government Recurrent Expenditure on Education (EC$ Millions)

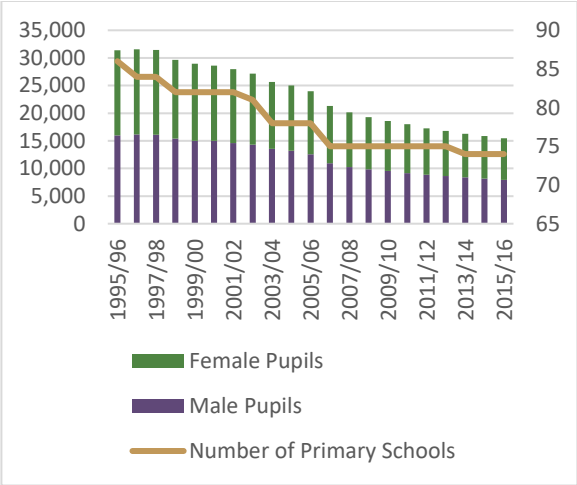


Figure 7.3: Primary School Enrolment by Sex and Academic Year[54]

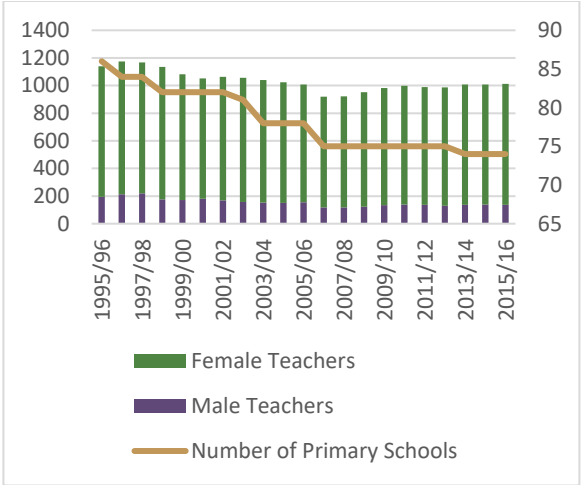
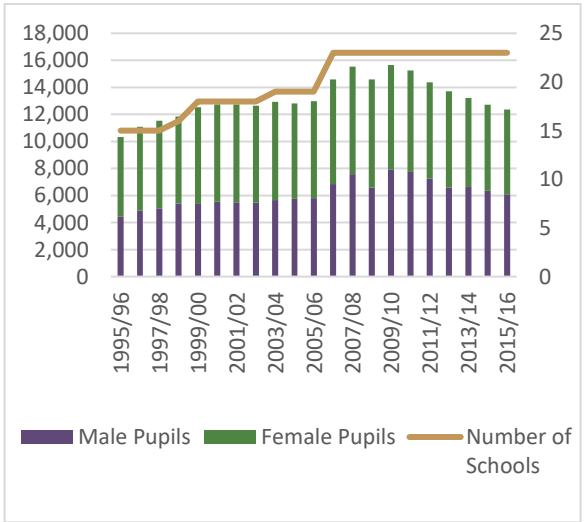
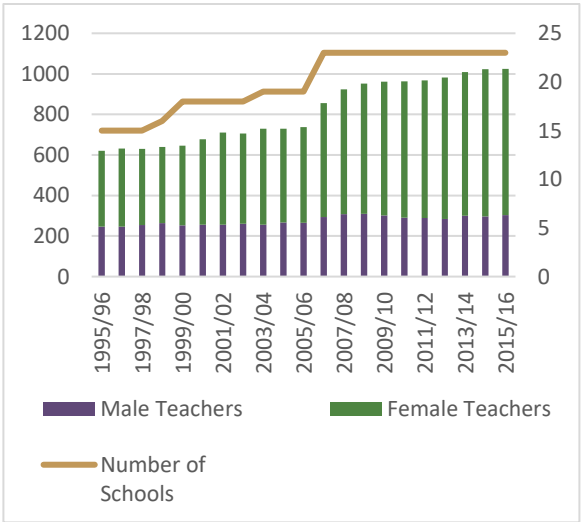


Figure 7.4: Primary School Teachers by Sex and Academic Year





[54] Source: Ministry of Education, Innovation, Gender Relations and Sustainable Development

Figure 7.5: Secondary School Enrolment by Sex and Academic Year

Figure 7.6: Secondary School Teachers by Sex and Academic Year

7.2 EDUCATIONAL ATTAINMENT AMONG THE WORKING AGE POPULATION

Table 7.1 highlights literacy and educational attainment among males and females of working age. High levels of literacy were recorded for both males and females in Saint Lucia, with females (93.8%) having higher levels of literacy than men (90.6%). When area of residence was taken into account, urban men (91.8%) and women (95.4%) recorded higher levels of literacy when compared to rural men (88.0%) and women (90.0%).

When socioeconomic status was considered, poor men (82%) and women (90.5%) had lower levels of literacy when compared to non-poor men (93%) and women (94.8%). Poor men had notably lower levels of literacy compared to all other categories. A clear relationship was observed between per capita consumption quintiles and literacy levels. Men and women in the lowest two quintiles had notably lower levels of literacy when compared to their counterparts in the third to fifth quintiles. Literacy levels were higher among women when compared to men in all but the fifth quintile, where male literacy (96%) was marginally higher than female literacy (95.8%). Overall, educational status improved the higher the quintile.

When area of residence and socioeconomic status were considered in tandem, rural poor men (76.0%) and women (85.2%) exhibited the lowest levels of literacy among all participants surveyed (76 and 85.2). In contrast, urban poor and non-poor women had the highest levels of literacy overall. Rural non-poor men (93.4) fared better in respect of literacy when compared to their female counterparts (91.9). Literacy was higher among females in all districts with the exception of Anse la Raye/ Canaries*. Literacy was highest among females in the communities of Castries (98.9), Laborie (97.8), Gros Islet (97.7) and Soufriere.

In respect of highest level of education attained, males outnumbered females among those with no education (6.1% versus 5.6%) and primary education (39.4% versus 30.5%), while females outnumbered males among those with secondary (41.5% vs 38.9%) and post-secondary education (22.4% vs 15.7%). Rural males and females were more likely to have no education (8.1% and 9.7 %) or primary education (43.9 and 36.4) compared to their urban counterparts. In contrast, urban males and females were more likely to have attained secondary (38.9% and 43.6%) or post-secondary education (18.5 and 24.4).

Similarly, when socioeconomic status was considered, a larger proportion of poor individuals attained either no education or primary education when compared to their non-poor counterparts. Interestingly, while roughly equal proportions of poor and non-poor males had attained a maximum of secondary education, notably higher proportions of poor females had attained a maximum of secondary education when compared to their non-poor counterparts. Both male and female non-poor individuals represented the majority of those who had successfully attained post-secondary education.

When area of residence and socioeconomic status were considered together, the attainment of no education was far more prevalent among the rural poor when compared to other categories. In contrast, the attainment of secondary and post-secondary education was far more prevalent among rural non-poor and urban non-poor males and females. Regionally, the attainment of post-secondary education was highest among females and males in Gros Islet (32.2% and 23.2%), Castries City Urban (24.8% and 17.6%) and Castries City (24.1% and 19.1%). The attainment of no education at all was highest among females and males in Anse la Raye, Canaries (15.8% and 12.7%) and Micoud (16.3% and 11.2%).

Table 7.1 : Working Age Population by Highest Level of Education Achieved, Literacy and Sex Male and female literacy and highest level of education achieved

	Literacy		Education							
			No education		Primary		Secondary		Post-secondary	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Total	90.6	93.8	6.1	5.6	39.4	30.5	38.9	41.5	15.7	22.4
Area of residence										
Urban	91.8	95.4	5.2	4.0	37.4	28.1	38.9	43.6	18.5	24.4
Rural	88.0	90.0	8.1	9.7	43.9	36.4	38.7	36.4	9.4	17.5
Poverty Status										
Poor	82.3	90.5	9.9	8.6	48.6	33.5	38.8	51.4	2.7	6.5
Non-poor	93.0	94.8	5.0	4.7	36.8	29.6	38.9	38.6	19.4	27.0
Residence and Poverty										
Urban - poor	87.0	93.7	6.1	4.4	47.1	29.1	42.7	59.4	4.1	7.2
Urban - nonpoor	92.8	95.8	5.0	3.8	35.2	27.8	38.1	39.7	21.7	28.6
Rural - poor	76.0	85.2	14.9	15.6	50.5	40.8	33.8	38.4	0.8	5.3
Rural - nonpoor	93.4	91.9	5.1	7.2	40.9	34.6	40.9	35.6	13.2	22.6
Quintiles of welfare aggregate										
Lowest quintile	81.1	88.8	11.3	10.4	48.0	33.7	37.5	50.6	3.1	5.3
2	89.2	92.6	4.4	5.9	47.4	34.9	41.5	45.9	6.7	13.3
3	92.7	94.6	8.1	5.5	37.2	33.4	42.6	44.5	12.2	16.6
4	91.8	96.3	6.1	3.8	38.5	26.8	39.7	43.8	15.7	25.6
Highest quintile	96.0	95.8	1.8	3.3	29.2	24.7	33.8	25.3	35.1	46.7
Regions										
Castries City	93.2	98.9	5.3	2.4	34.7	26.2	41.0	47.3	19.1	24.1

	Literacy		Education							
			No education		Primary		Secondary		Post-secondary	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Castries Sub-Urban	88.4	92.6	6.4	4.3	37.9	31.0	38.1	39.9	17.6	24.8
Anse la Raye/Canaries*	88.7	85.0	12.7	15.8	45.1	40.0	35.7	37.5	6.5	6.7
Soufriere*	94.2	96.9	4.3	2.8	50.4	37.5	32.2	47.6	13.1	12.0
Choiseul*	88.3	92.4	7.9	6.5	30.1	36.0	48.5	35.8	13.6	21.7
Laborie*	95.0	97.8	1.5	1.5	59.1	44.6	31.1	39.5	8.3	14.4
Vieux Fort	89.6	91.6	6.0	5.5	44.5	36.2	34.9	41.7	14.5	16.5
Micoud	87.6	89.7	11.2	15.3	39.2	28.6	39.5	35.7	10.1	20.5
Dennery	83.8	87.5	3.8	3.8	47.2	41.4	39.8	35.1	9.2	19.8
Gros Islet	95.5	97.7	3.3	4.4	30.9	18.3	42.5	45.2	23.2	32.2

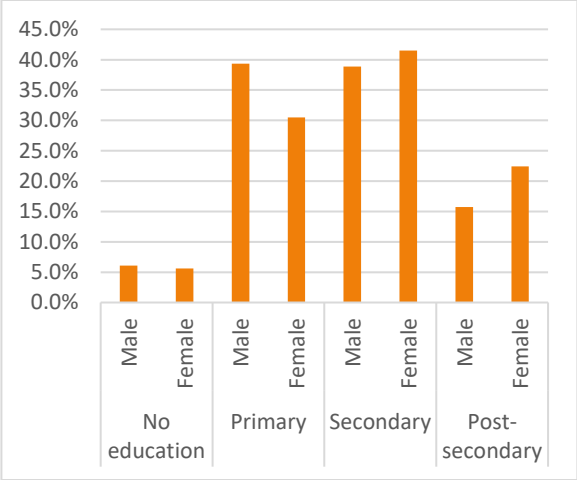


Figure 7.7: Total Working Age Population by Highest Level of Education Achieved

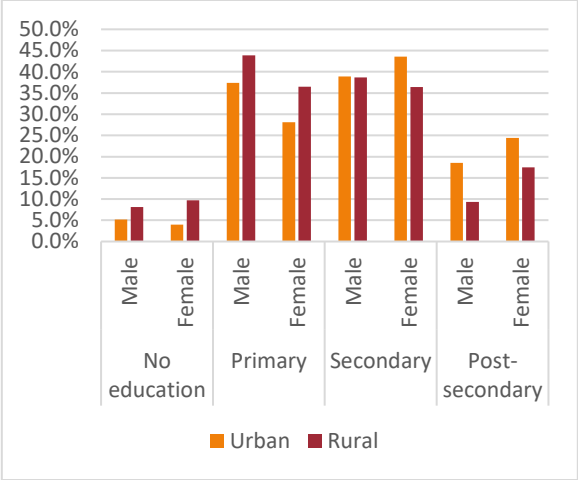


Figure 7.8: Working Age Population by Highest Level of Education Achieved by Area of Residence

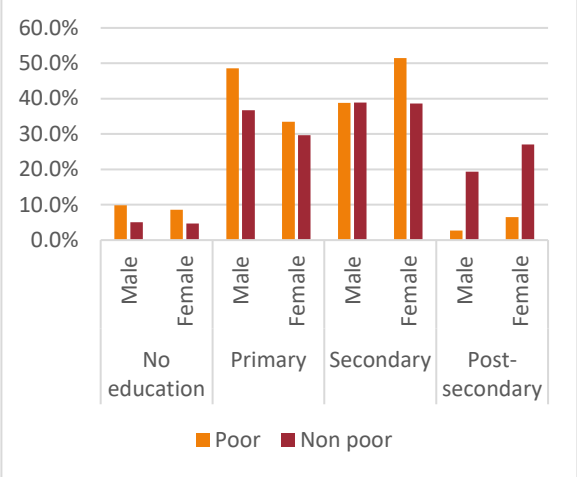


Figure 7.9: Working Age Population by Highest Level of Education Achieved by Socioeconomic Status

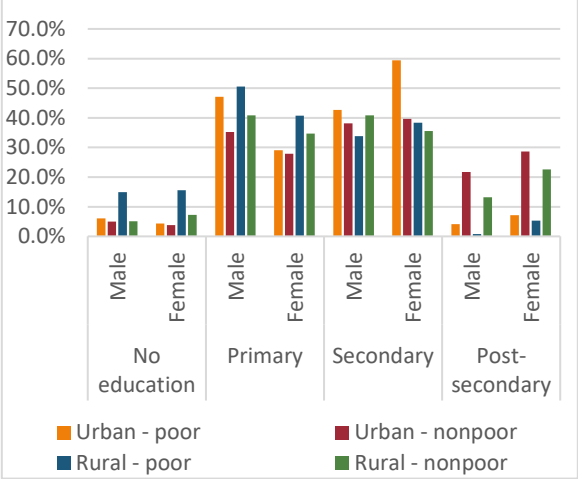


Figure 7.10: Working Age Population by Highest Level of Education Achieved by Area of Residence and Socioeconomic Status

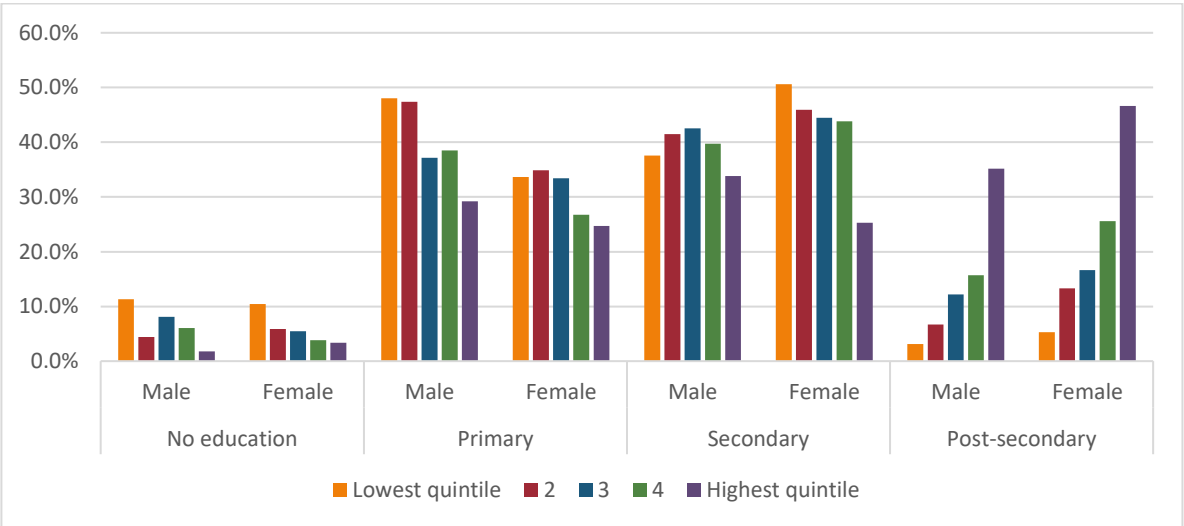


Figure 7.11: Working Age Population by Highest Level of Education Achieved by Quintile

7.3 HIGHEST LEVEL OF EDUCATION BY EMPLOYMENT STATUS

Table 7.2 highlights individual employment status by highest level of education attained among those in the working age population. Among the working age population, labour force participation is dominated by male participants (81.8 %) when compared to female participants (68.1 %). Roughly two thirds of all male participants were employed as compared to half of female participants. Furthermore, unemployment rates were marginally higher among female labour force participants (17.5%) when compared to male participants (16.9%).

A clear relationship exists between education levels and labour force participation. The attainment of higher levels of education was associated with higher levels of labour force participation. Labour Force Participation rates were lowest among females with no education and highest among males with post-secondary education. Similarly, employment rates were highest among males with post-secondary education, and lowest among females with no education. Interestingly, unemployment rates were highest among females (23.7%) and males (23.1%) with secondary education, and lowest among males with post-secondary education (8.1%) and females with no-education (5.4%).

When age was considered, labour force participation rates were highest among males and females aged 25-54. While unemployment rates were highest among male and female participants aged 15-34, but particularly acute among men aged 15-24 (34.5%). Employment rates were highest among males aged 35-54.

Table 7.2: Male and female labour force participation, employment and unemployment rates by selected individual characteristics

	Labour force participation rate		Employment rate		Unemployment rate		Share of population out of the labour force	
	Male	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**
Total	81.8	68.1	64.9	50.6	16.9	17.5	18.2	31.9
Age								
15-24	72.9	52.9	38.4	27.8	34.5	25.1	27.1	47.1
25-34	93.6	85.7	78.6	64.5	15.0	21.2	6.4	14.3
35-44	96.1	92.1	82.3	74.9	13.8	17.2	3.9	7.9
45-54	96.1	85.8	86.8	66.6	9.2	19.2	3.9	14.2
55+	60.9	40.0	50.9	32.6	10.0	7.4	39.1	60.0
Education								
No education	52.5	19.4	43.3	14.0	9.2	5.4	47.5	80.6
Primary	81.5	61.3	66.1	45.6	15.4	15.7	18.5	38.7
Secondary	84.4	72.0	61.4	48.3	23.1	23.7	15.6	28.0
Post-secondary	87.1	82.1	79.0	70.5	8.1	11.6	12.9	17.9

7.4 ENROLMENT AND ATTENDANCE

Notable differences in net and gross enrolment can be observed by sex among households in Saint Lucia. Table 7.3 highlights gross enrolment rates[55] by selected household characteristics in Saint Lucia. While gross enrolment rates for males (65.4%) marginally outstripped females (62.4%) at the primary level, gross enrolment among females far outstripped males both at the secondary level (73.2% vs 64.6%) and the post-secondary level (31.3% vs 11.5%). Gross enrolment rates were higher at all levels of education in male headed households when compared to female headed households. Rural households exhibited higher gross enrolment rates at primary and secondary levels for both male and females, while urban households exhibited comparatively higher enrolment rates at the post-secondary level.

Significant differences between poor and non-poor households were observed in respect of secondary and post-secondary education. While enrolment rates were higher for females at both the secondary and post-secondary level, non-poor female gross enrolment rates exceeded their male counterparts by more than 10 percent at the secondary level and more than 25 percent at the post-secondary level. Gross enrolment rates at the post-secondary level were lowest among males coming from poor households.

When per capita consumption quintiles were considered, negligible differences were observed in male and female gross enrolment at the primary level, but notable differences were observed at the secondary level and there existed sharp contrasts in enrolment at the post-secondary level. Gross enrolment among males and females from households in the fourth and fifth quintiles were significantly higher when compared to other quintiles.

[55] T***he gross enrolment rate*** reflects the number of students enrolled in a given level of education, regardless of age, expressed as a percentage of the official school-age population corresponding to the same level of education. For the tertiary level, the population used is the 5-year age group starting from the official secondary school graduation age. It's calculated by dividing the number of students enrolled in a given level of education regardless of age by the population of the age group which officially corresponds to the given level of education, and multiply the result by 100. - The UNESCO Institute for Statistics. 2018. *"Gross Enrolment Ratio | UNESCO UIS."* accessed February. http://uis.unesco.org/en/glossary-term/gross-enrolment-ratio

Table 7.3: Gross Enrolment Rates by Sex, Level of Education and Selected Household Characteristics

	Primary		Secondary		Post-secondary	
	Male	**Female**	**Male**	**Female**	**Male**	**Female**
Total	65.4	62.4	64.6	73.2	11.5	31.3
Household head's sex						
Male	66.5	68.7	68.9	77.3	14.3	32.0
Female	64.2	56.1	59.8	70.1	8.1	30.8
Area of residence						
Urban	64.4	61.6	64.2	72.0	12.6	34.2
Rural	68.1	64.5	65.6	77.4	8.9	23.2
Poverty Status						
Poor	66.3	63.8	65.5	68.4	2.8	10.2
Non-poor	64.9	61.7	64.2	75.4	15.9	41.1
Residence and Poverty						
Urban - poor	62.4	63.3	71.3	63.4	1.3	13.4
Urban - nonpoor	65.5	61.0	61.3	75.8	17.7	42.9
Rural - poor	75.9	64.7	53.8	84.5	5.8	3.4
Rural - nonpoor	63.4	64.3	71.8	74.1	10.8	35.3
Quintiles of welfare aggregate						
Lowest quintile	71.5	67.2	63.7	61.3	2.5	4.5
2	58.4	53.1	69.5	71.1	1.3	23.0
3	67.6	64.4	54.5	65.3	6.4	10.0
4	61.0	69.8	62.1	103.1	25.6	41.0
Highest quintile	72.5	54.9	78.4	81.5	36.6	154.2
Regions						
Castries City	65.1	55.9	64.5	71.1	12.7	10.5
Castries Sub-Urban	68.7	61.1	56.3	69.7	17.5	51.2
Anse la Raye/ Canaries*	41.5	74.9	73.2	80.7	20.5	12.1
Soufriere*	48.7	46.8	65.8	65.1	6.7	15.9
Choiseul*	45.5	45.8	65.2	83.2	0.0	0.0
Laborie*	75.3	75.0	61.8	47.5	7.8	18.0
Vieux Fort	41.3	68.4	62.4	66.0	2.6	40.5
Micoud	78.7	62.1	65.7	86.3	3.7	29.6
Dennery	78.4	57.5	60.1	80.6	13.5	32.2
Gros Islet	71.1	72.0	76.1	83.1	16.7	42.3

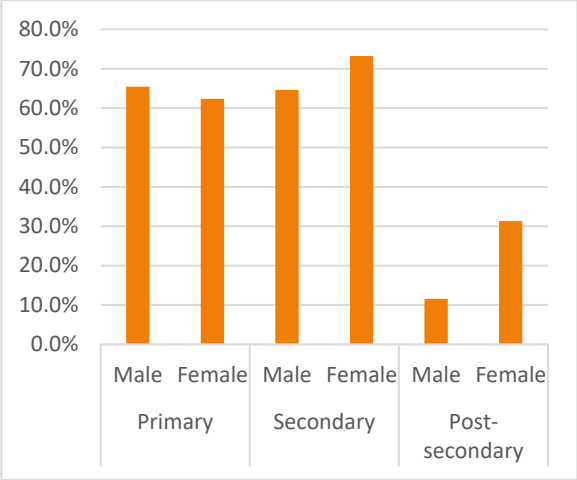


Figure 7.12: Gross Enrolment Rates by Sex and Level of Education

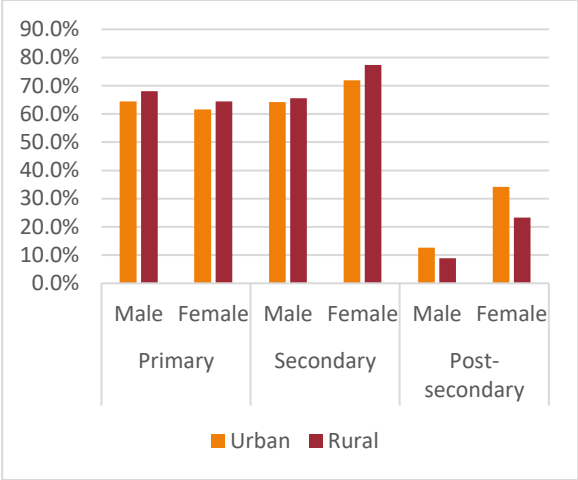


Figure 7.13: Gross Enrolment Rates by Sex, Area of Residence and Level of Education

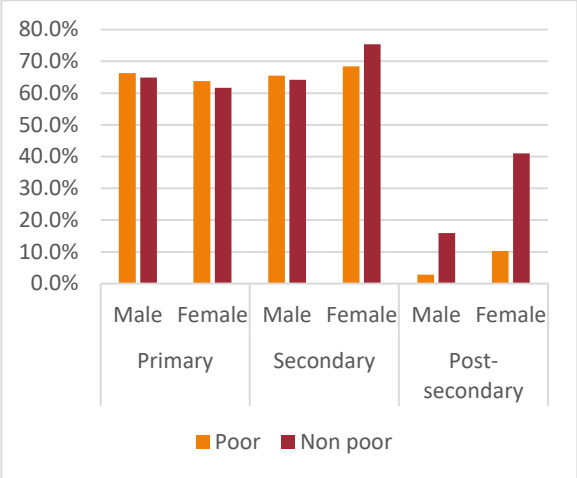


Figure 7.14: Gross Enrolment Rates by Sex, Socioeconomic Status and Level of Education

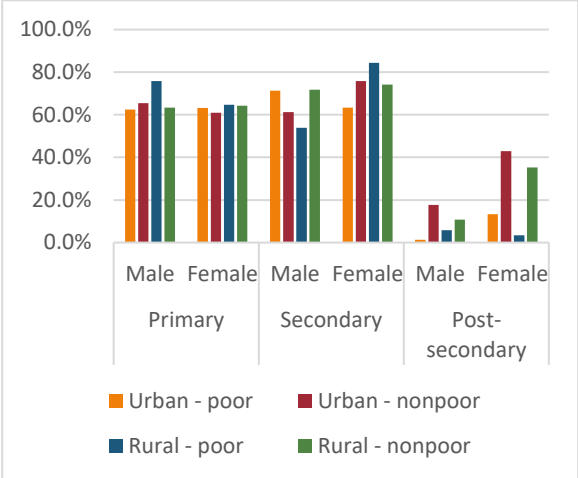


Figure 7.15: Gross Enrolment Rates by Sex, Area of Residence, Socioeconomic Status and Level of Education

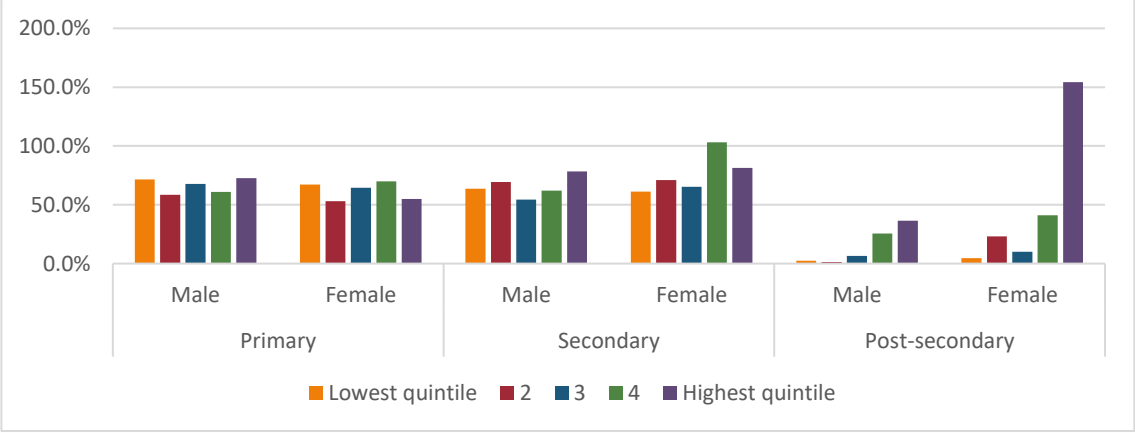


Figure 7.16: Gross Enrolment Rates by Sex, Quintile and Level of Education

Net enrolment Table 7.4 highlights net enrolment rates[56] by selected household characteristics. Notable differences between sex and enrolment were observed at the primary and secondary level. While net enrolment among males exceeded that of females at the primary level, the opposite was true at the secondary level. Interestingly, rural net enrolment was higher than urban net enrolment among both males and females at the primary and secondary levels. Net enrolment was higher among poor males and females at the primary level, but higher among non-poor males and females at the secondary level. Net enrolment was lowest among males from rural poor households, but highest among males from households of the same socioeconomic status. Male headed households showed notably net enrolment rates of females at the primary level, while female headed households showed notably higher male net enrolment at the same level. Though female enrolment was higher overall at the secondary level, higher net enrolment was observed among both males and females in male headed households.

[56] ***The net enrolment rate*** captures the total number of students in the theoretical age group for a given level of education enrolled in that level, expressed as a percentage of the total population in that age group. It is calculated by dividing the number of students enrolled who are of the official age group for a given level of education by the population for the same age group and multiply the result by 100. - The UNESCO Institute for Statistics. 2018. *"Net Enrolment Rate | UNESCO UIS."* accessed February. http://uis.unesco.org/en/glossary-term/net-enrolment-rate.

Table 7.4: Net Enrolment Rates by Sex, Level of Education and Selected Household Characteristics

	Primary		Secondary	
	Male	**Female**	**Male**	**Female**
Total	61.9	58.9	57.6	63.7
Household head's sex				
Male	61.1	63.0	58.2	64.7
Female	62.9	54.9	57.0	62.9
Area of residence				
Urban	61.5	58.1	57.5	63.0
Rural	63.0	61.3	57.9	65.9
Poverty Status				
Poor	65.0	60.8	57.3	62.2
Non-poor	60.3	58.1	57.8	64.4
Residence and Poverty				
Urban - poor	62.4	59.5	62.7	59.5
Urban - nonpoor	61.1	57.6	55.4	64.6
Rural - poor	71.3	63.5	46.5	70.9
Rural - nonpoor	58.1	59.7	63.9	63.5
Quintiles of welfare aggregate				
Lowest quintile	69.6	63.9	55.7	55.2
2	57.8	53.1	62.4	65.5
3	60.0	61.3	53.4	56.2
4	59.2	61.4	52.8	79.0
Highest quintile	62.2	51.2	66.8	72.5
Regions				
Castries City	63.8	54.4	64.5	64.5
Castries Sub-Urban	65.7	58.3	45.4	62.3
Anse la Raye/ Canaries*	41.5	67.8	73.2	72.5
Soufriere*	48.7	46.8	65.8	53.7
Choiseul*	45.5	45.8	57.7	83.2
Laborie*	63.0	70.0	50.8	35.2
Vieux Fort	41.3	62.8	54.4	60.0
Micoud	74.2	62.1	56.8	75.5
Dennery	70.3	52.6	47.7	58.6
Gros Islet	64.2	64.6	67.2	68.1

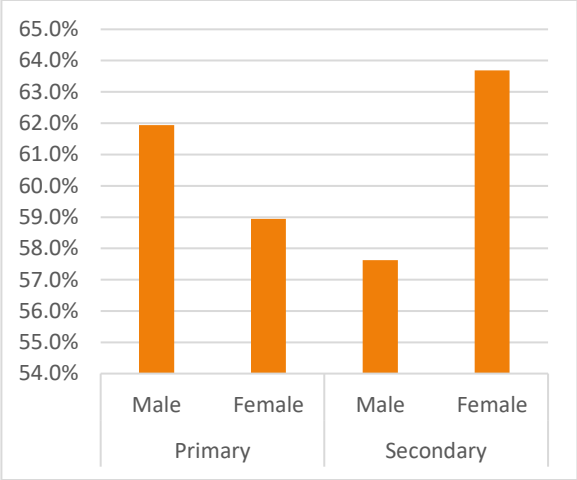


Figure 7.17: Net Enrolment Rates by Sex and Level of Education

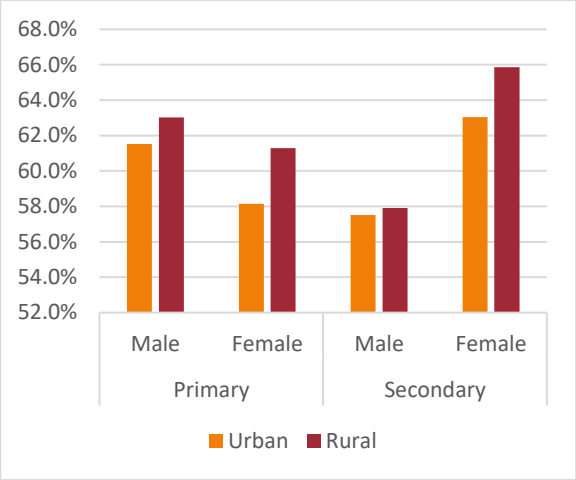


Figure 7.18: Net Enrolment Rates by Sex, Area of Residence and Level of Education

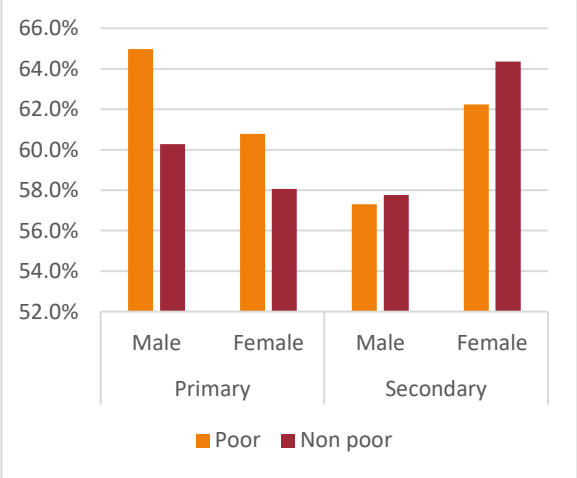


Figure 7.19: Net Enrolment Rates by Sex, Socioeconomic Status and Level of Education

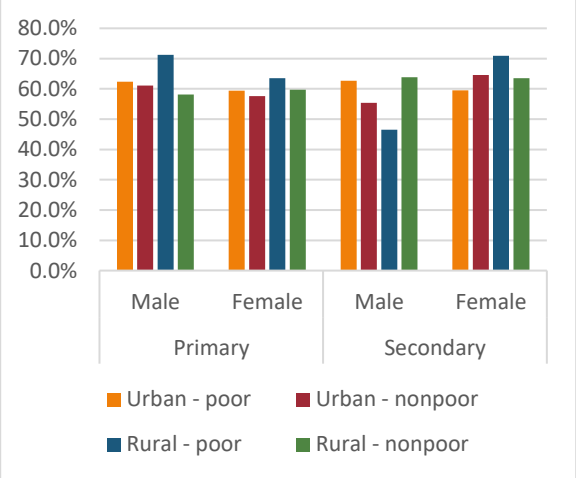


Figure 7.20: Net Enrolment Rates by Sex, Area of Residence, Socioeconomic Status and Level of Education

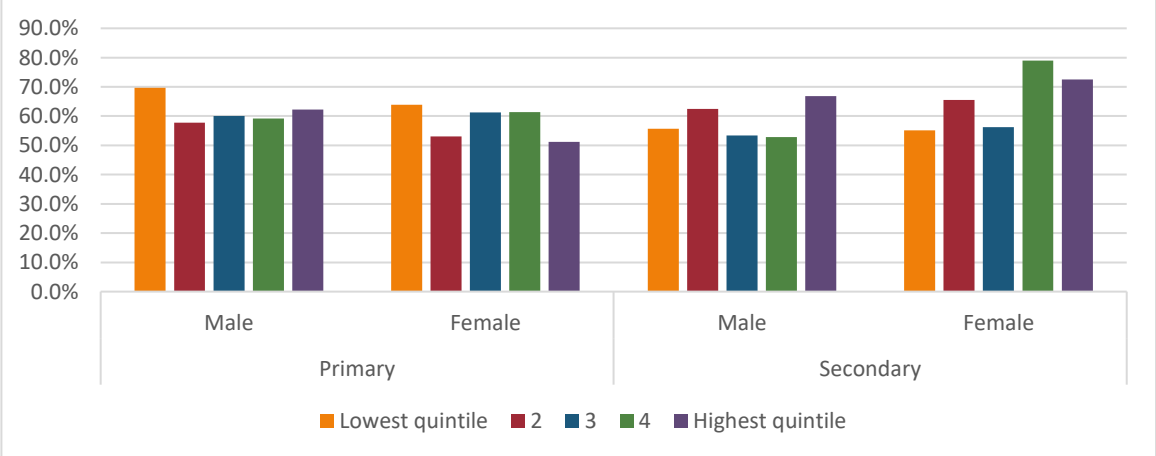


Figure 7.21: Net Enrolment Rates by Sex, Quintile and Level of Education

7.5 ACCESS TO EDUCATION

As mentioned in Section 7.1 above, the education system of Saint Lucia is organised into eight education districts on the basis of geographic location: this is reflected in Figure 7.22. The Primary, Secondary, Post-Secondary and Special education needs catered to throughout the eight education districts and each managed by a District Education Officer. At the time of the completion of this report there were 136 Early Childhood Education Centres, 74 public and 6 private primary schools, 23 public and 3 private secondary schools, 14 NELP, 5 special education centres and 2 Public Post-Secondary/ Tertiary Institutions under the purview of the Ministry of Education, Innovation, Gender Relations and Sustainable Development of Saint Lucia.

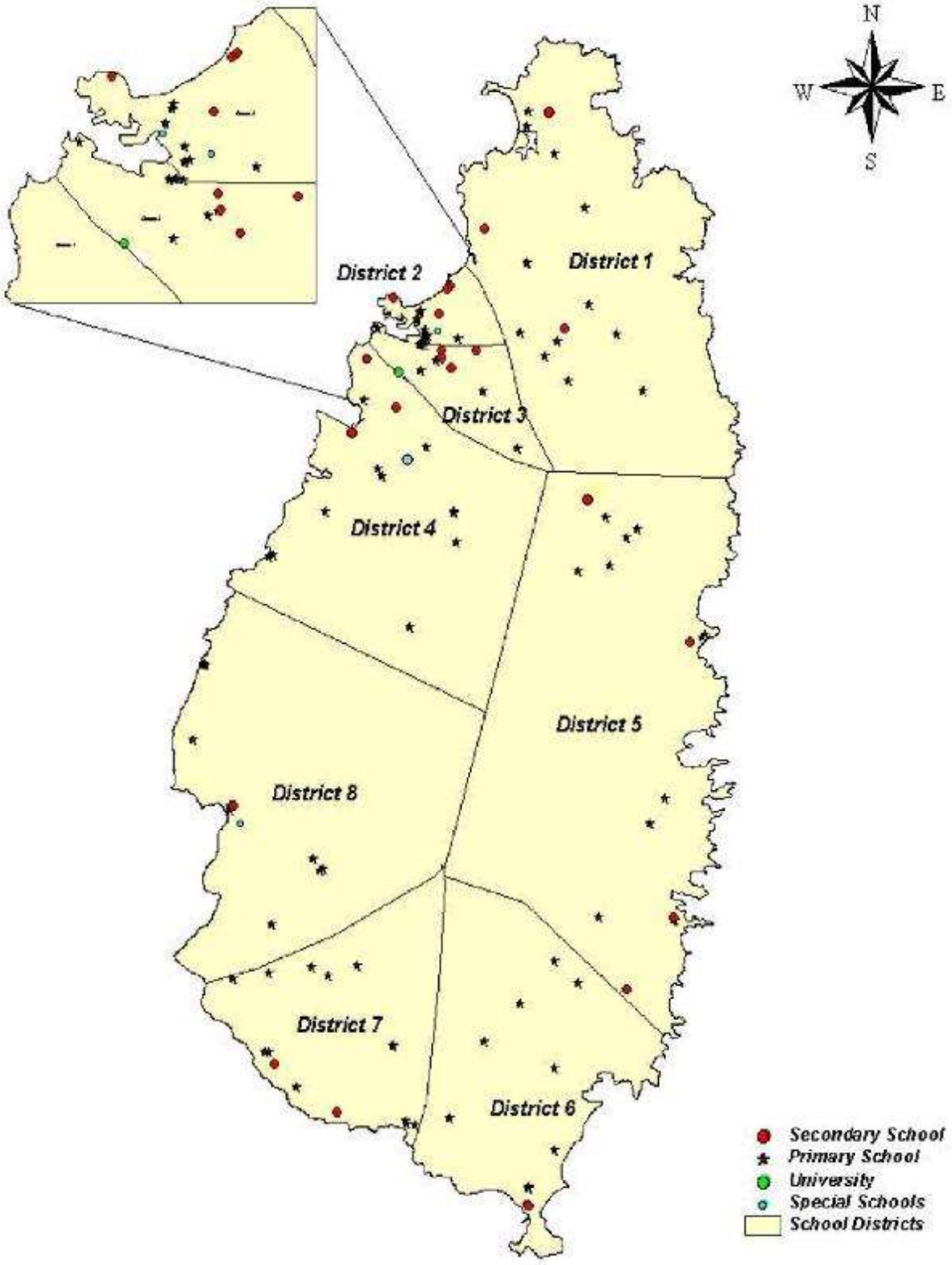


Figure 7.22: Schools in Saint Lucia by Education District[57]
Source: Education Statistical Digest 2015/15: Past Trends, Present Position and Trends up to 2017/18

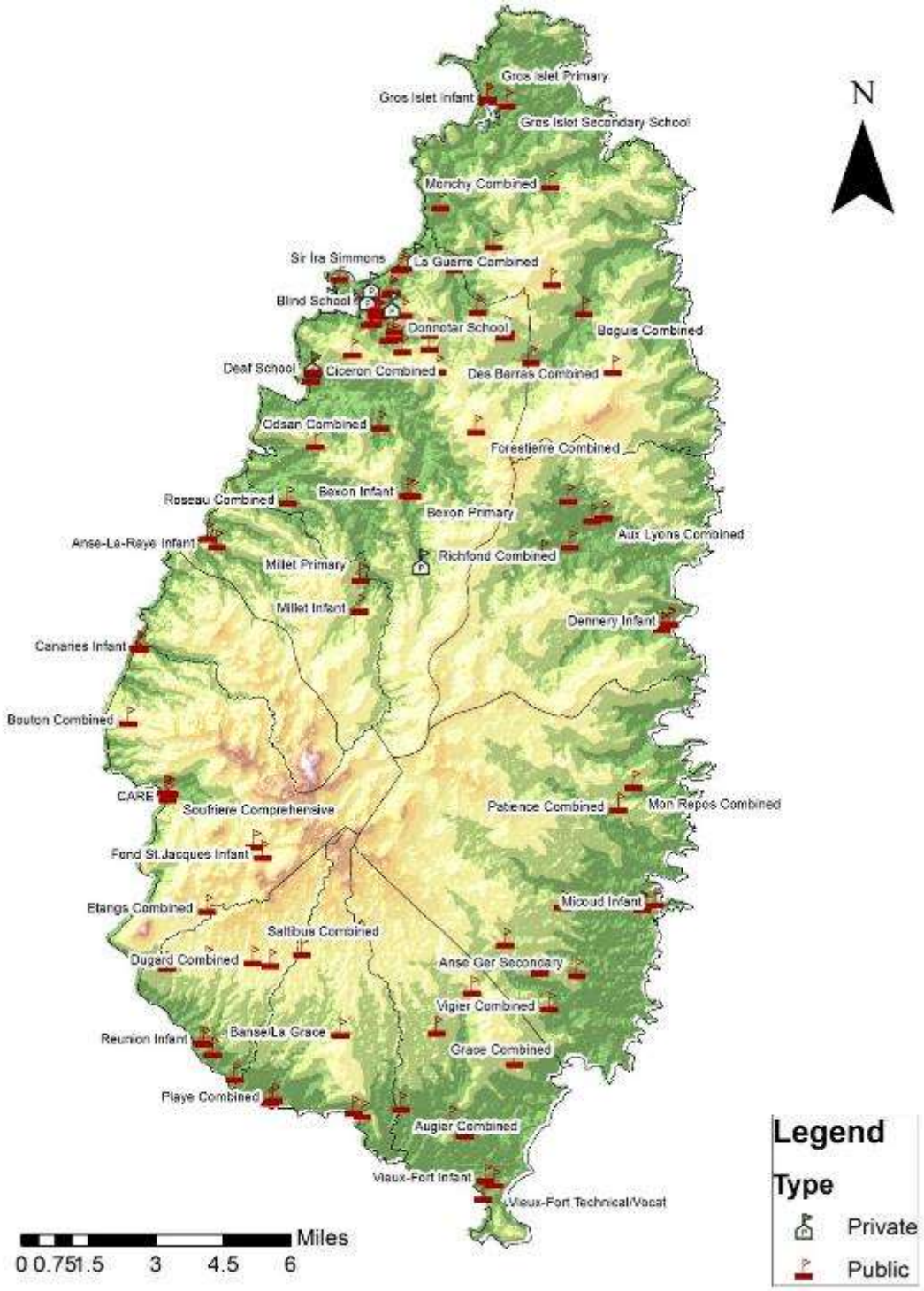


Figure 7.23: Private and Public Schools by District
Source: OECS Commission

[57] Source: Education Statistical Digest 2015/15: Past Trends, Present Position and Trends up to 2017/18

7.6 Access to Publicly Funded Programmes

Students and parents around the country were able to access an assortment of public assistance programmes geared towards enhancing access to education. These include, but are not limited to, Education Assistance (SSDF), the Community After School Programme, The School Feeding Programme (SFP) (MOE), Student Support Services (MOE), Scholarships/Bursaries (MOE), School Transportation Programme (MOE), Ministry of Education Community Day Care (MOE).

7.7 Conclusion

The education system of Saint Lucia has made notable strides over the last decade. Universal secondary has been achieved, though there are major problems of quality. The investment in universal primary access has paid off in ensuring that illiteracy is less than 10 percent among household heads. However, notwithstanding the major thrust in the provision of universal secondary education, too much of the work-force lacks a basic secondary level preparation. The challenge is to upgrade a large section of the labour force that has only primary level education, given the need for high level education and training required in creating a competitive work-force in an international economy in which knowledge base gives the edge in the production of goods and services.

Despite the advances made to guarantee that all citizens aged 5-16 years, irrespective of socioeconomic status or gender had equal access to primary and secondary education, certain challenges continued to hinder the development potential of the education system. At the macro level, financial constraints continued to impede not only the further development at all levels of the education system but also the capacity of the GOSL to deal with challenge of education inequity with its publicly funded programmes. At the micro-level, social challenges within the schools continue to contribute to academic underperformance and even student dropouts. Furthermore, the absence of universal pre-school education taken together with the system of mandatory advancement throughout primary and secondary levels creates situations where students are promoted to higher levels in spite of lacking key skills and minimum standards in respect of literacy and numeracy. Finally, it is critical that the country invest in life-long education and training to enhance the capacity of its work-force.

8 HEALTH

Sound health is fundamental to individual happiness and well-being. Over the last century, people worldwide have lived longer and healthier lives. Saint Lucia is no exception, as life expectancy at birth increased from 71.1 years in 1990 to 75.2 years in 2016[58]. A healthy population is a necessary condition for sustainable growth and development, since healthy populations live longer, are more productive, and save and invest more (Bloom, Canning, and Jamison 2004). Improved health empowers a country and its citizens to utilize available resources to fully exploit their own capacities. (Bloom, Canning, and Jamison 2004). Improved health empowers a country and its citizens to utilize available resources to fully exploit their own capacities. (Bloom, Canning, and Jamison 2004). Improved health empowers a country and its citizens to utilize available resources to fully exploit their own capacities. (Bloom, Canning, and Jamison 2004). Improved health empowers a country and its citizens to utilize available resources to fully exploit their own capacities. (Bloom, Canning, and Jamison 2004). Improved health empowers a country and its citizens to utilize available resources to fully exploit their own capacities. (Bloom, Canning, and Jamison 2004). Improved health empowers a country and its citizens to utilize available resources to fully exploit their own capacities. (Bloom, Canning, and Jamison 2004). Improved health empowers a country and its citizens to utilize available resources to fully exploit their own capacities. (Bloom, Canning, and Jamison 2004). Improved health empowers a country and its citizens to utilize available resources to fully exploit their own capacities.

Several elements affect national health status and the government's ability to provide quality health care services at all levels to its people. While Ministries of Health are crucial, other government institutions, civil society groups, international donors and communities themselves are also critical in ensuring equitable healthcare access. However, poverty continues to act as a key barrier to the access of quality health care when needed, and by extension, is a major cause of ill health worldwide. This chapter explores the structure of the national health system of Saint Lucia, in addition to the relationship between socioeconomic status, self-reported health and access to healthcare.

8.1 OVERVIEW OF THE HEALTH SYSTEM

The information provided in this overview derives from secondary sources and treats with the most recent past and the present. The health system of Saint Lucia falls under the purview of the Ministry of Health and Wellness, which is charged with the responsibility of the delivery of public health services, primary level curative and preventative care, and secondary care. The operations of the ministry are guided by six legal instruments (Pan American Health Organization 2008):(Pan American Health Organization 2008):

1. The Public Health Act (1975)
2. The Mental Act (1957)
3. The Hospital Ordinance Act (1992)
4. The Nurses and Midwives Act
5. The Family Practitioners Act (1993)
6. The Pharmacy Act (2000)

[58] WHO Global Health Observatory 2018

Both private and public-sector entities comprise the health sector of Saint Lucia. While information on the contribution of the private health sector is limited, it is estimated that private health care institutions provide roughly 90 percent of secondary health care needs while the public health care institutions provide just half of the primary care in the country (Barrett 2011).

The public health system is organised into eight health districts on the basis of geographic location (Figure 8.1) and delivers three main levels of health care services (Figure 8.2) in Saint Lucia:

1. Health Centres (which offer primary health care);
2. Polyclinics (which offer primary care support and community secondary care services); and
3. Hospitals (which offer secondary and very limited tertiary health care services).

The network of public health centres, polyclinics, district and general hospitals all provide primary health care throughout Saint Lucia. Nurse administered health care is available to citizens five days a week, while health care by physicians is available on selected days at set times. Those who are in urgent need of primary healthcare outside of regular working hours must seek health care from one of the public hospitals. As a consequence, accident and emergency services at the hospitals have been reported to be overutilized for primary health care needs (USAID 2012).(USAID 2012).

Private health institutions in Saint Lucia offer services at all levels, operate a hospital, medical laboratories, pharmacies, and offer clinic/polyclinic type services including medical centres and outpatient clinics at the hospital. Targeted health services were also offered by NGOs such as Planned Parenthood and the Blind Welfare Association of Saint Lucia.

The public health system is funded from the Government's consolidated fund, the Ministry of Health and the National Insurance Corporation. For those seeking private health care, private insurance schemes and payments through personal savings were the main sources of financing. However, several hotels, privately run corporations and even private insurance providers contribute to insurance and wellness plans for their employees (USAID 2012).(USAID 2012).

While the public and private health institutions offer a wide range of health services, gaps do exist in respect of health coverage and adequacy. Weaknesses in the patient referral process form one significant gap: limited public-private referrals, inadequate follow-up within the public sector and informal referrals contribute markedly to poor patient outcomes. The distribution and number of administrative and technical staff among approved positions are insufficient to treat with prevalent and projected demands of the health system. To treat with these human resource gaps, the Ministry of Health has been reliant on part-time and contract staff to make up the required numbers.

Furthermore, human resource shortages, specifically in relation to nurses and specialist physicians, continue to be a notable obstacle facing the sector. Despite the presence of a number of international medical schools in Saint Lucia, high tuition costs associated with the pursuit of medical studies together with attractive remuneration packages offered to nurses and specialist doctors internationally have precipitated notable outward migration of medical professionals.

The Government has been committed to health sector reform[59], which will result in the updating of the existing legislation. Areas of primary focus include:

- Decentralisation of management and functions
- Integration of different levels of care
- Quality assurance
- Strengthening of monitoring and accountability mechanisms.

Key Priorities for the sectors include:

- responding to the growing problem of chronic noncommunicable diseases (NCDs),
- the upgrading of two district hospitals to polyclinics supported by ambulance transport, and
- the implementation of a universal health coverage strategy to facilitate access to a basic package of health care services in a financially sustainable way.

[59] Pan American Health Organization. 2008. Health Systems Profile Saint Lucia, Monitoring and Analysis Health Systems Change/Reform. Washington, D.C.

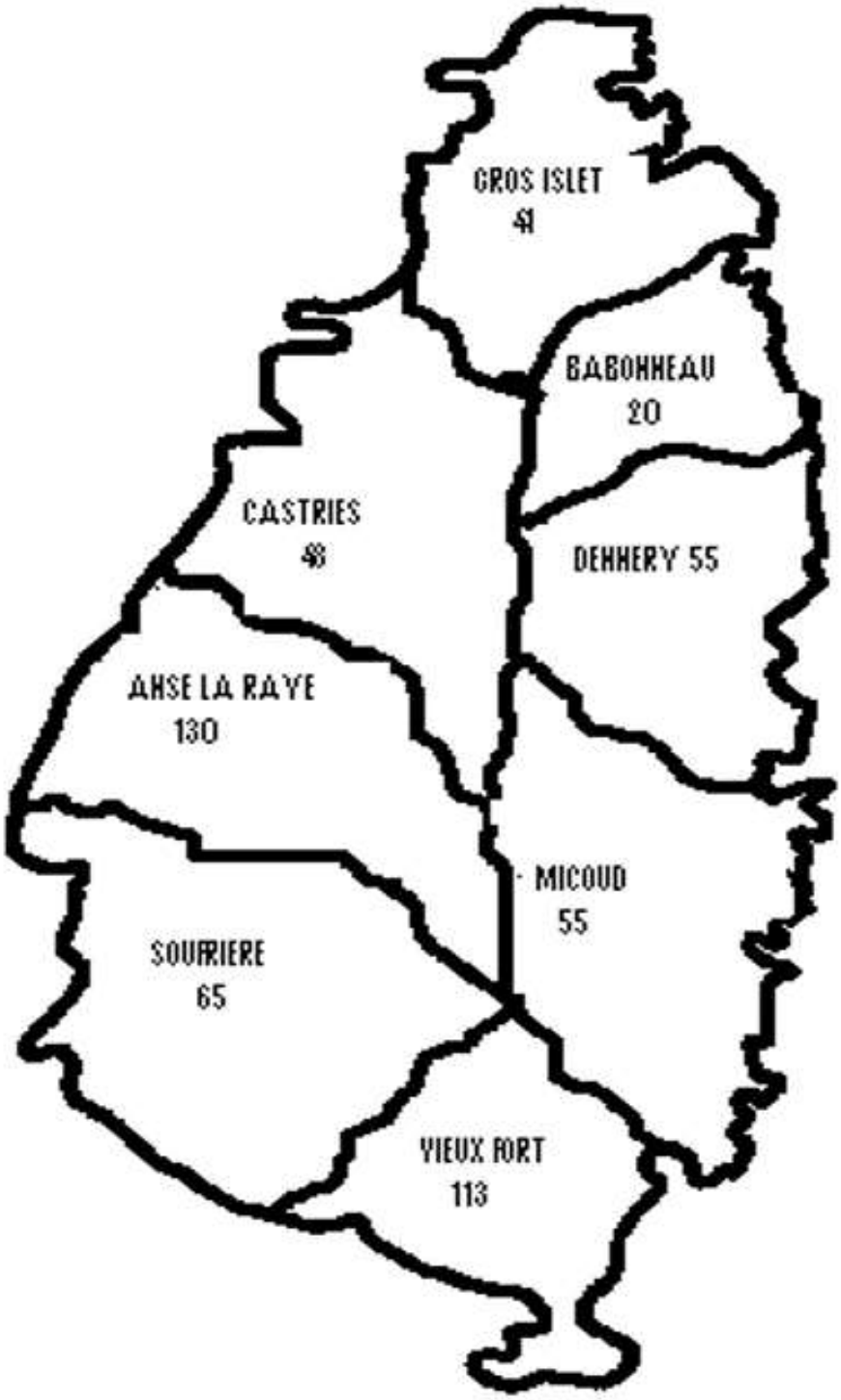


Figure 8.1: Health Regions of Saint Lucia
Source: Ministry of Health and Wellness

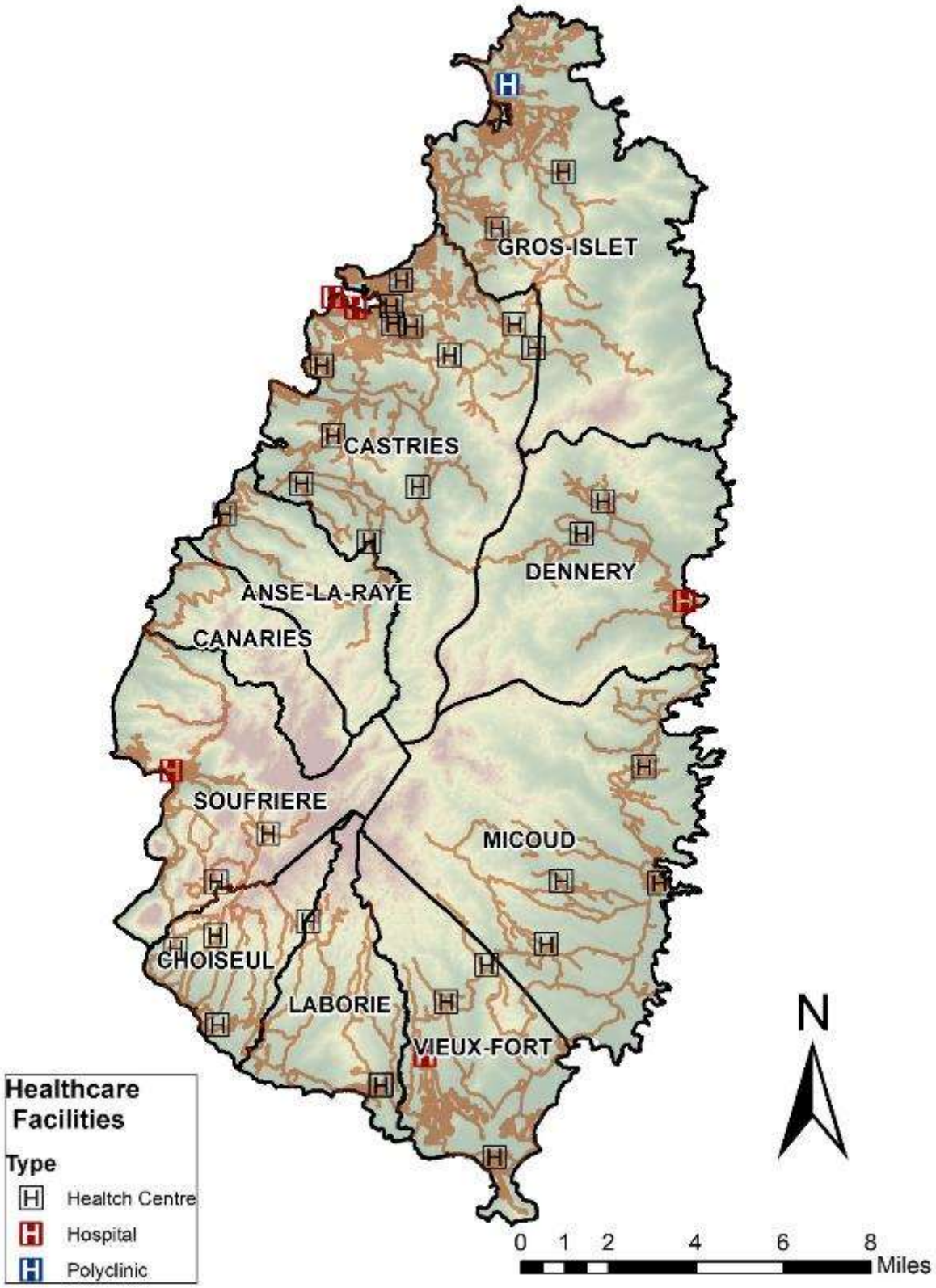


Figure 8.2: Healthcare Facilities in Saint Lucia
Source: OECS Commission

8.2 SELF-REPORTED HEALTH

The survey generated substantial data on the treatment of morbidity among the population. The incidence of lifestyle diseases by quintiles is shown in Table 8.1. Diabetes is prevalent across all quintiles, with every quintile having equal representation. This is significant: the entire population is afflicted irrespective of income level by this life style of disease. However, there seem to be differences across quintiles in respect of hypertension and cancer.

The reported prevalence seems to increase for both of these diseases, and significantly so for cancer. It is possible that the differences might be related to differential screening. Screening for diabetes is relatively simple, and poorer people may subject themselves to such screening but may not be as willing to screen for cancer. The single digit percentages in the lower quintiles for cancer may reflect under-reporting of its incidence as compared to 71.6 percent for the richest quintile.

The differences between the poor and the non-poor are seen also in the composite Table 8.1.The poor and non-poor are equally represented with diabetes, and with asthma. The poor report a slightly higher percentage with heart disease, 30.3 percent relative to the 25.0 percent who were poor. However, 90.6 percent of those reporting cancer were among the non-poor which was 75.0 percent of the population. The findings between poor and non-poor mirror the findings across quintiles.

Table 8.1: Self-Reported Chronic Illnesses

Type of Disease	Poverty Status		Expenditure Quintiles				
	Poor	Non-Poor	Poorest	2	3	4	Richest
Diabetes	25.0%	75.0%	19.9%	20.0%	20.0%	20.0%	20.0%
Suffering from high blood pressure/hypertension	19.6%	80.4%	16.1%	17.3%	19.8%	22.1%	24.6%
Asthma	27.0%	73.0%	14.4%	26.1%	20.8%	21.9%	16.9%
Suffering from Cancer	9.4%	90.6%	9.4%	4.2%	0.0%	14.8%	71.6%
Suffering from Heart	30.3%	69.7%	20.9%	12.4%	17.1%	32.8%	16.8%
Other	26.9%	73.1%	19.6%	22.7%	16.7%	18.6%	22.4%
None	24.7%	75.3%	20.0%	19.7%	20.1%	20.1%	20.1%

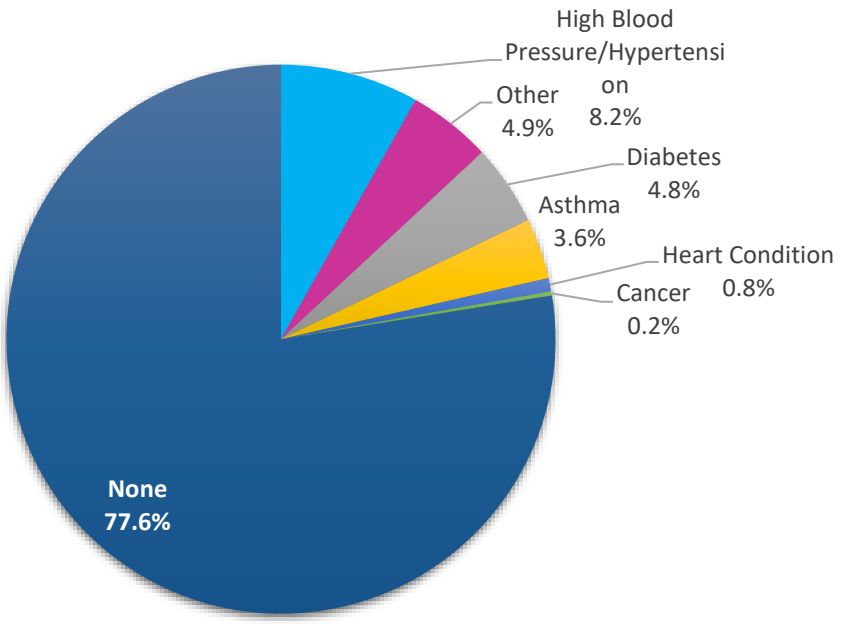


Figure 8.3: Self-Reported Chronic Illnesses

On the other hand, the better off were more likely to resort to Private Clinics, and to seek attention from private doctors, dentists and therapist, and were less likely to utilise home-made medicine. These results are seen in the composite Table 8.2. The table also disaggregates usage between the poor and the non-poor, and the differences are consistent with the quintile distribution, especially evident in the use of the services in the private sector.

Table 8.2: Place Visited in Last Year to Treat with Any Illness, Accident, Dental Problem or Other Health Issues

Health Facility or Method Used	Poverty Status		Expenditure Quintiles				
	Poor	Non-Poor	Poorest	2	3	4	Richest
Went to Victoria Hospital	27.1%	72.9%	21.6%	22.1%	19.7%	21.5%	15.1%
Went to St Judes Hospital	25.0%	75.0%	21.4%	22.4%	21.6%	17.8%	16.9%
Went to Health Centre	33.8%	66.2%	27.2%	27.1%	19.8%	15.2%	10.7%
Went to Private Clinic	9.1%	90.9%	5.8%	14.6%	20.9%	26.0%	32.6%
Did not ask for medical assistance	45.6%	54.4%	45.6%	4.9%	18.7%	26.8%	4.0%
Went to doctor, dentist or therapist	10.6%	89.4%	6.4%	14.1%	19.9%	27.5%	32.1%
Went to pharmacist	14.7%	85.3%	12.2%	22.5%	18.2%	21.3%	25.9%
Used alternative therapies	0.0%	100.0%	0.0%	72.4%	0.0%	27.6%	0.0%
Used home-made medicine	32.1%	67.9%	26.7%	26.7%	13.0%	20.5%	13.1%
Self prescribed your own treatment or medicine	11.5%	88.5%	11.5%	17.6%	8.2%	32.1%	30.6%
Nothing	22.2%	77.8%	18.4%	21.1%	20.2%	21.4%	19.0%
None - no illness	28.5%	71.5%	23.2%	18.8%	20.9%	18.8%	18.3%

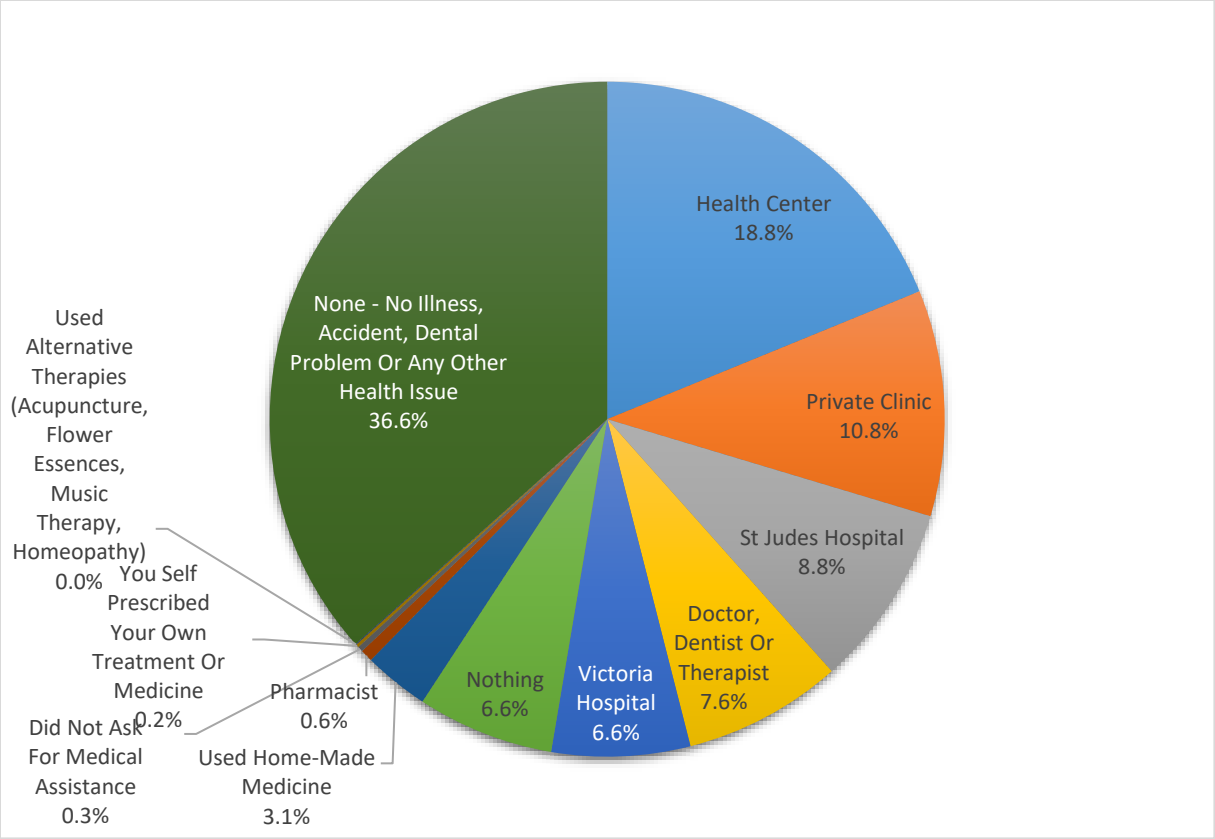


Table 8.3 provides information on the incidence of illnesses across quintiles. The areas of significant differences were in respect of the reported incidence of mental disorder, motor accidents and injury from criminal activity. Those in the poorest quintile were more susceptible to mental disorder, home accidents and significantly so to injury from criminal act. The richest quintiles were prone to industrial accidents at the work site and to motor vehicle accidents. In respect of the former, it might well be that the richer quintiles were comprised of persons who were more aware of health and safety regulations, and of their rights in the work-place, compared to workers in the lower quintiles. Reporting of an industrial accident if it were minor, might have involved loss of work pay for the days taken up in reporting for workers at the lower end of the labour force and occupational hierarchy, compared to better-off workers in the higher quintiles. The latter were more likely to be employed in higher level technical and professional capacities which were less subject to exploitation by their employers and would have enjoyed superior contractual arrangements and contacts: they could afford to have industrial accidents reported.

Table 8.3 which reports on the poor and non-poor, mirrors the table on the distribution of illnesses across quintiles. The incidence of motor vehicle accidents and industrial accidents was restricted to the non-poor. On the other hand, the poor were very vulnerable to injury from criminal act. In effect, the poorest were exposed to greater violence to the person than the better-off.

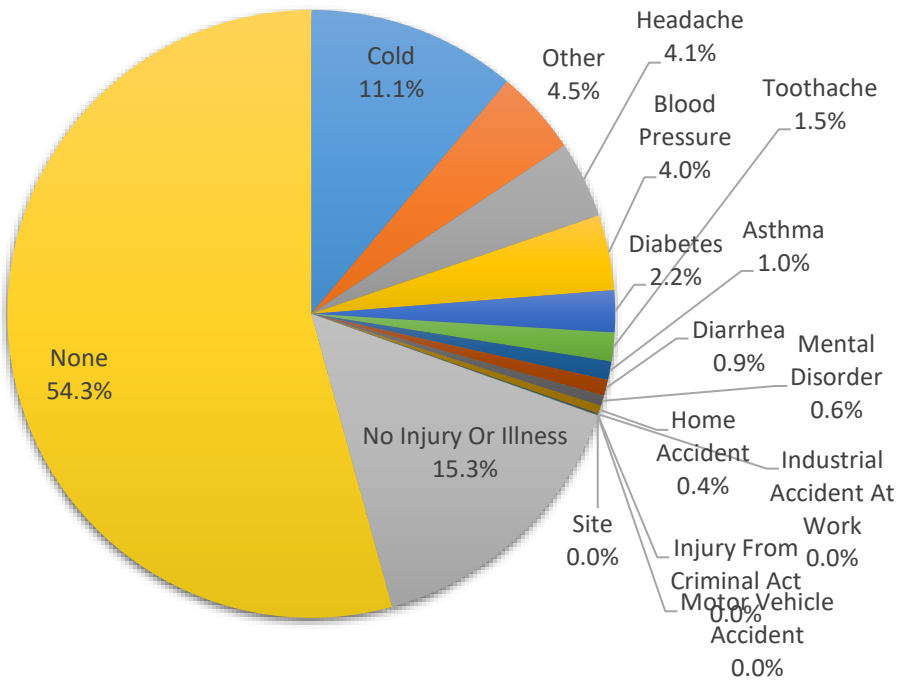


Figure 8.4: Self-Reported Illness or Injury in the Month Preceding the SLC –HBS 2016

Table 8.3: Self-Reported Illness or Injury in the Month Preceding the SLC-HBS 2016 by Socioeconomic Status and Quintile

Type of Illness	Poverty Status		Expenditure Quintiles				
	Poor	Non-Poor	Poorest	2	3	4	Richest
Cold	26.8%	73.2%	20.2%	21.3%	18.5%	18.7%	21.2%
Diarrhea	25.5%	74.5%	22.3%	20.5%	12.9%	22.6%	21.6%
Headache	24.6%	75.4%	16.4%	21.3%	20.4%	23.2%	18.8%
Toothache	19.4%	80.6%	14.8%	26.9%	12.9%	21.6%	23.7%
Blood pressure	21.5%	78.5%	17.6%	20.9%	17.1%	21.8%	22.6%
Mental disorder	39.9%	60.1%	35.4%	17.5%	30.0%	17.2%	0.0%
Motor vehicle accident	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Home accident	36.4%	63.6%	34.5%	31.7%	15.9%	4.1%	13.7%
Industrial accident at work site	0.0%	100.0%	0.0%	0.0%	0.0%	58.1%	41.9%
Injury from criminal act	70.5%	29.5%	70.5%	0.0%	0.0%	29.5%	0.0%
No injury or illness	38.7%	61.3%	34.0%	17.7%	19.2%	17.1%	12.0%

Table 8.4 shows the distribution by quintile of those with access to and claims for health insurance. Not unexpectedly, the higher the quintile, the greater the probability that a person would have had access to health insurance, and likewise, the greater the probability of claims for health insurance claims. In respect of access to insurance, the likelihood of persons not having health insurance decreases with income: the

richer one is, the more unlikely it is of not having health insurance. In respect of the use of public health facilities, the lower income quintiles were more likely to avail themselves of services in these institutions- Victoria Hospital, St. Jude's Hospital and Health Centres.

Table 8.4: Health Insurance Coverage by Socioeconomic Status and Quintile

Have or Claim from Health Insurance		Poverty Status		Expenditure Quintiles				
		Poor	Non-Poor	Poorest	2	3	4	Richest
Have health insurance	yes	9.0%	91.0%	6.1%	12.4%	15.9%	25.9%	39.7%
	no	28.5%	71.5%	23.0%	21.7%	20.9%	18.7%	15.7%
	Total	25.0%	75.0%	19.9%	20.0%	20.0%	20.0%	20.1%
Claimed from health insurance	yes	4.4%	95.6%	3.3%	6.0%	14.9%	25.8%	49.9%
	no	10.4%	89.6%	6.8%	14.3%	16.1%	26.0%	36.7%
	Dont know	0.0%	100.0%	0.0%	0.0%	34.5%	0.0%	65.5%
	Total	9.0%	91.0%	6.1%	12.4%	15.9%	25.9%	39.7%

8.3 CITIZEN SECURITY

Citizen security, violence and crime are development issues. The absence of citizen security affects not only social development and economic growth but also directly influences individual welfare in the short term. Table 8.5 sheds light on the fear of crime by socioeconomic status and per capita consumption quintiles. Fear of crime was more pronounced among non-poor households, with households in the fourth and fifth quintiles expressing this fear more notably when compared to all other quintiles.

Table 8.5: Fear of Crime by Socioeconomic Status and Quintile

Column Percentages

Fear of Crime	Socioeconomic Status		Quintiles					Total
	Poor	Non-Poor	Lowest	2	3	4	Highest	
Yes	41.3%	46.4%	38.1%	46.6%	42.4%	48.3%	48.3%	45.4%
No	58.7%	53.6%	61.9%	53.4%	57.6%	51.7%	51.7%	54.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Row Percentages

Fear of Crime	Socioeconomic Status		Quintiles					Total
	Poor	Non-Poor	Lowest	2	3	4	Highest	
Yes	17.4%	82.6%	12.9%	15.9%	16.5%	23.1%	31.7%	100.0%
No	20.7%	79.4%	17.4%	15.1%	18.7%	20.6%	28.2%	100.0%
Total	19.2%	80.8%	15.3%	15.5%	17.7%	21.8%	29.8%	100.0%

Table 8.6 details those households with members who experienced assault with or without a weapon in the preceding year by socioeconomic status and per capita consumption quintiles. Among households surveyed, 4.5 percent contained one or more victims of assault, with proportionately more non-poor households experiencing this type of assault when compared to poor households.

Table 8.6: Households with members assaulted in the last 12 months with or without a weapon by Socioeconomic Status and Quintile

Column Percentages								
	Socioeconomic Status		Quintiles					Total
	Poor	Non-Poor	1	2	3	4	5	
Yes	4.2%	4.6%	4.3%	5.7%	4.1%	4.8%	4.1%	4.5%
No	95.8%	95.4%	95.7%	94.3%	95.9%	95.2%	95.9%	95.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Row Percentages								
	Socioeconomic Status		Quintiles					Total
	Poor	Non-Poor	1	2	3	4	5	
Yes	17.6%	82.4%	14.5%	19.6%	16.1%	22.9%	27.0%	100.0%
No	19.3%	80.7%	15.4%	15.3%	17.8%	21.7%	29.9%	100.0%
Total	19.2%	80.8%	15.3%	15.5%	17.7%	21.8%	29.8%	100.0%

Households with members who were victims of theft by socioeconomic status and per capita consumption quintiles are explored in Table 8.7 below. Roughly one tenth of households indicated that one or more members were victims of theft of some type, with marked differences between non-poor and poor households. More than 50 percent of the households with members who were victims of theft were among the fourth and fifth quintiles, while less than 7 percent of the households with victims of theft were from the first quintile.

Table 8.7: Households with members who were victims of theft by Socioeconomic Status and Quintile

Column Percentages								
	Socio Economic Status		Quintile					Total
	Poor	Non-Poor	1	2	3	4	5	
Yes	6.0%	12.6%	4.8%	9.5%	10.2%	13.7%	14.4%	11.3%
No	94.0%	87.4%	95.2%	90.5%	89.8%	86.3%	85.6%	88.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Row Percentages								
	Socio Economic Status		Quintile					Total
	Poor	Non-Poor	1	2	3	4	5	
Yes	10.12	89.88	6.517	13	16.01	26.45	38.03	100
No	20.21	79.79	16.31	15.79	17.92	21.19	28.79	100
Total	19.07	80.93	15.2	15.48	17.7	21.78	29.84	100

9 PHYSICAL LIVING CONDITIONS

9.1 ASSETS

This Chapter examines the access to assets by households. The quantum and quality of assets owned, or to which one has access determine the quality of life of households. Beyond the satisfaction of food needs, the provision and use of assets differentiate households across the spectrum of poor and non-poor and define the distributional pyramid of the society. The quality of shelter and of a range of appurtenances for living in the early 21st century are the basis of socio-economic differentiation in contemporary Saint Lucian society. The SLC-HBS was designed to generate detailed information on the asset base of the households of the country, starting with housing and then focusing on a range of other assets. The ownership of certain assets, as seen earlier, is a determining factor in the scalar of multidimensional poverty assessment.

9.2 ASSET OWNERSHIP CHARACTERISTICS

9.2.1 Major Assets

In terms of major assets, Saint Lucian households were most likely to own a house and to have corresponding land ownership tenancy (see Table 9.1, data column 2). Nationally, the rate of homeownership is 73 percent. In terms of location, close to nine in every ten houses were owned in the rural districts of Choiseul, Dennery, and Laborie, while a homeownership rate of between 75 and 80 percent appears in Micoud and the urban districts of Vieux Fort and Castries Sub-urban. The lowest homeownership rate was in the combined district of Anse la Raye/Canaries (see Figure 9.1).

Table 9.1: Asset ownership I: Home tenancy and vehicles

	Overall			Quintile					Poverty status		Locality		Gender	
Item	Num.	Mean	S.d.	(1)	(2)	(3)	(4)	(5)	P	NP	R	U	M	F
Owns land	1449	0.67	0.47	0.56	0.66	0.65	0.71	0.71	0.59	0.69	0.70	0.64	0.69	0.63
Rents land	1449	0.06	0.23	0.06	0.07	0.06	0.06	0.05	0.06	0.06	0.05	0.06	0.06	0.06
Squats land	1449	0.28	0.45	0.39	0.27	0.29	0.23	0.24	0.36	0.25	0.25	0.29	0.26	0.30
Owns house	1486	0.73	0.44	0.72	0.75	0.72	0.74	0.74	0.73	0.73	0.78	0.71	0.75	0.72
Rents house	1486	0.18	0.38	0.16	0.16	0.19	0.17	0.20	0.15	0.19	0.11	0.22	0.16	0.21
Squats house	1486	0.09	0.28	0.11	0.09	0.09	0.09	0.06	0.11	0.08	0.11	0.07	0.09	0.08
Vehicle	1488	0.23	0.42	0.01	0.06	0.15	0.23	0.49	0.02	0.28	0.17	0.26	0.29	0.14

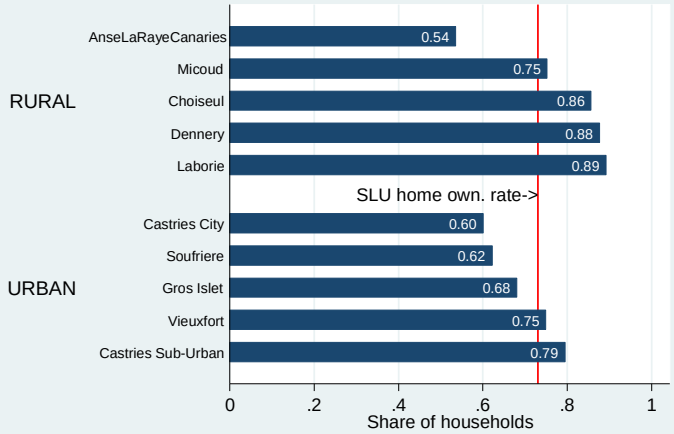
Notes: (1) See Table 10.1, Note (1). (2) All items are indicator variables.
Source: Author's compilation based on St. Lucia SLC-HBS 2016.

In contrast, very few Saint Lucian households owned vehicles, with less than one-quarter reporting ownership nationally in 2016 (see Table 9.2). The district of Gros Islet out performed on this measure, with a vehicle ownership rate of 49 percent while at the other end??? only one in ten households in Anse la Raye/Canaries reported similar ownership in 2016 (see Figure 9.2). In terms of poverty correlates, ownership of the two main assets appears to reflect different

preferences: while homeownership was widely pursued across households of various types, ownership of a car, van, or motorcycle was not widespread.

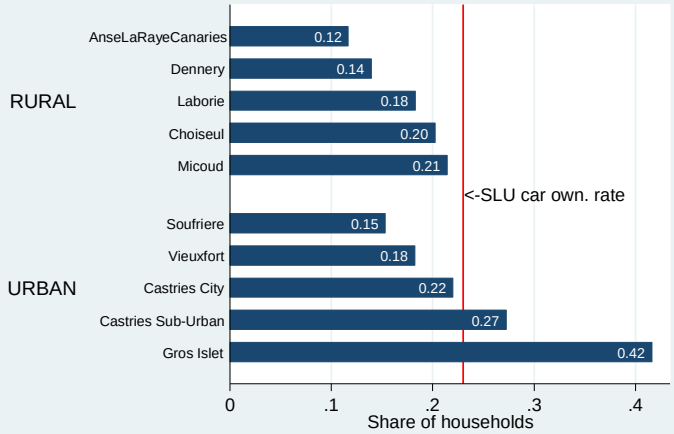
Remarkably, poor and non-poor households reported equal home ownership (73%). For the underlying land tenancy, however, poor households were ten percentage points less likely than their rich peers to hold title; concomitantly, the land-squat rate was almost one and half times as high for the former group. More stark, even, was the difference in vehicle ownership across these groups: non-poor households were fourteen times as likely as poor households to include this major asset.

Gender-related differences appear in the ownership of land and vehicles, the land-squat rate, and the house rental rate. For land and vehicles, female-headed households faced a deficit of five percentage points and fourteen percentage points, respectively (see Figure 9.3 and Figure 9.4), and were fifteen percent and 31 percent as likely to be occupying land through squatting or to be house renters, respectively, as their male peers.



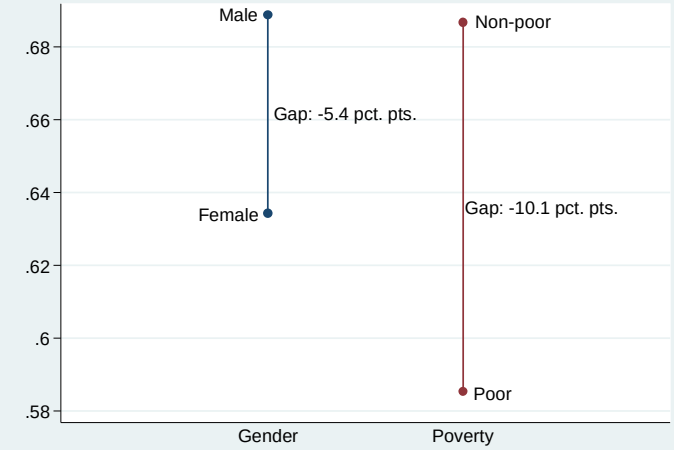
Note: * Bar heights (labels) reflect rounded figures.
Source: Author's compilation based on St. Lucia SLC/HBS 2016.

Figure 9.1: Home ownership rate, by locality and district



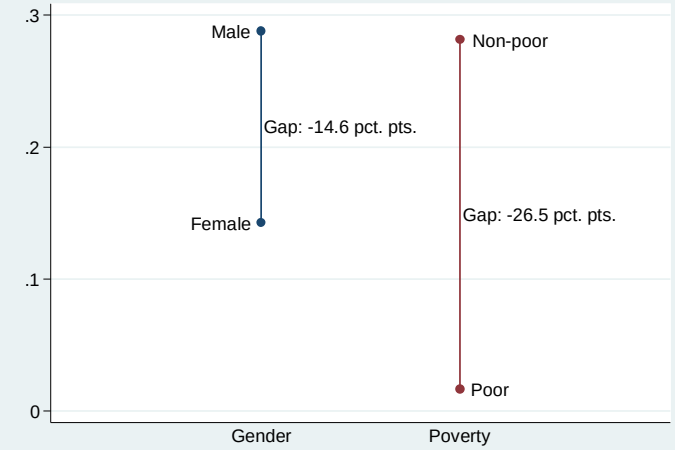
Note: * Bar heights (labels) reflect rounded figures.
Source: Author's compilation based on St. Lucia SLC/HBS 2016.

Figure 9.2: Vehicle ownership rate, by locality and district



Source: Author's compilation based on St. Lucia SLC/HBS 2016.

Figure 9.3: Land ownership, by gender and poverty status



Source: Author's compilation based on St. Lucia SLC/HBS 2016.

Figure 9.4: Vehicle ownership, by gender and poverty status

9.2.2 Other Assets

In terms of other household assets, ownership of household furniture, basic appliances (including a stove and refrigerator), and a smart television was fairly widespread (all above 80 percent nationally, see Table 9.2). A smaller majority of households in Saint Lucia also had irons (76%) and washing machines (55%) while, at the other end, between five and ten percent of households owned sewing machines, grass-cutters, water heaters, and exercise equipment. While a similarly low percentage of households reported ownership of a personal computer in 2016, ownership of laptop computers (28 %) and tablets (20%) was between two and three times as high.

Table 9.2: Asset ownership II: Other items

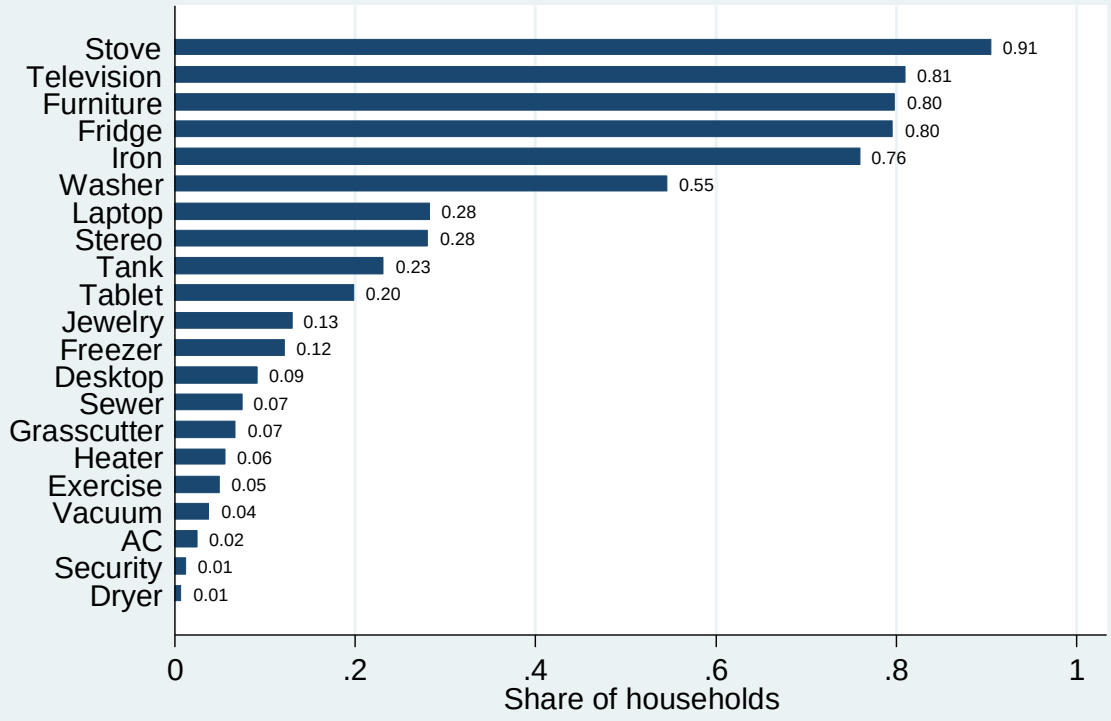
	Overall			Quintile					Poverty status		Locality		Gender	
Item	Num.	Mean	S.d.	(1)	(2)	(3)	(4)	(5)	P	NP	R	U	M	F
Smart television	1492	0.81	0.39	0.61	0.77	0.88	0.85	0.87	0.63	0.85	0.77	0.83	0.78	0.86
Stereo system	1492	0.28	0.45	0.15	0.19	0.25	0.32	0.39	0.15	0.31	0.24	0.31	0.32	0.23
Stove	1492	0.91	0.29	0.82	0.92	0.95	0.93	0.90	0.84	0.92	0.90	0.91	0.89	0.93
Iron	1492	0.76	0.43	0.58	0.72	0.80	0.80	0.82	0.60	0.80	0.72	0.78	0.71	0.83
Refrigerator	1492	0.80	0.40	0.56	0.77	0.87	0.84	0.86	0.60	0.85	0.78	0.80	0.77	0.83
Freezer	1492	0.12	0.33	0.05	0.08	0.08	0.12	0.21	0.06	0.14	0.12	0.12	0.12	0.12
Washing machine	1492	0.55	0.50	0.25	0.43	0.61	0.61	0.68	0.27	0.61	0.49	0.58	0.51	0.59
Sewing machine	1492	0.07	0.26	0.02	0.05	0.08	0.08	0.11	0.02	0.09	0.07	0.08	0.06	0.09
Grasscutter	1492	0.07	0.25	0.02	0.02	0.06	0.06	0.12	0.02	0.08	0.07	0.07	0.09	0.03
Tablet	1492	0.20	0.40	0.05	0.15	0.19	0.22	0.30	0.06	0.23	0.15	0.23	0.19	0.21
Air conditioner	1492	0.02	0.16	0.00	0.00	0.01	0.01	0.07	0.00	0.03	0.01	0.04	0.03	0.02
Personal computer	1492	0.09	0.29	0.03	0.04	0.10	0.10	0.15	0.03	0.11	0.07	0.11	0.10	0.08
Laptop computer	1492	0.28	0.45	0.12	0.19	0.27	0.32	0.40	0.14	0.32	0.23	0.31	0.27	0.30
Exercise equipment	1492	0.05	0.22	0.00	0.03	0.02	0.05	0.10	0.00	0.06	0.03	0.06	0.05	0.05
Clothes dryer*	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Vacuum cleaner	1492	0.04	0.19	0.00	0.01	0.02	0.03	0.09	0.00	0.05	0.02	0.05	0.05	0.03
Water heater	1492	0.06	0.23	0.00	0.02	0.02	0.03	0.15	0.00	0.07	0.04	0.06	0.06	0.06
Water tank	1492	0.23	0.42	0.05	0.14	0.18	0.29	0.38	0.06	0.27	0.24	0.23	0.22	0.25
Furniture	1492	0.80	0.40	0.77	0.77	0.82	0.81	0.81	0.77	0.81	0.75	0.83	0.80	0.80
Jewelry	1492	0.13	0.34	0.06	0.07	0.11	0.13	0.21	0.08	0.14	0.11	0.14	0.12	0.14
Home security system	1492	0.01	0.11	0.00	0.00	0.00	0.00	0.04	0.00	0.02	0.00	0.02	0.01	0.01

Notes: (1) See Table 10.1, Note (1). (2) All items are indicator variables. (3) * - Less than one percent of households own a clothes dryer.
Source: Author's compilation based on St. Lucia SLC-HBS 2016.

While poverty-related ownership gaps exist as expected for most appliances, gender-related ownership gaps are reversed for the most part, implying that female-headed households are better provisioned than male-headed ones. For example, the former own refrigerators, stoves, washing machines, televisions, sewing machines, and irons than male-headed households at higher rates than male-headed households; for stereo systems, vacuum cleaners, and grass cutters the relative positions are reversed. Poverty, however, appears to be the key driver in ownership: of the set of 21 assets, poor households own nineteen of them at lower rates than their rich peers.

Moreover, there is a regular pattern, with certain key assets: the higher the quintile, the higher the ownership – water tanks, water heaters, desktop, laptop computers, tablets and exercise equipment. On the other hand, there was high ownership of televisions and of stoves. This

suggests that households had ready access to the mass media, and to electricity on the one hand, and relied on household gas rather than on fire wood for cooking (Figure 9.5).



Note: * Bar heights (labels) reflect rounded figures.
Source: Author's compilation based on St. Lucia SLC/HBS 2016.

Figure 9.5: Asset ownership, by item

9.3 DWELLING CHARACTERISTICS

9.3.1 Structure and Size

Almost all houses in St. Lucia have shingle roofing and a slight majority are built with concrete walls, with the rest split almost evenly between wood (timber or ply) and a combination of wood and concrete (see

Table 9.3). The average size, by number of rooms (outside of bathrooms, kitchens, and the like), is three, while 80 percent of all households have less than five rooms. When converted to a crowding ratio (equal to number of persons per room), Saint Lucian households on average were at parity. In terms of quintile distribution, the higher the quintile, the lower the number of persons per room: the criterion of persons per room is more generous than the earlier definition of overcrowding based on persons per bedroom.

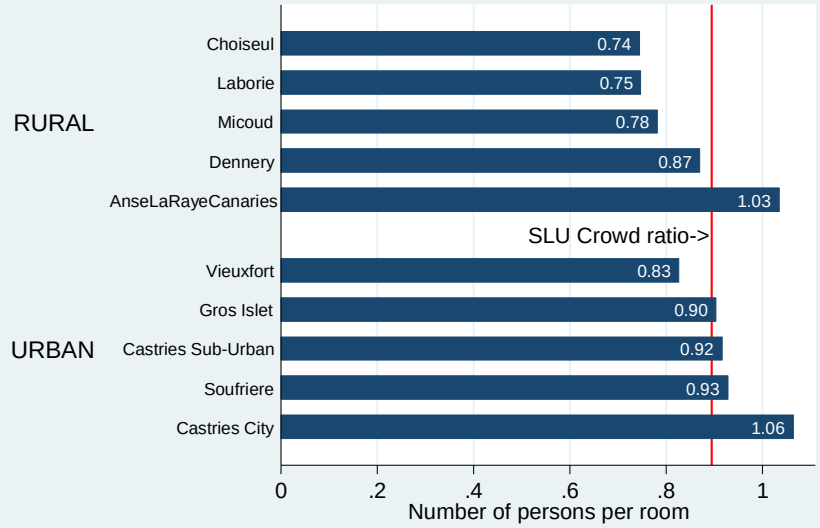
Table 9.3: Dwelling characteristics I: Structure, size, and crowding

	Overall			Quintile					Poverty status		Locality		Gender	
Item	Num.	Mean	S.d.	(1)	(2)	(3)	(4)	(5)	P	NP	R	U	M	F
Has wood (timber) walls	1489	0.13	0.34	0.24	0.18	0.13	0.11	0.06	0.21	0.11	0.14	0.12	0.14	0.11
Has concrete walls	1489	0.51	0.50	0.22	0.38	0.52	0.51	0.74	0.24	0.58	0.49	0.53	0.50	0.53
Has wood and concrete walls	1489	0.18	0.38	0.19	0.21	0.19	0.22	0.12	0.21	0.17	0.16	0.19	0.17	0.20
Has brick walls*	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Has plywood walls	1489	0.17	0.38	0.34	0.22	0.16	0.15	0.07	0.33	0.13	0.21	0.15	0.18	0.16
Has makeshift walls*	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Has sheet metal roof	1487	0.97	0.17	0.99	0.98	0.97	0.97	0.96	0.99	0.97	0.98	0.96	0.96	0.98
Has concrete roof	1487	0.02	0.15	0.01	0.01	0.03	0.03	0.03	0.01	0.03	0.01	0.03	0.03	0.01
Has shingle roof	1487	0.01	0.11	0.01	0.01	0.01	0.01	0.02	0.01	0.01	0.01	0.01	0.01	0.01
Has less than five rooms	1490	0.81	0.39	0.90	0.84	0.81	0.82	0.75	0.90	0.79	0.79	0.83	0.84	0.78
Has more than five rooms	1490	0.19	0.39	0.10	0.16	0.19	0.18	0.25	0.10	0.21	0.21	0.17	0.16	0.22
Number of rooms	1490	3.59	1.25	3.14	3.44	3.62	3.64	3.86	3.17	3.69	3.70	3.52	3.72	3.49
Persons per room	1490	0.89	0.56	1.28	1.13	0.98	0.79	0.58	1.26	0.80	0.84	0.93	0.87	0.94

Notes: (1) See Table 10.1, Note (1). (2) All items are indicator variables, except for number of rooms (which ranges from 1 to 14) and persons per room (which ranges from 0.14 to 4.5). (3) * - Less than one percent of households have brick or makeshift walls.
Source: Author's compilation based on St. Lucia SLC-HBS 2016.

Across Saint Lucia, the situation varied considerably. First, broadly, while urban households used sturdier materials (40 percent more likely to have walls built of plywood), they are smaller and more crowded than their rural peers. At the district level, the rural crowding ratio ranges from 0.74 in Choiseul to 1.03 in Anse la Raye/Canaries, and the urban ratio from 0.83 in Vieux Fort to 1.06 in Castries City (see Figure 9.6).

Poverty and gender-related differences in crowding also exist. Figure 9.7 indicates a total difference in the crowding ratio of 0.69 persons per room when the top (richest 20 percent) and bottom (poorest 20 percent) quintiles are compared. All inter-quintile differences are significant. Female-headed households as well face tighter conditions in the home, adding an additional burden of 0.07 persons per room when compared to male heads (see Figure 9.7).



Note: * Bar heights (labels) reflect rounded figures.
Source: Author's compilation based on St. Lucia SLC/HBS 2016.

Figure 9.6: Crowding ratio, by locality and district

Source: Author's compilation based on St. Lucia SLC/HBS 2016.

Figure 9.7: Crowding ratio, by gender and poverty status

9.3.2 Water: Access and Use

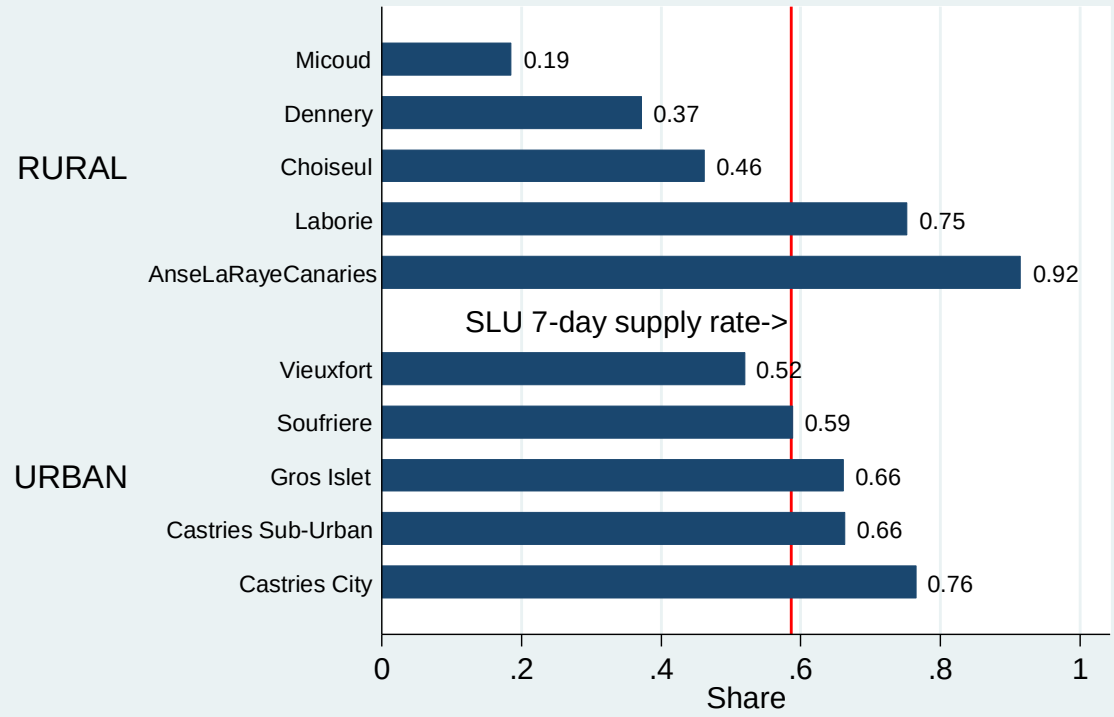
While almost all households (95.0%) report a piped main water supply (either to dwelling or yard), fewer households utilised piped water for drinking (77.0%). Seven percent relied either on standpipes, rainwater, or surface water (rivers, streams, and the like), with the remaining households either purchasing bottled water or accessing water for drinking from tankers and carts (see Table 9.4).

Table 9.4: Dwelling characteristics II: Water source and availability

	Overall			Quintile					Poverty status		Locality		Gender	
Item	Num.	Mean	S.d.	(1)	(2)	(3)	(4)	(5)	P	NP	R	U	M	F
Main water supply: piped in	1446	0.94	0.23	0.84	0.95	0.96	0.97	0.97	0.86	0.96	0.92	0.96	0.93	0.96
Main water supply: public standpipe	1446	0.04	0.20	0.13	0.05	0.03	0.02	0.03	0.11	0.03	0.07	0.03	0.05	0.04
Main water supply: well/tank/truck/other	1446	0.01	0.11	0.03	0.00	0.02	0.01	0.01	0.03	0.01	0.01	0.01	0.02	0.01
Drinking water: piped in	1449	0.77	0.42	0.77	0.86	0.82	0.80	0.68	0.77	0.77	0.72	0.81	0.77	0.77
Drinking water: public standpipe	1484	0.04	0.19	0.10	0.04	0.03	0.02	0.02	0.09	0.02	0.06	0.02	0.04	0.03
Drinking water: rain or surface water	1484	0.03	0.18	0.09	0.03	0.03	0.01	0.03	0.08	0.02	0.05	0.02	0.04	0.03
Drinking water: carts/tanks/bottled/other	1484	0.16	0.36	0.05	0.07	0.13	0.17	0.27	0.06	0.18	0.17	0.15	0.15	0.17
Water: less than five days per week	1349	0.22	0.41	0.28	0.25	0.23	0.19	0.18	0.29	0.20	0.35	0.14	0.22	0.22
Water: five - six days per week	1349	0.20	0.40	0.28	0.14	0.19	0.20	0.19	0.24	0.19	0.18	0.21	0.18	0.21
Water: every day	1349	0.59	0.49	0.44	0.60	0.58	0.61	0.63	0.48	0.61	0.48	0.65	0.60	0.57

Notes: (1) See Table 10.1, Note (1). (2) All items are indicator variables.
Source: Author's compilation based on St. Lucia SLC-HBS 2016.

Clear locality-based differences are in evidence in terms of water provision and access (Figure 9.8). Sixty-five percent of urban households benefit from a seven-day supply compared to 48 percent of rural households. Urban households were also more likely to report a piped main water supply and, for drinking water, to rely almost exclusively on piped, bottled, or access from tankers and carts.

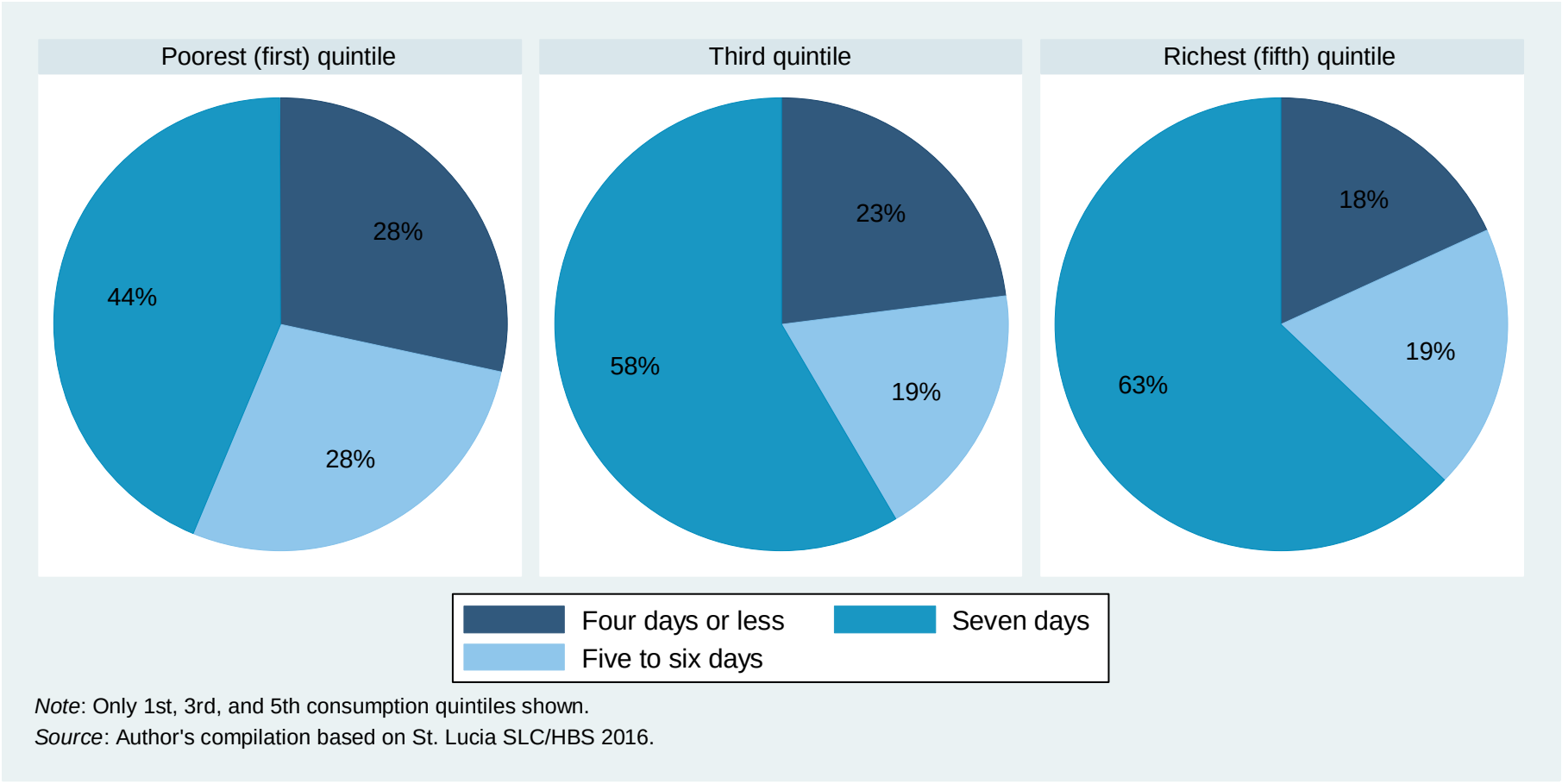


Note: * Bar heights (labels) reflect rounded figures.
Source: Author's compilation based on St. Lucia SLC/HBS 2016.

Figure 9.8: Seven day water availability rate, by locality and district

The greatest disparity in full-week supply rate appears in rural areas, with Anse la Raye-Canaries having the highest provision rate (92 percent of all households) while Micoud households have the lowest (19 percent). Urban areas are more concentrated around the national average which report a seven-day supply, ranging from 52 percent of households in Vieux Fort to 76 percent in Castries City (see Figure 9.8).

The poorest 20 percent of St. Lucian households are also the most disadvantaged in terms of water provision. Compared to the remaining 80 percent of the population, they face a deficit in having a piped main water supply of 12 percentage points. Instead, they rely on water provision at the public standpipe at rates three to five times as high as the remaining population. Forty-four percent of bottom-quintile residents receive a full-week supply compared to an average of 60 percent for residents in the remaining cohorts. Figure 9.8 illustrates inter-quintile differences for the top, middle, and bottom 20 percent of households.



Note: Only 1st, 3rd, and 5th consumption quintiles shown.
Source: Author's compilation based on St. Lucia SLC/HBS 2016.

Figure 9.9: Water availability, by consumption quintile

9.3.3 Cooking and Lighting Facilities

Cooking fuel was almost universally provided by gas although five percent of Saint Lucian households still burned coal or wood. Unlike the case of water provision, no broad locality differences in electrification across rural and urban areas were evident in Saint Lucia, highlighting the achievement of Saint Lucia Electricity Services (LUCELEC) in achieving a national rate above 90 percent (see Table 9.5). Poverty- and gender-related differences in access and use of publicly-provided electricity for lighting do exist, however. The access gap facing the bottom two quintiles when compared to the top two quintiles was five percentage points, while the gender access gap was smaller, at three percentage points, but still significant (see Figure 9.10). In this case, however, as in a few other cases pointed to earlier, this gap was in favour of female-headed households.

Table 9.5: Dwelling characteristics III: Cooking and Lighting

	Overall			Quintile					Poverty status		Locality		Gender	
Item	Num.	Mean	S.d.	(1)	(2)	(3)	(4)	(5)	P	NP	R	U	M	F
Cooking fuel is coal	1476	0.03	0.17	0.08	0.05	0.02	0.02	0.01	0.08	0.02	0.05	0.02	0.03	0.02
Cooking fuel is wood	1476	0.02	0.14	0.06	0.02	0.01	0.01	0.01	0.06	0.01	0.03	0.01	0.03	0.01
Cooking fuel is gas	1476	0.95	0.22	0.85	0.93	0.97	0.97	0.98	0.86	0.97	0.92	0.97	0.93	0.97
Cooking fuel is electricity*	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Lighting is from publicly-provided electricity	1447	0.96	0.19	0.90	0.95	0.98	0.99	0.97	0.92	0.97	0.97	0.96	0.95	0.98
Lighting is from private sources	1447	0.04	0.19	0.10	0.05	0.02	0.01	0.03	0.08	0.03	0.03	0.04	0.05	0.02

Notes: (1) See Table 10.1, Note (1). (2) All items are indicator variables. (3) * - Less than one percent of all households use electricity as a source of cooking fuel.
Source: Author's compilation based on St. Lucia SLC-HBS 2016.

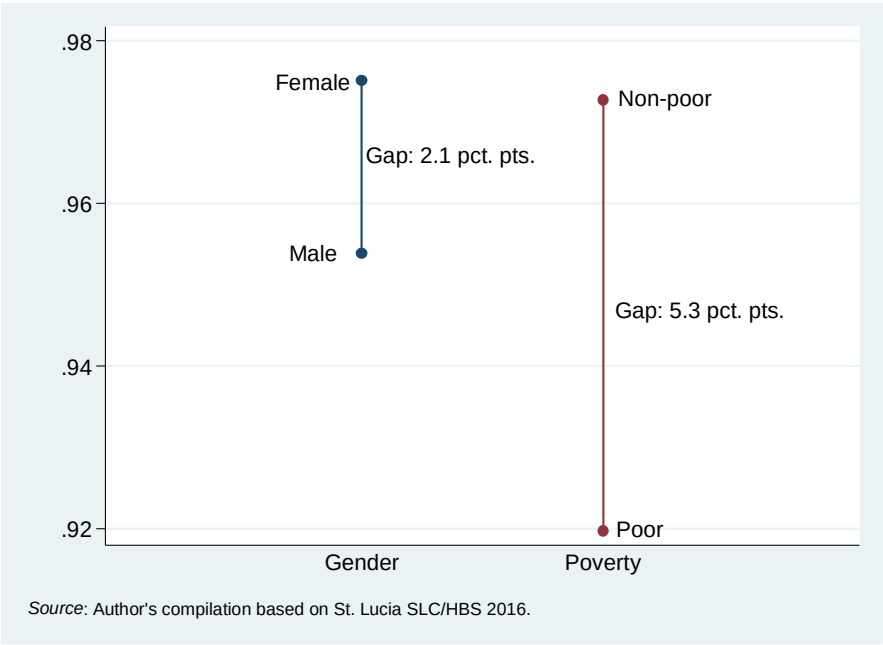


Figure 9.10: Access to publicly-provided electricity for lighting, by gender and poverty status

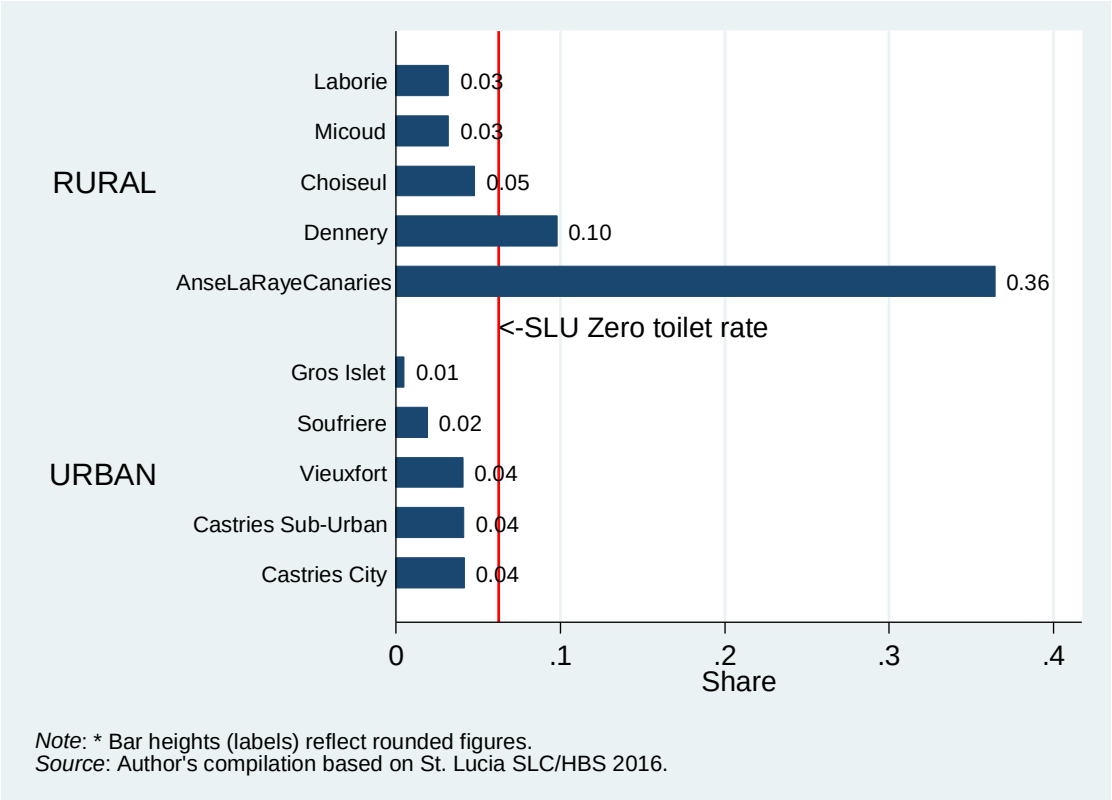
9.3.4 Toilet Facilities

Approximately three out of every four households had water closet-type toilet facilities while another one in five households relied on pit latrines. Troublingly, the residual (slightly above one in every 20 households) reported no toilet facilities (see Table 9.6). Viewed by district, Anse la Raye/Canaries suffered heavily from lack of these basic amenities, with 36 percent of all households falling in this category (see Figure 9.11), followed by Dennery (10 percent). Distributionally, both bottom-quintile and poor households were four times as likely to report having no toilet facilities as their top-quintile and non-poor peers, respectively. No gender-related differences in this aspect were evident.

Table 9.6: Dwelling characteristics IV: Toilet Facilities

	Overall			Quintile					Poverty status		Locality		Gender	
Item	Num.	Mean	S.d.	(1)	(2)	(3)	(4)	(5)	P	NP	R	U	M	F
Toilet facilities is water closet	1473	0.74	0.44	0.40	0.64	0.78	0.82	0.90	0.44	0.81	0.63	0.81	0.71	0.79
Toilet facilities is pit latrine	1473	0.20	0.40	0.44	0.28	0.19	0.14	0.07	0.41	0.15	0.26	0.16	0.22	0.16
Has no toilet facilities	1473	0.06	0.24	0.16	0.08	0.03	0.04	0.04	0.15	0.04	0.11	0.03	0.07	0.05

Notes: (1) See Table 10.1, Note (1). (2) All items are indicator variables.
Source: Author's compilation based on St. Lucia SLC-HBS 2016.



Note: * Bar heights (labels) reflect rounded figures.
Source: Author's compilation based on St. Lucia SLC/HBS 2016.

Figure 9.11: Lack of Toilet Facilities, by locality and district

In contrast, both poverty- and gender-related differences marked the use of modern toilet facilities, with almost four in every five female-headed households having access to water closets. This was eight percentage points above that for male-headed households. In the richest 20 percent of all households the rate was even higher (90%), which was eight

percentage points above the next lowest quintile and more than double the rate of the poorest 20 percent of households.

9.4 HOUSEHOLD SELF-ASSESSMENT

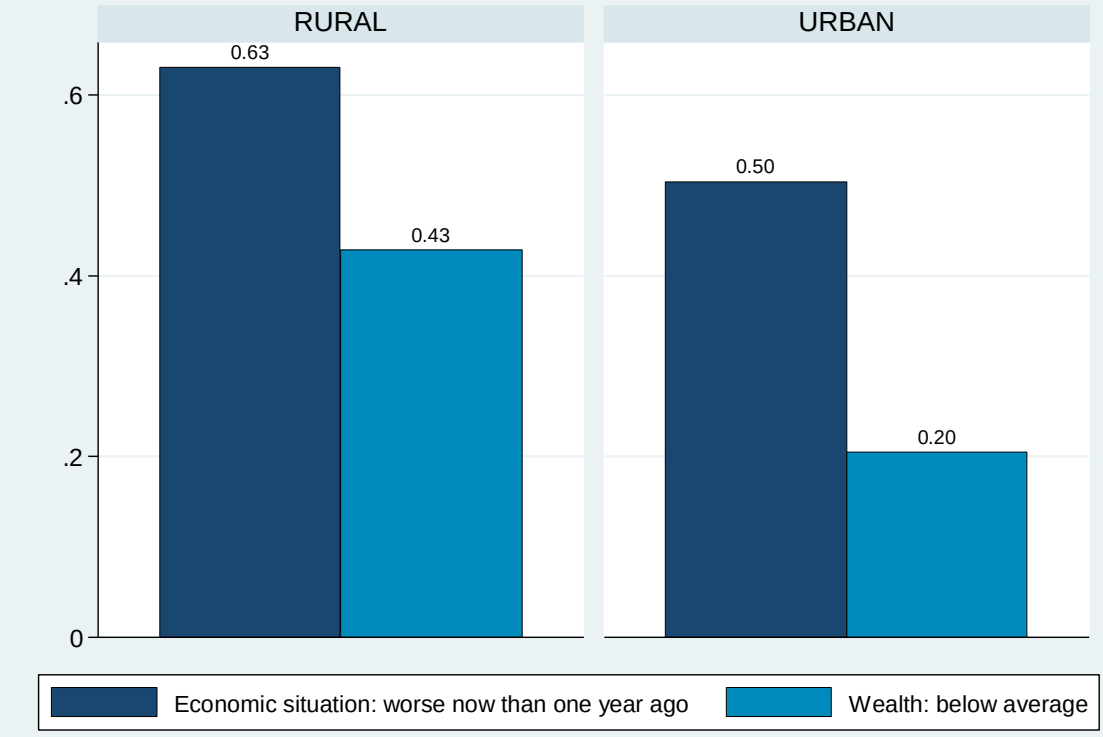
How were these objective conditions reflected in the outlook of household heads? Overall, only ten percent of all household heads on average regarded their household's overall economic situation in 2016 as better than in the previous year, while a majority considered their condition worse than twelve months earlier; 35 percent considered this situation as unchanged Table 9.7). This is unsurprising given the difficult economic conditions described earlier in this report.

Table 9.7: Household Self-assessment

	Overall			Quintile					Poverty status		Locality		Gender	
Item	Num.	Mean	S.d.	(1)	(2)	(3)	(4)	(5)	P	NP	R	U	M	F
Overall economic situation														
Worse off than a year ago	1471	0.55	0.50	0.56	0.60	0.56	0.54	0.53	0.55	0.55	0.63	0.50	0.53	0.59
No change	1471	0.35	0.48	0.38	0.34	0.29	0.35	0.36	0.38	0.34	0.29	0.38	0.37	0.31
Better off than a year ago	1471	0.10	0.30	0.06	0.06	0.14	0.12	0.11	0.07	0.11	0.08	0.12	0.10	0.10
Rating on rich/poor scale														
Poor/Below average	1490	0.29	0.45	0.54	0.43	0.29	0.18	0.15	0.51	0.23	0.43	0.20	0.30	0.27
Neither rich nor poor	1490	0.69	0.46	0.46	0.56	0.70	0.81	0.80	0.49	0.74	0.56	0.77	0.68	0.71
Rich/Above average	1490	0.02	0.14	0.00	0.01	0.01	0.01	0.05	0.01	0.02	0.02	0.02	0.02	0.02

Notes: (1) See Table 10.1, Note (1). (2) All items are indicator variables.
Source: Author's compilation based on St. Lucia SLC-HBS 2016.

In terms of location, heads of rural households were both more likely to view their overall economic situation as worse off than in the previous year and to rate their household as 'poor' or 'somewhat poor', compared to their urban peers (see Figure 9.12). The average differences are 13 percentage points and 23 percentage points, respectively, both statistically significant.



Source: Author's compilation based on St. Lucia SLC/HBS 2016.

Figure 9.12: Assessment of overall economic situation and household wealth, by locality

More definitively, in self-rating of household wealth, a majority of heads of poor households (51 percent) identified their household as poor, compared to 23 percent of non-poor heads, a statistically significant difference of 27 percentage points. On the other hand, the residual 49 percent of the poor rate their wealth as 'average', far less than the 74 percent of non-poor households that reported a similar rating.

Notwithstanding the fact that the poor in Saint Lucia might have had access to a range of assets, which suggests some level of quality in material standards, there were areas of grave deficiency. Potable water is a challenge in some poorer communities. Pit latrines and even lack of toilet facilities were not a rarity. Overcrowding was also evident in poorer communities and the quality of housing might put sections of the society at risk in the light of climate change and the increased frequency of Category 3- 5 hurricanes in the Caribbean.

9.5 Conclusion

Compared to their non-poor peers, poor households have lower levels of education, marry at a lower rate, have more mouths to feed at home, and own fewer assets (except for homes). They live in houses that are less well built, in which some of the most basic amenities are missing, and for which they have less secure tenancy to the underlying land they face elevated challenges in accessing some publicly-provided infrastructure. In combination, these gaps expose poor households to greater vulnerability in the face of changing economic conditions and pose challenges to their ability to cope with emergent shocks. For their part, female-headed households are subject to some of these deficits, but not to the same degree, and in some cases the gap is in their favour.

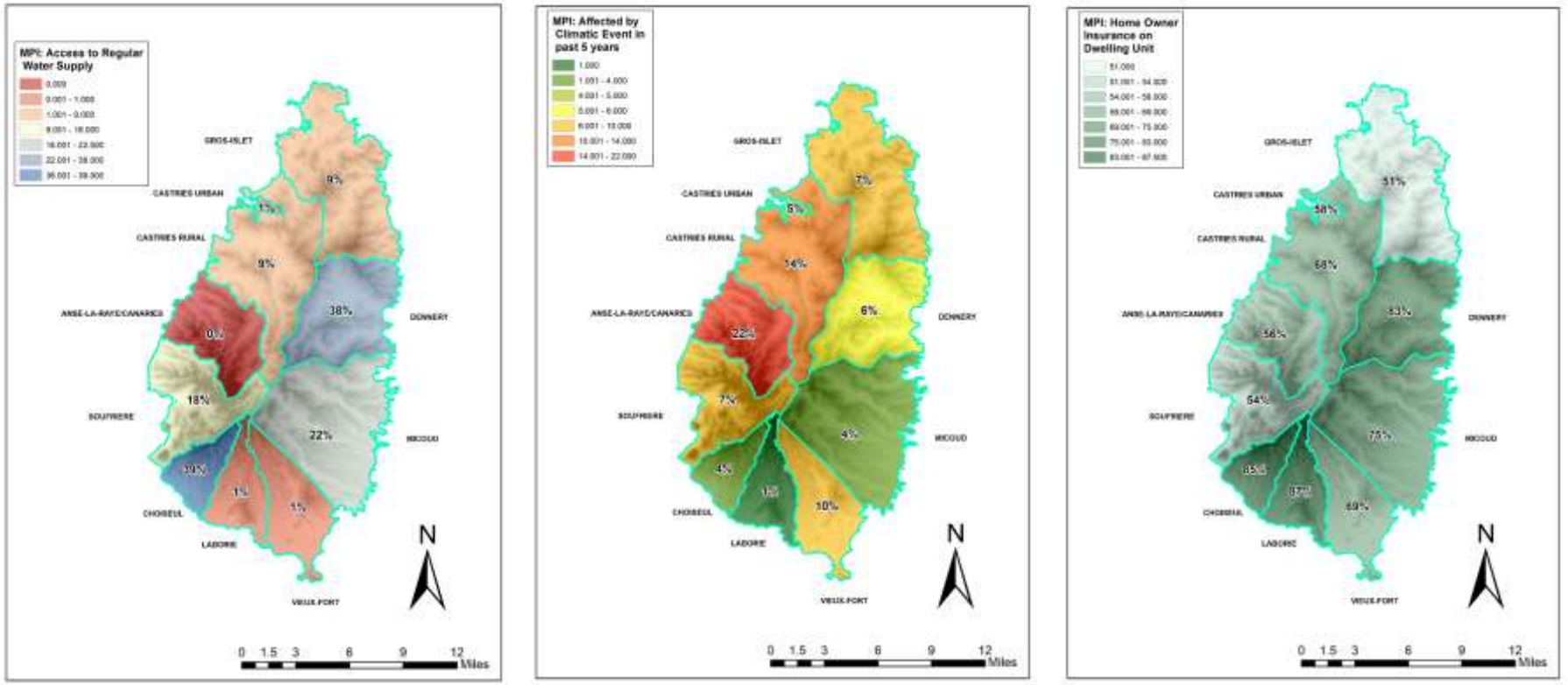
10 THE ENVIRONMENT AND LIVING CONDITIONS

Environmental changes can affect living conditions at the household level and can result in changes in household assets and return to assets, health outcomes, vulnerability to environmental shocks, and affect the ability of households to move out of poverty. This chapter examines the living conditions in Saint Lucia with a focus on environmental concerns at the household level. The SLC-HBS data are used to explore the household's access to safe drinking water and improved sanitation; and the risk faced by households to natural hazards based on their household's wealth status. The chapter reports also on the experience of households with recent natural disasters.

10.1 ENVIRONMENTAL DIMENSION OF THE MPI

The table below captures headcount deprivation levels in the districts of Saint Lucia for the three component indicators used in measuring the environmental dimension of the national MPI. Some 11.1 percent of the population were deprived of a regular water supply for four days or more. Choiseul Dennery and Micoud, with 39.4 , 37.9 and 21.7 percent respectively, had the three highest levels of deprivation with regard to the access to a regular water supply indicator (Figure 10.1 and Table 10.1). Some 8.7 percent of the population were categorised as deprived because their households experienced significant shocks as a result of a climatic event in the past five years. A higher proportion of the population in the district of Anse la Raye (22.3%) experienced the effects of a climatic disaster event in the past five years compared to elsewhere in the country. This was followed by 14.2 percent of the population in suburban/rural Castries and 10.0 percent in Vieux Fort.

A lack of home insurance was the largest contributor to the environmental dimension of the MPI. Overall, 65.4 percent of the population in Saint Lucia were deprived because they lived in homes not covered by homeowner insurance. Compared to this national figure, 6 of Saint Lucia's 10 districts had even higher level of their population living in dwellings not covered. Of these 6 districts, 4 of them had 75.0 percent or more of their population living in residences without home insurance coverage – Laborie (86.6%), Choiseul (84.7%), Dennery (83.5%), and Micoud (74.6%).



Access to a Regular Water Supply

Significantly Affected Climatic Event in the Past Five Years

Access to Home Owner Insurance on Dwelling Unit

Figure 10.1: Headcount Deprivation in the Districts of Saint Lucia for the Three Indicators of the Environmental Dimension of the Multidimensional Poverty Index

Source: Central Statistics Office of Saint Lucia 2016 SLC-HBS/Maps prepared by the OECS Secretariat

Table 10.1: Headcount Deprivation for the Indicators of the Environmental Dimension of the Multidimensional Poverty Index

District	Headcount Deprivation for the Indicators:			Population Size
	Access to a Regular Water Supply (4 days or more)	Significantly Affected by Climatic Event in the Past Five Years	Access to Home Owner Insurance on Dwelling Unit	
	%	%	%	
Castries City	1.0	4.6	57.6	4,173
Castries Suburban/Rural	8.8	*14.2	*68.5	43,545
Anse la Raye/Canaries	0.0	*22.3	56.1	8,291
Soufriere	*17.9	6.9	53.5	8,472
Choiseul	*39.4	4.2	*84.7	6,098
Laborie	0.7	1.3	*86.6	6,701
Vieux Fort	0.8	*10.0	*69.3	16,284
Micoud	*21.7	3.6	*74.6	16,284
Dennery	*37.9	6.4	*83.5	12,599
Gros Islet	9.2	7.0	51.0	25,210
Mean/Total	**11.1**	**8.7**	**65.4**	**165,596**

Source: Central Statistics Office of Saint Lucia 2016 SLC-HBS

** figures above the national average*

10.2 HOUSEHOLD ENVIRONMENTAL HEALTH

Environmental health considerations refer to health risks associated with environmental factors (Kishore, 2006).[60] Such risks fall into two main groups; the first are traditional hazards which relate to poverty and uneven development. The second group of hazards refers to modern hazards which result from a lack of environmental safeguards and include hazards arising from urban air pollution and the use of agro-industrial chemicals and wastes. Both categories of hazards manifest at the household level and may affect the quality of life of householders. Environmentally associated health risks, the result of inadequacies in socio-economic development, are often linked to poor environmental infrastructure (e.g. main water supply, drinking water supply, sanitation facility and solid waste disposal service). These health risks can be considerable. Addressing these risks is critical to Saint Lucia's national development agenda.

The 2016 SLC-HBS survey data do not allow for a full analysis of the relationship between living conditions and arising environmental health risks. However, it supports an examination of the environmental conditions of the poor and non-poor households that are usually associated to such risks. In examining the data, generally households can be categorised as either of the following - 1) poor households living in poor environmental health conditions; 2) poor households living in good environmental health conditions; 3) non-poor households living in poor environmental health conditions; or 4) non-poor households living in good environmental health conditions.

10.3 MAIN WATER SOURCES

Figure 10.2 shows changes in main water sources used by households in Saint Lucia in 2006 and 2016. Public pipe-borne water to premises (to dwelling or yard) and or standpipes

[60] Kishore, Sunanda, 2006. Environmental Health Issues in Poverty Reduction Strategies: A Review. The World Bank Environment Strategy Papers No. 12. Available [Online], http://siteresources.worldbank.org/INTEEI/214574-1112740397623/21168113/ESP12.pdf.

continued to be the main sources of water for Saint Lucian households. While households' access to piped water on premises increased only by 1.0 percent, households with access to water piped into dwellings increased by 6.0 percent, from 68.6 percent to 74.6 percent. In contrast, households with access to pipe-borne water into yards declined by 3.9 percent, from 19.9 percent to 16.0 percent. This reflects increases in the number of piped water connections to inside homes and fewer in the yard. The proportion of households with access to standpipes decreased by 1.1 percent. Despite the high proportion of households having improved piped water supplies, there was less reliance on these improved supplies as main drinking water sources.

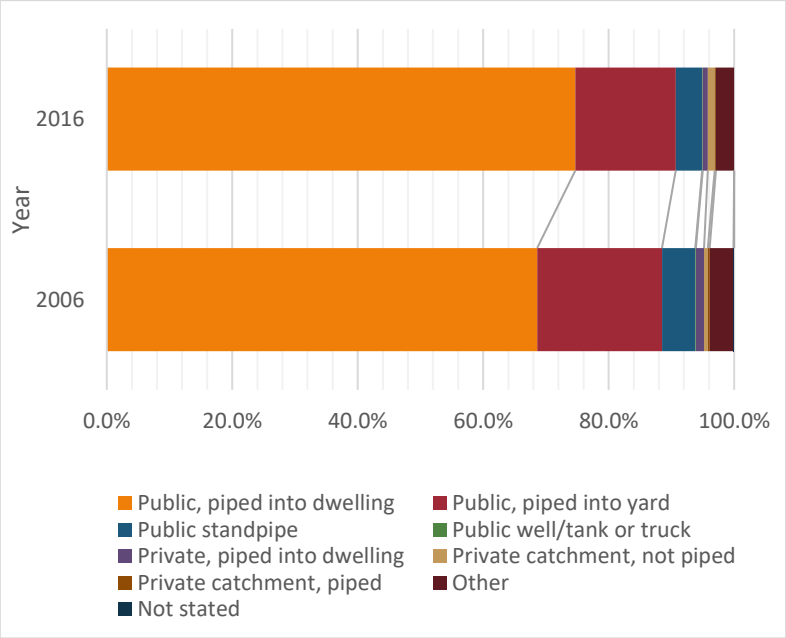


Figure 10.2: Trend in the Proportion of the Households with Main Water Supplies on Premises, Other Improved Drinking Water Sources and Unimproved Sources, 2006-2016

Source: Central Statistics Office of Saint Lucia 2016 SLC-HBS

10.4 Drinking Water Sources

Safe drinking water is globally recognised as a critical component of public health. Saint Lucia is well on its way to achieving universal access to safe drinking water for all by 2030. Figure 10.3 illustrates the use of drinking water sources, disaggregated by category. The majority of Saint Lucia's households (96.3%) use improved sources of drinking water, with 53.9 percent of households obtaining their drinking water as piped water to their premises (either into their dwelling or yard). An additional 3.7 percent of household used public standpipes as their main drinking water source. Interestingly, bottled water (15.5%) and piped water obtained from outside the home (23.9%) were also significant sources of drinking water. Less than five percent of all households used unimproved drinking water sources (3.7 percent), especially rainwater (2.7%). The use of rainwater as a main drinking water source in the Caribbean is usually discouraged because if not properly harvested and stored it can cause increased household risk to mosquito borne diseases (such as Dengue, Chikungunya and Zika).

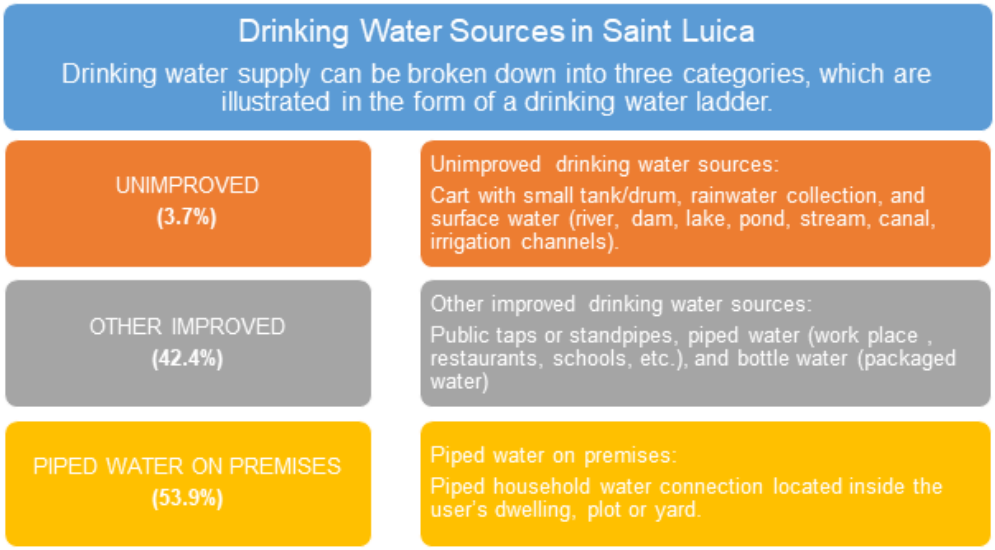


Figure 10.3: The Proportion of the Households using Piped Drinking Water on Premises, Other Improved Drinking Water Sources and Unimproved Sources in Saint Lucia, 2016[61]

Source: Central Statistics Office of Saint Lucia 2016 SLC-HBS

Poor and non-poor households alike use piped water (to a dwelling or yard) and other improved sources (such as standpipes and other piped water) as their main drinking water sources (Table 10.2 and Figure 10.4). The results of the survey, however, suggest that the choice of households' main drinking water source is influenced by their wealth status. Non-poor households are more likely to use tap water in their homes for drinking. Poor households tended to drink more piped water to yard more so than their non-poor households with similar piped water connections. Bottled water and piped water to other locations (schools, workplace, etc.) were now important choices of drinking water for some Saint Lucian households. However, bottled water was more favoured in non-poor households, while piped water to other locations was used more in poor households. Additionally, the use of rainwater for drinking was more likely among the poor household compared to non-poor households.

Table 10.2 Proportion of the Poor and Non-Poor Households using Piped Drinking Water on Premises, Other Improved Drinking Water Sources and Unimproved Sources in Saint Lucia, 2016

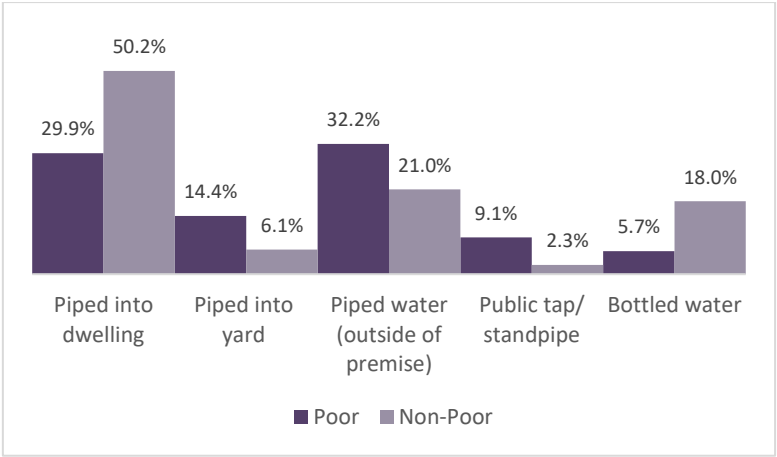
Main Sources of Household Water	Household Wealth Status		Saint Lucia	Main Sources of Drinking Water	Household Wealth Status		Saint Lucia
	Poor	Non-Poor			Poor	Non-Poor	
	%	%	%		%	%	%
Improved Sources				**Improved Sources**			
Public, piped into dwelling	45.0%	82.8%	75.6%	Piped into dwelling	29.9	50.2	46.1
Public, piped into yard	33.2%	11.2%	15.4%	Piped into yard	14.4	6.1	7.8
Public standpipe	8.1%	2.5%	3.5%	Public tap/standpipe	9.1	2.3	3.7
Total (Improved Sources)	**86.3%**	**96.5%**	**94.5%**	Piped water (Outside of the home)	32.2	21.0	23.2
Other Sources				Bottled water (packaged water)	5.7	18.0	15.5

[61] Based on the World Health Organisation's (WHO) classification for improved and unimproved drinking water sources.

Main Sources of Household Water	Household Wealth Status		Saint Lucia	Main Sources of Drinking Water	Household Wealth Status		Saint Lucia
	Poor	Non-Poor			Poor	Non-Poor	
	%	%	%		%	%	%
Public well/tank or truck	0.2%	0.1%	0.1%	**Total (Improved Sources)**	**91.3**	**97.6**	**96.3**
Private, piped into dwelling	2.3%	0.5%	0.9%	**Unimproved Water**			
Private catchment not piped	2.8%	0.8%	1.2%	Cart with small tank/ drum	0.0	0.1	0.1
Private catchment piped	0.0%	0.2%	0.2%	Rainwater	6.4	1.6	2.6
Other	8.3%	1.8%	3.0%	Surface water (river, stream, dam, lake, pond, canal, irrigation channel)	1.3	0.5	0.7
Total (Other Sources)				Other	1.0	0.3	0.4
				Total (Unimproved Sources)	**8.7**	**2.5**	**3.8**

Source: Central Statistics Office of Saint Lucia 2016 SLC-HBS

Improved drinking water sources



Unimproved drinking water sources

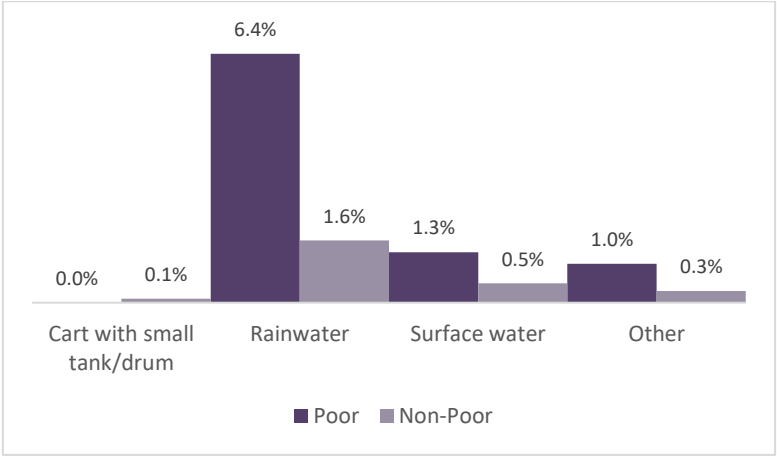


Figure 10.4: Proportion of the Poor and Non-Poor Households using Improved and Unimproved Drinking Water Sources in Saint Lucia, 2016[62]

Source: Central Statistics Office of Saint Lucia 2016 SLC-HBS

10.5 SANITATION FACILITIES

Adequate sanitation, along with proper hygiene and access to safe drinking water, is key to good health and socio-economic development. Improvements in one or more of these factors can lead to improved health outcomes and enhanced quality of life. The improved sanitation coverage in Saint Lucia increased by 7.4 percent from 66.9 percent to 74.3 percent between 2006 and 2016, with the largest increase noted in the development of flush toilets and soakaway systems in homes (8.0 percent) (Figure 10.5). The household pit latrine used in Saint Lucia, like elsewhere in the Caribbean, varies enormously in design and condition and is not considered as improved sanitation method.

There has been a corresponding decline in the proportion of pit latrines by 10.2 percent from 28.7 percent in 2006 to 18.7 percent in 2016. This suggests that over the 11-year period, some households were able to upgrade primarily from pit latrines to flush toilet systems that are linked to sewer or septic tank/soakaway. However, the management of the flush toilets linked to septic tanks/soakaways as well as pit latrines are the responsibility of households and may pose a public health and ecological risk if not adequately maintained. It is noteworthy that as much as six percent of households in Saint Lucia do not have household sanitation facilities. This has also implications for public and ecological health.

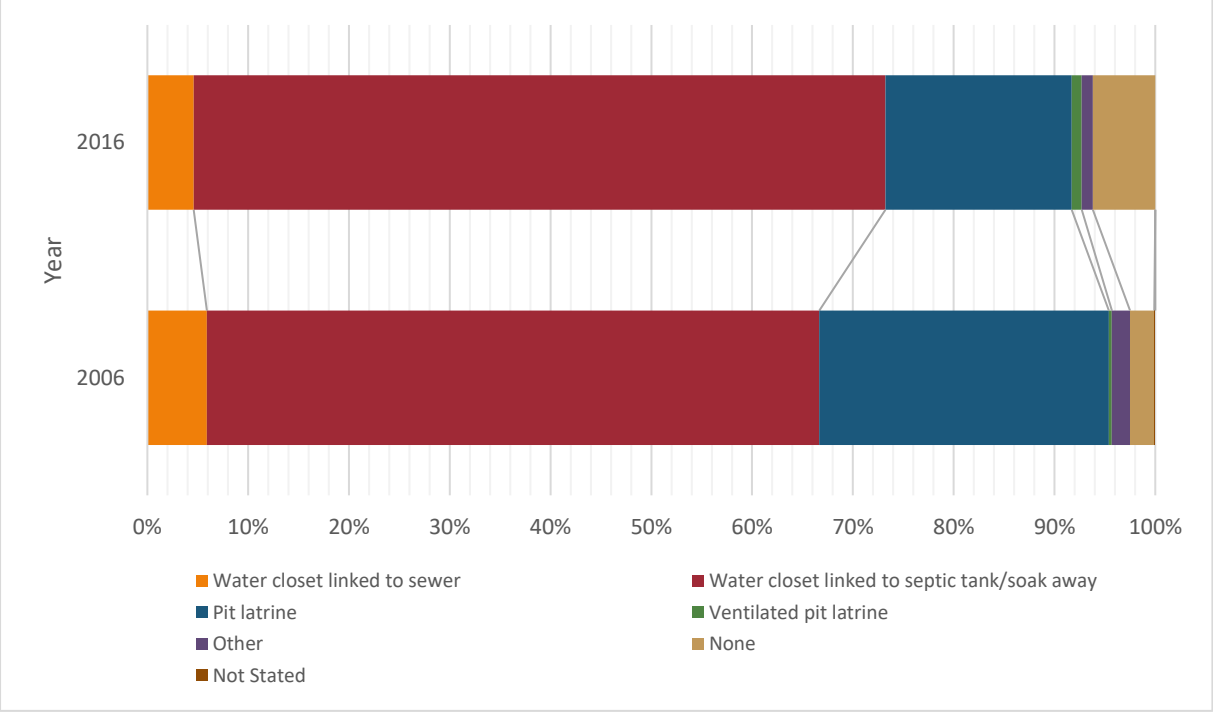


Figure 10.5: Trends in Sanitation in Saint Lucia, 2006-2016

Source: Central Statistics Office of Saint Lucia 2016 SLC-HBS

[62] Based on using the World Health Organisation's (WHO) classification for improved and unimproved drinking water sources.

Large gaps in access to improved sanitation existed between poor and non-poor households (Table 10.3). Non-poor households had almost twice the proportion of improved sanitation facilities compared to poor households, with flush toilets linked to septic tanks and soakaways the sanitation facility commonly found in both poor and non-poor households. At 38.9 percent, pit latrines continued to be important as a form of sanitation facility among poor households. Alarmingly, 14.8 percent of poor households had no sanitation facility.

Table 10.3: Proportion of the Poor and Non-Poor Households with Improved and Unimproved Sanitation Facilities, 2016

Type of Household Sanitation Facility	Household Wealth Status		Saint Lucia
	Poor	Non-Poor	
	%	%	
Improved Sanitation			
Water closet (flush toilet) linked to sewer	1.7	5.3	4.6
Water closet (flush toilet) linked to septic tank/soak-away	41.3	75.5	68.7
Ventilated pit-latrine	0.7	1.1	1.0
Mean – Improved sanitation	43.7	81.9	74.3
Unimproved Sanitation			
Pit latrine	38.9	13.3	18.5
None	14.8	4.0	6.2
Other	2.7	0.8	1.1
Mean - Unimproved Sanitation	56.4	18.1	25.8

Source: Central Statistics Office of Saint Lucia 2016 SLC-HBS

Figure 10.6 presents the results for the two most popular sanitation facilities used in Saint Lucia by household wealth status. While pit latrines declined with increasing household wealth status, the use of flush toilets linked to septic tank/soakaway system increased with the increasing wealth status of households.

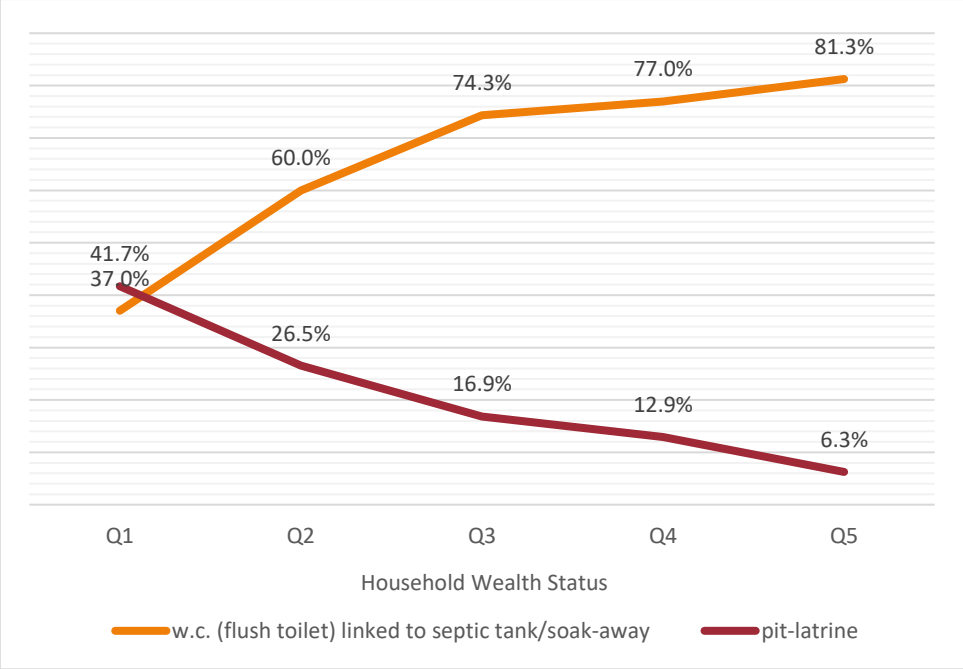


Figure 10.6: Access to Flush Toilet linked to Septic Tank/Soakaway System versus Pit Latrines by Household Wealth Status, 2016

Source: Central Statistics Office of Saint Lucia 2016 SLC-HBS

10.6 CLIMATE CHANGE AND NATURAL DISASTERS

Saint Lucia is highly vulnerable to a number of natural hazards, each with the potential to cause substantial loss of life and property damage.[63] These include climate-related hazards, e.g. tropical storms/hurricanes, droughts, intense rainfall and floods, and seismic hazards like earthquakes, volcanic eruptions and tsunamis. Some hazards are likely to have drastic adverse effects such as tropical storms/hurricanes, droughts, landslides, and flooding. There are those whose impacts are slow and cumulative like coastal erosion and soil erosion. Table 10.4 identifies the vulnerability of the districts of Saint Lucia to key natural hazards.

As Figure 10.7 highlights, the proportion of households affected by climatic events in the last five years were highest in districts where vulnerability to landslides and flooding was high.

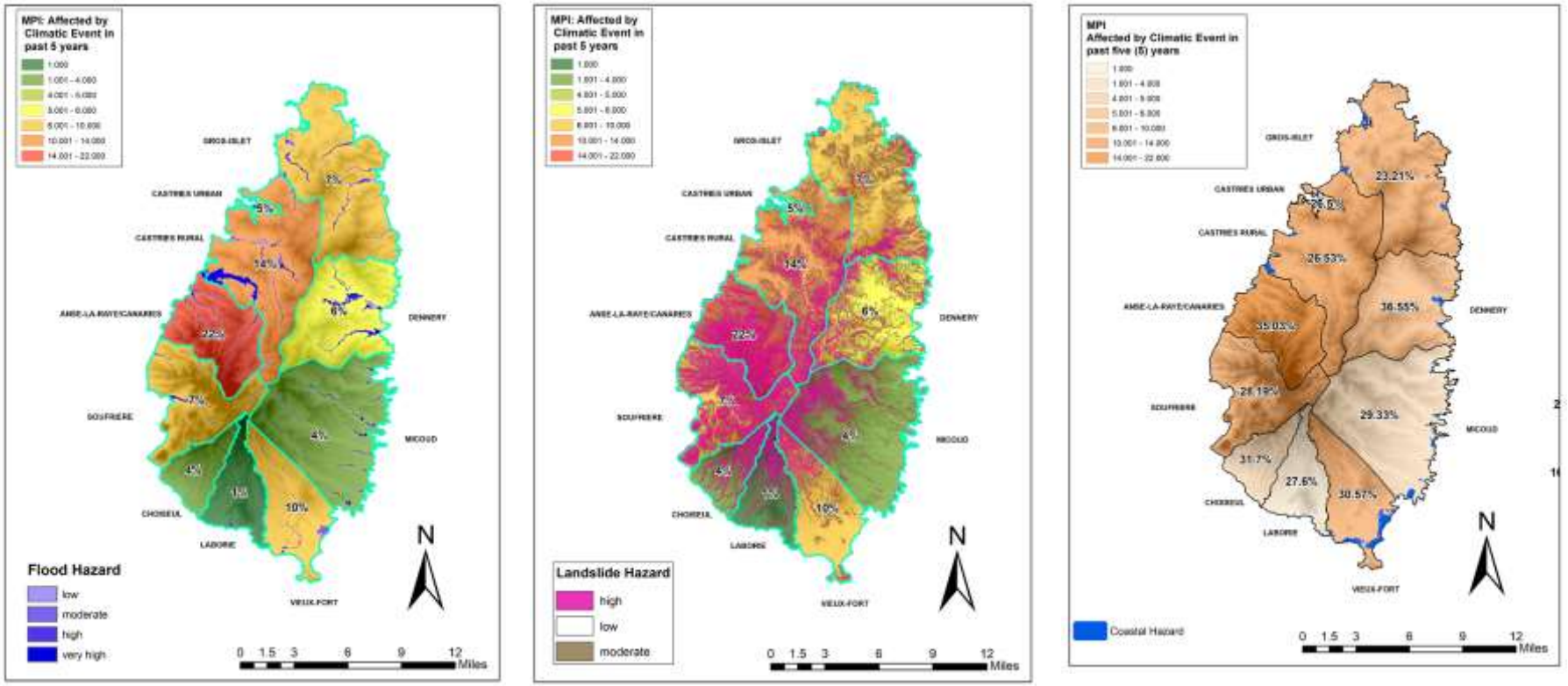
[63] Government of Saint Lucia, 2006. Hazard Mitigation Policy (Document 0204 of the Saint Lucia National Emergency Management Plan). Available [Online], http://www.caribank.org/wp-content/uploads/2012/03/St.-Lucia-Final-National-Hazard-Mitigation-Policy-May-2006.pdf

Table 10.4: Vulnerability to Various Natural Hazards

Districts	Level of Vulnerability							
	Storm/ Hurricanes[64]	**Drought[65]**	**Flooding[66,67]**	**Landslides[68]**	**Sea Level Rise[69]**	**Coastal Erosion[70]**	**Volcanic Activity[71]**	**Earthquake**
Castries City	High	Medium low inland. Medium in coastal areas.	Low to moderate – Medium level Castries coastal plain	Predominantly low to few moderate	High	Vulnerable in specific locations	Low	High
Anse la Raye/ Canaries	High	Medium low inland. Medium to low in coastal areas.	High around the Roseau River	Predominantly moderate to high	High	Vulnerable in specific locations	Low to moderate	High

[64] Status of Hazard Maps Vulnerability Assessment and Digital Maps, 2003. Saint Lucia Country Report Available Online https://reliefweb.int/sites/reliefweb.int/files/resources/35C55AFA44647D97C1256FAF00326F42-cdera-disred-18feb.pdf
[65] Government of Saint Lucia. Water Management Plan for Drought Conditions.
[66] Flooding Vulnerability map data
[67] Urban areas deemed as high risk to flood hazard include the coastal plain north of Hewanorra Airport (flat lands on eastern and north eastern sides) and areas on the western side of the island (Roseau river flood plain). Some of the detailed map assessment also showed that within the city of Castries, the north-central and eastern streets are most prone to flooding.
[68] Susceptibility landslide map data, Saint Lucia, sourced
[69] Status of Hazard Maps Vulnerability Assessment and Digital Maps, 2003. Saint Lucia Country Report Available Online https://reliefweb.int/sites/reliefweb.int/files/resources/35C55AFA44647D97C1256FAF00326F42-cdera-disred-18feb.pd
[70] WRA Map (June 2008): Land Vulnerable to Wave Induced Erosion and Storm Damage - Saint Lucia. Available [Online], http://www.wri.org/resources/maps/land-vulnerable-wave-induced-erosion-and-storm-damage-st-lucia.
[71] Status of Hazard Maps Vulnerability Assessment and Digital Maps, 2003. Saint Lucia Country Report Available Online https://reliefweb.int/sites/reliefweb.int/files/resources/35C55AFA44647D97C1256FAF00326F42-cdera-disred-18feb.pdf.

Districts	Level of Vulnerability							
	Storm/ Hurricanes[64]	**Drought[65]**	**Flooding[66,67]**	**Landslides[68]**	**Sea Level Rise[69]**	**Coastal Erosion[70]**	**Volcanic Activity[71]**	**Earthquake**
Soufriere	High	Low inland, Medium to low in coastal areas.	Mainly low	Predominantly moderate to High	High	Non-vulnerable	Very high	High
Choiseul	High	Medium to high inland. High in coastal areas	Mainly low	Predominantly moderate to High	High	Non-vulnerable	High	High
Laborie	High	Medium low – Low inland. Medium to high in coastal areas.	Mainly low	Predominantly low to moderate	High	Non-vulnerable	Moderate to high	High
Vieux-Fort	High	Medium low inland. High in coastal areas.	Mainly low	Predominantly low	High	Coastline predominantly vulnerable	Low to high	High
Micoud	High	Low to medium inland. High in coastal areas.	Mainly low	Predominantly low	High	Coastline predominantly vulnerable	Low to moderate	High
Dennery	High	Low to medium low inland. High in coastal areas.	Low High - Town of Dennery	High	High	Coastline predominantly vulnerable	Low	High
Gros Islet	High	Medium low inland. High in coastal areas.	Medium - high	Predominantly low	High	Vulnerable in specific locations	Low	High



Vulnerability to Flooding | Vulnerability to Landslides | Vulnerability to Coastal Erosion

Figure 10.7: District Headcount Deprivation for Vulnerability due to Flooding, Landslides and Coastal Erosion by MPI
Source: Central Statistics Office of Saint Lucia 2016 SLC-HBS/Maps prepared by the OECS Secretariat

Climate change poses a huge threat to species, ecosystems, and to people's wellbeing, livelihoods and way of life. As a small island state, Saint Lucia is among the most vulnerable areas in the world that are susceptible to the impacts of climate change and rising sea levels. In the absence of appropriate adaptive action, it is predicted these impacts can become a major hindrance to the country's sustainable development.

Climate change and sea level rise also threaten the global objective of sustainably eradicating poverty.[72] Households will be particularly affected by climate change. Because of their limited resources, the phenomenon hits the poorest the hardest, particularly those living in vulnerable areas. Poor households have inadequate resources which makes it difficult for them to readily adapt or reduce the heightened level of risk their households faced in light of the anticipated impacts of climate change. This means that poor households are less likely to quickly recover from extreme climatic events unless they receive external support. Such a situation can push these households further into poverty. Moreover, climate-related shocks also negatively may affect non-poor households with low adaptive capacity to climate change and may cause them to become poor. For the poor, as the impacts of climate change and sea level rise worsen, escaping poverty may become more challenging.

The following section reports on the data collected on the vulnerability (physical sensitivity) of the housing stock, adaptive capacity of households, and people's experiences with recent climatic shocks.

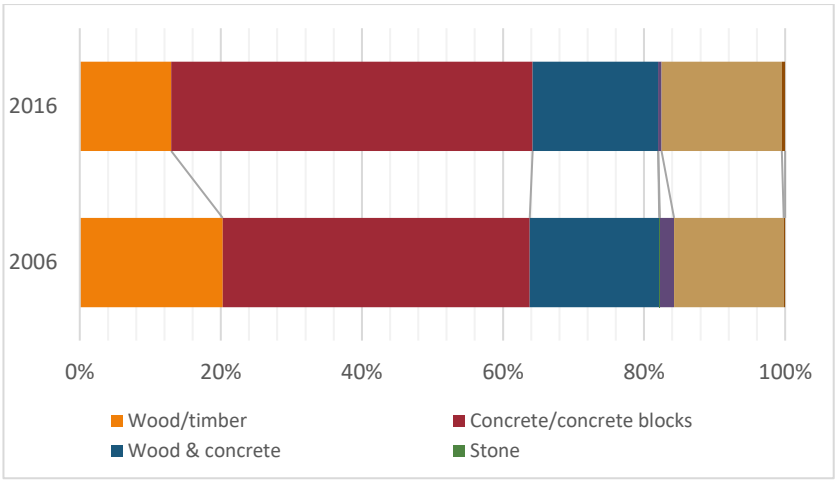
10.6.1 Vulnerability of Saint Lucia's housing stock

The material of the outer wall, roofing material and the age profile of the housing stock are used to assess the changes in housing structure observed between 2006 and 2016, and the vulnerability of the housing stock by household wealth status. In Saint Lucia, the most commonly used materials in home construction are concrete and sheet metal roofing.

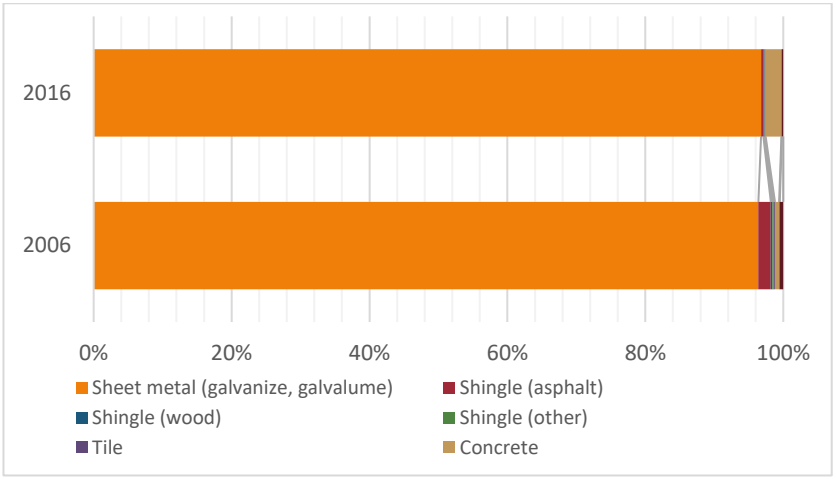
As the 2006 and 2016 SLC-HBS surveys show, the major construction materials for outside walls were concrete, wood, a combination of wood and concrete, and plywood, with a little over half of the dwellings built with concrete outer walls (Figure 10.8). The trend indicates an 18.0 percent increase in the proportion of dwellings with concrete outer walls with a substantially lower proportion of wooden homes (35.9%) and a slight decline in the proportion of dwellings with combined concrete and wooden outer walls. Alarmingly, there seemed to have been an increase in the proportion of homes with plyboard outer walls, moving from 15.5 percent in 2006 to 17.0 percent in 2016: one would have expected the percentage to decrease. In addition, sheet metal, in the form of galvanise and galvalume, was the predominant type of housing roofing in Saint Lucia (96.4%) in 2016 with no appreciable change from the 2006 figure (Figure 10.9).

Just over half of Saint Lucia's housing stock (52.5%) was constructed between 1980 and 2004, with 20.5 percent of the housing stock built during the 1990s. Close to a third of the households did not know when their dwelling was built (29.6%).

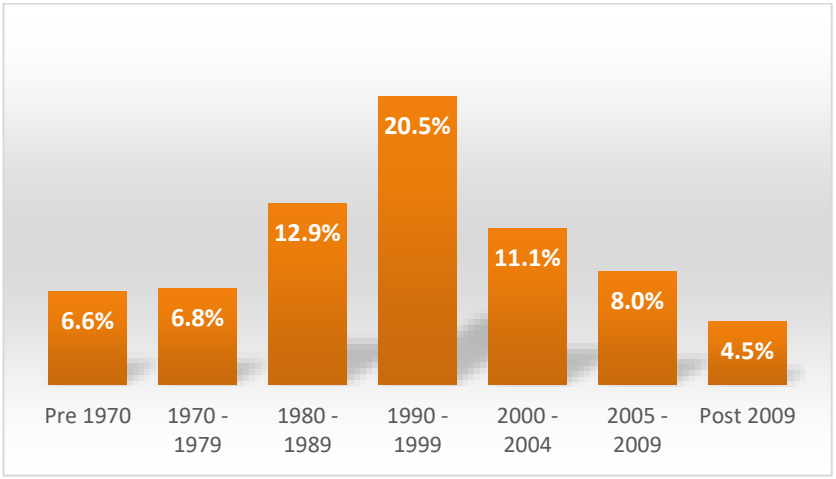
[72] Stephane Hallegatte, Mook Bangalore, Laura Bonzanigo, Marianne Fay, Tamaro Kane, Ulf Narloch, Julie Rozenberg, David Treguer, and Adrien Vogt-Schilb, 2016. Shock Waves Managing the Impacts of Climate Change on Poverty. World Bank Group Climate Change and Development Series. Available [Online], https://openknowledge.worldbank.org/bitstream/handle/10986/22787/9781464806735.pdf.



Outer wall material, 2006-2016



Roofing material, 2006-2016



Age profile of dwelling, 2016

Figure 10.8: Proportion of Households by Type of Dwelling Outer Wall and Roofing Material (2006-2016) and Age of Dwelling, 2016

Source: Central Statistics Office of Saint Lucia 2016 SLC-HBS

There is a clear trend that the wealth status of households does influence the choice of housing construction materials used in Saint Lucia. The proportion of households living in housing with concrete outer walls and sheet metal roofing increased with wealth status (Table 10.5). In contrast, the proportion of households living in housing with wooden, plyboard or a combination of wood and concrete outer walls increased with declining wealth status. However, both the poor and non-poor alike lived in old and newly constructed homes.

Table 10.5: Effect of Household Wealth Status on the Type of Outer Wall, Roofing Material and Age of Dwelling

Construction Materials	Household Wealth Status					Saint Lucia
	Q1	Q2	Q3	Q4	Q5	
	%	%	%	%	%	
Material of Outer Water						
Wood/timber	23.4	17.6	13.0	11.4	5.8	13.0
Concrete/concrete blocks	22.1	37.6	51.7	51.1	74.5	51.2
Wood and concrete	19.1	20.8	18.8	21.5	12.0	17.8
Brick/blocks	0.0	0.8	0.0	0.9	0.5	0.5
Plywood	34.0	22.4	15.7	14.8	7.2	17.0
Makeshift	0.9	0.8	0.8	0.3	0.0	0.5
Other/Don't know	0.4	0.0	0.0	0.0	0.0	0.1
Roofing Material						
Sheet metal (galvanize, galvalume)	98.7	98.4	96.6	96.5	95.1	96.8
Shingle (asphalt)	0.0	0.0	0.4	0.3	0.7	0.3
Shingle (wood)	0.0	0.0	0.0	0.0	0.5	0.1
Shingle (other)	0.0	0.0	0.0	0.3	0.0	0.1
Tile	0.0	0.0	0.0	0.0	0.5	0.1
Concrete	1.3	1.2	3.1	2.5	2.8	2.3
Makeshift/Thatched	0.0	0.4	0.0	0.0	0.0	0.1
Other	0.0	0.0	0.0	0.3	0.5	0.2
Age of Dwelling						
Before 1970	11.8	8.3	5.1	8.8	3.2	6.8
1970 -1979	7.2	6.7	4.8	5.6	8.8	6.8
1980 – 1989	12.6	13.1	15.9	12.3	12.6	13.2
1990 – 1999	16.3	21.5	16.2	23.8	21.4	20.2
2000 – 2004	6.5	10.0	11.4	11.5	12.6	10.8
2005 – 2009	8.5	8.9	8.5	4.6	10.4	8.3
2010	1.5	1.5	2.4	1.5	0.8	1.5
2011	1.4	0.3	1.3	0.0	0.4	0.6
2012	1.0	0.7	2.5	0.5	0.2	0.9
2013	0.2	0.3	1.1	0.6	0.2	0.5
2014	0.7	0.4	0.0	0.7	0.3	0.4
2015	0.3	0.0	0.3	0.0	0.7	0.3
Don't know	32.0	28.3	30.5	30.1	28.3	29.6

Source: Central Statistics Office of Saint Lucia 2016 SLC-HBS

10.6.2 Adaptive Capacity of Households

In the face of climate change and the increased risk posed by natural disasters, householders bear the responsibility of taking adaptive action to ensure the safety of family and property. Such action includes households having access to resources that would allow them to build resilience, reduce vulnerability, and allow them to better cope after disasters. For example, alternative livelihoods (to reduce reliance on local natural resources); information; social capital; knowledge and skills; improved public health infrastructure, among others.

While non-poor households may be able to access the necessary resources on their own, at risk low-income households may need support in order to do so. This Section examines the

potential of households to adapt to climate change and natural disasters using data collected in the 2016 SLC-HBS. A more detailed examination of household adaptive capacity would require an analysis of data captured on additional key indicators and the estimation of household adaptive indices.

10.6.2.1 Access to assets that facilitates information dissemination

Having access to relevant information is crucial for people at risk who are planning and making decisions on how to secure their families in face of climate and other natural hazards. Disseminating information and building knowledge necessitates that households should own the assets that would facilitate information reaching them. Saint Lucians own various devices that can be used in the dissemination of information (Table 10.6). The use of smart mobile phones and televisions sets are widespread. However, ownership of the two devices by the poor householders was lower across the board.

Table 10.6: Poor and Non-poor Household Ownership of Devices to Facilitate the Diffusion of Information

Household Wealth Status	Smart Cellular Phone	Basic Cellular Phone	Smart Television	Stereo System	Tablet	Personal Computer	Laptop Computer
	%	%	%	%	%	%	%
Poor	64.7	35.0	63.1	15.4	6.0	3.0	13.8
Non-poor	75.6	24.2	85.4	31.2	23.4	10.7	31.9

Source: Central Statistics Office of Saint Lucia 2016 SLC-HBS

10.6.2.2 Human Resource Capital

The adaptive capacity of households is directly influenced by the knowledge and skill levels of their members which empower them to anticipate changes and adjust their livelihood opportunities and situations in response to the expected changes (Byrne, 2014).[73] In more educated households, individuals have better access to information and technologies and are better able to exploit these resources in adapting to climate change (Defesta and Rapera, 2014).[74] Overall, household members in Saint Lucia have attained low (47.2%) to medium (37.5%) levels of education (Table 10.7).

Members of non-poor households tended to be more educated more so than their low-income counterparts. Close to 60.0 percent of poor households attained low levels of education, which is 10.0 percent higher than the national average. Some 15.6 percent of Saint Lucian households have post-secondary and tertiary level education, with most persons coming from non-poor households (18.4%).

[73] Byrne, Tanya R., 2014. Household Adaptive Capacity and Current Vulnerability to Future Climate Change in Rural Nicaragua. M.Sc. Thesis, School of Graduate Studies, University of Lethbridge. Available [Online], https://www.uleth.ca/dspace/bitstream/handle/10133/3500/Tanya_Byrne%20_Thesis.pdf?sequence=3&isAllowed=y.

[74] Defesta, Gay and Rapera, Corazon L., 2014. Measuring Adaptive Capacity of Farmers to Climate Change and Variability: Application of a Composite Index to an Agricultural Community in the Philippines. Journal of Environmental Science and Management Vol. 17. No. 2 (December 2014), Available [Online], http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.850.9593&rep=rep1&type=pdf

Table 10.7: Educational Attainment by Poor and Non-poor Households

Highest Educational Attainment	Poor	Non-poor	Saint Lucia
	%	%	%
Low (No formal school, pre-school and primary education)	57.2	44.0	47.2
Medium (Lower and upper secondary education)	38.0	36.0	36.5
High (Post-secondary and tertiary education)	2.5	18.4	15.6
Other	2.3	1.6	1.8

Source: Central Statistics Office of Saint Lucia 2016 SLC-HBS

10.6.2.3 Access to insurance coverage

Insurance products (like home and health insurance) can provide householders with protection against shocks. The SLC-HBS data indicated that 88.0 percent of home owners in Saint Lucia do not pay insurance on the dwelling where they reside. The survey further suggests that pickup of home insurance was low among poor households compared to non-poor homeowners. The mean annual premium paid by homeowners was EC$2,767. Figure 10.9 shows that the average insurance premium paid by households increased with their wealth status.

Figure 10.10 illustrates the distribution of the population recorded as deprived because they reside in dwellings not covered by home insurance. This map was plotted against the vulnerability maps for flooding, landslides and coastal erosion. As the maps demonstrate, home insurance coverage varied regardless of the level of susceptibility of the natural hazards. In areas that are prone to and were heavily affected in the recent past by flooding and landslides in Anse la Raye/Canaries and in the southern region of Saint Lucia (particularly in Soufriere, Micoud, Choiseul, and Vieux Fort) the population who lived in homes without home insurance coverage ranged between 53.5 percent in Soufriere and 86.6 percent in Laborie.

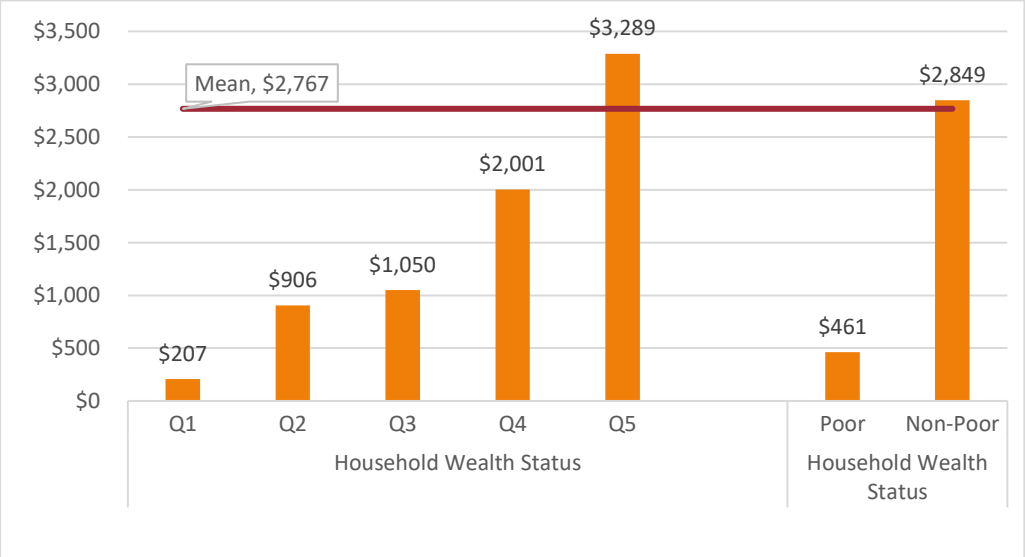
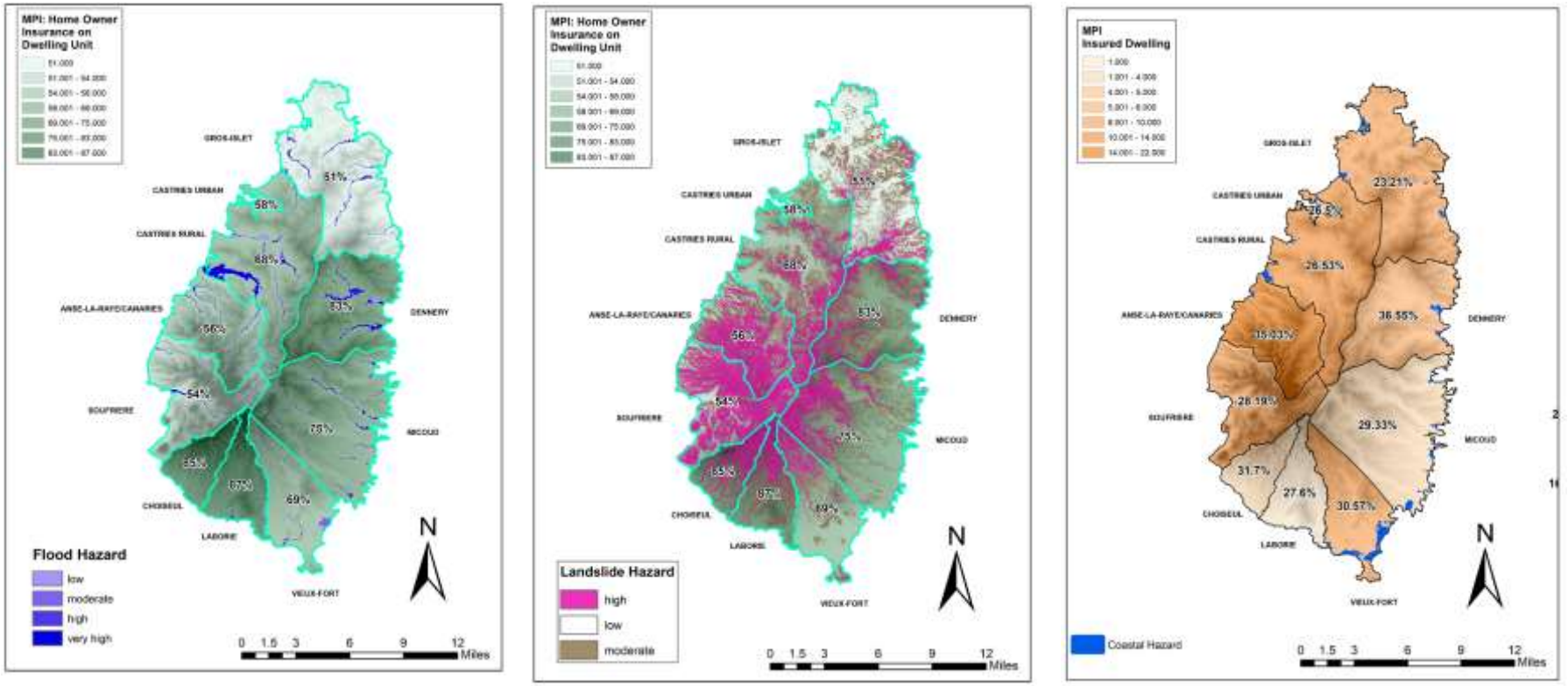


Figure 10.9: Annual Premium Paid on Dwelling by Household Wealth Status
Source: Central Statistics Office of Saint Lucia 2016 SLC-HBS



Flood Vulnerability | Landslide Vulnerability | Coastal Erosion Vulnerability

Figure 10.10: Maps showing Vulnerability to Flooding, Landslides and Coastal Erosion by the MPI Environmental Dimension – Home Insurance on Dwelling

Source: Central Statistics Office of Saint Lucia 2016 SLC-HBS/Maps prepared by the OECS Secretariat

Natural disasters can cause injuries and disabilities, and health shocks can push households into poverty, particularly where people have to borrow money to access to medical care.[75] Health insurance coverage can reduce the health risk to individuals and households associated with natural disasters. In Saint Lucia, 18.2 percent of households had members covered by personal health insurance. However, less than 10.0 percent of the poorest respondents had health insurance coverage (Table 10.8). Access to health insurance increased with the household wealth status, with households in the highest quintile being seven times more likely to have health insurance compared to responding household members in the lowest wealth bracket.

Table 10.8: Proportion of Households with Members Covered by Personal Health Insurance

Have Health Insurance	Household Wealth Status		Household Wealth Status					
	Poor	Non-Poor	Q1	Q2	Q3	Q4	Q5	Saint Lucia
	%	%	%	%	%	%	%	%
yes	6.6	22.1	5.5	11.3	14.5	23.5	36.0	18.2
no	93.4	77.9	94.5	88.7	85.5	76.5	64.0	81.8

Source: Central Statistics Office of Saint Lucia 2016 SLC-HBS

10.6.2.4 Access to public health infrastructure

Access to regular safe drinking water supplies and improved sanitation, along with other infrastructure and services, are crucial for increasing household adaptive capacity and these indicators was explored earlier in the chapter. However, piped water and sanitation systems may be disrupted or compromised during or immediately after natural disasters and householders are advised by Disaster Management Departments in the region to have stored drinking water in preparation for disaster emergencies. Using water tank ownership as a proxy measure of access to household water storage facilities, the SLC-HBS data revealed that on average 23.8 percent of Saint Lucian households owned water tanks. While 6.0 percent of poor households owned water tanks, 28.0 percent of non-poor households owned tanks (Figure 10.11).

[75] Krishna, A. 2006. Pathways Out of and into Poverty in 36 Villages of Andhra Pradesh, India. World Development, Special Issue: Corruption and Development: Analysis and Measurement. 34: 271–88. doi:10.1016/j.worlddev.2005.08.003.

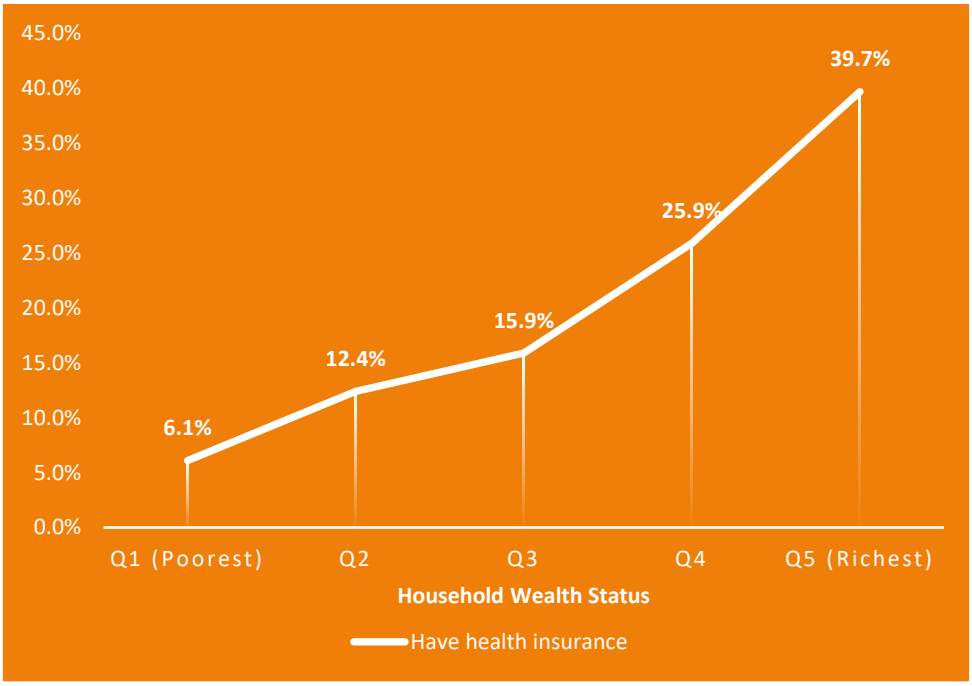


Figure 10.11: Proportion of Individuals with Health Insurance by Household Wealth Status
Source: Central Statistics Office of Saint Lucia 2016 SLC-HBS

10.6.3 Experiences with recent climatic shocks

Some 7.8 percent of households were affected significantly by three key climatic events in the past five years – The Christmas Eve Trough (December 2013), Hurricane Tomas (October/November 2010), and the Drought of 2009/2010. Both poor and non-poor households were affected significantly (8.8% and 7.6%, respectively). The 2013 Christmas Eve Trough affected more households compared to the other two hydrometeorological events. Overall, the most significant shocks to households included a moderate (loss of 5% to 10%) to significant (10% or more) decline in household income; loss of income generating assets; and arising health issues.

10.7 Summing Up

Given that the target of achieving universal access to safe drinking water supply is almost achieved, more attention should be paid to closing the gap between improved piped domestic water supplies and improved sanitation infrastructure and services. It would be important to continue to expand the development of improved water infrastructure and service provisioning that would result in more indoor delivery and a regular and safe supply in under-provisioned areas.

On-site flush septic and soakaway systems are likely to remain the major form of sanitation in Saint Lucia in the long term. As people's standard of living continue to improve, more householders are likely to upgrade their piped water system (from the use of piped water to yard and standpipes to piped water dwelling) and sanitation facility. With on-site sanitation being the responsibility of the household, more attention should be paid by the State to the maintenance of these facilities. It would crucial to also improve household sanitation among poor households by providing special incentives and directing resources to facilitate the development and upgrading of toilet facilities. In the wake of climate change and the increased risk posed by hydro-meteorological events to human health, their upgrading and maintenance become even more critical.

While the type of construction materials by itself cannot provide an indication of safety and disaster resilience in housing construction, it does contribute to the strength of dwellings. Concrete outside walls, particularly those that are properly designed and reinforced, have the ability to withstand the daily environmental mechanisms as well as natural disasters. However, the use of plywood for exterior walls in home construction in Saint Lucia is recognised as a less durable material that is likely to disintegrate or collapse during extreme climatic events. Both the 2006 and 2016 SLC-HBS surveys highlighted the greater use of plywood as an exterior wall material among poorer home owners. This places household members at greater risk during extreme weather conditions. Some attention should be paid to discourage its use as an outer wall material.

In the final analysis, the type of construction materials is only one factor which contributes to disaster resilience in home construction and ultimately to the safety of its occupants. The recent hurricane seasons, particularly the 2017 season, highlight the importance of applying the building standards and guidelines to housing construction and retrofitting to increase disaster resilience. The 2015 OECS Building Code[76] provides home developers and owners in member countries with the standards and guidelines necessary to construct and improve housing and related infrastructure to acceptable minimum standards of safety and structural integrity. However, a robust legislated framework is needed to ensure that these standards become part of Saint Lucia's regulatory mechanisms for built development. In addition, there is need for an adequately staffed Development Control Authority to ensure compliance with the built standards set out in the Code.

Awareness, training and regulatory incentives may be important for home builders to adopt codes. Additional programmes would be required to assist low income families to build homes to code and to upgrade informal housing to the acceptable minimum standards. Therefore, there is need for technical professionals (architects and engineers) and standard housing designs to be easily accessible to at-risk low-income households. Raising public awareness within communities and households and building knowledge are generally a key part in developing a disaster resilient housing sector. However, poor and non-poor households have different characteristics and capacities and understanding them would be important to effectively reach them with the right information through an awareness programme.

Generally, the survey data also suggest that non-poor households may have greater potential to adapt to anticipated impacts of climate change and natural disasters. Compared to low income households, members of non-poor households are more likely to be better educated, have health insurance, and live in homes that have a regular indoor piped water supply and outfitted with improved sanitation and water storage systems. Further, their homes are also more likely to be covered by home insurance. Despite this trend however, home insurance coverage is low among home owners in the higher income brackets, and even lower among poorer home owners. A low adaptive capacity among poor at-risk households would mean greater reliance on the State post-disaster and for implementing measures that would build household resilience.

It would also be important to reduce asset vulnerability and exposure of both poor and non-poor households to climate change and natural hazards. Apart from implementing preventive programmes that result in improvements in housing, there is need for the State to work with players in the financial and insurance market in developing and promoting products that lead to greater pick up rates of insurance and increase access to finance by non-poor households

[76] The standards and guidelines provided in the Code are based on the Caribbean Uniform Building Code (CUBiC) and other regional codes such as the Bahamas Building Code, the draft Jamaica National Building Code and the Turks and Caicos Islands Building Code.

for home construction and upgrading. Programmes would also be needed to encourage higher levels of savings by both non-poor and poor families. Social protection programmes should also support measures that build resilience and can lead to reconstruction of existing homes and building of more robust housing by poor at-risk families.

11 CONCLUSIONS AND RECOMMENDATIONS

Poverty reduction has remained a preeminent goal of the Government of Saint Lucia across political administrations in the decade since the last survey of living conditions. Notwithstanding changes in the institutional arrangements created by Governments, a pro-poor focus remains evident in policy framework, over the ten-year period when the country had to adjust to the most severe economic crisis since the Great Depression.

Following the latter, Saint Lucia's most celebrated economist, Arthur Lewis had produced the first most thorough assessment of poverty of the British West Indies in his classic *Labour in the West Indies*. Some 15 years later, in 1949, he had proposed a strategy of Industrialisation of the British West Indies. Saint Lucia adopted elements of that strategy following its independence, with the promotion of a tripod based on traditional export agriculture with bananas, exports of light manufacture, with export processing based largely at Vieux Fort, and the development of tourism. The Great Recession of 2008/2009 found Saint Lucia already in the throes of major structural adjustment as its export agriculture had foundered with the new rules-based regime of the World Trade Organisation (WTO). Its banana industry was pithed against producers in Central and South America, in a competition for which it was not well geared.

The times demanded a rapid reorganisation and diversification of agriculture and of export agriculture in particular. Unfortunately, there was failure in creating the institutional arrangements to ensure a speedy transition that would have allowed Saint Lucia to diversify its agriculture to meet domestic and regional demand for food, and to engage in agro-processing, thereby maintaining and even expanding incomes and employment in agriculture. As outlined in Chapter 2 above, a veritable flight from agriculture ensued, and with that massive rural urban migration, that started in the late 1990s and continued over two decades. This is evident, reflected in the data generated in this most recent SLC-HBS.

The Great Recession exacerbated a trend that had already started in the mid-1990s as the forces of globalisation reduced trade barriers and decimated preferential arrangements in trade. NAFTA and the EPZs of Central America and the Dominican Republic had been the death knell of export oriented light manufacturing in Saint Lucia: the Vieux Fort Industrial Estate became a relic as those other operations expanded in the late 20th century and early 21st century, ministering to demand in North America mainly. With the ending of the Multi-fibre Agreement, Saint Lucia held little attraction to the foreign firms engaged in the final sewing of garments for export to North America.

While the Economic Partnership Agreement (EPA) signed in 2008, provides an opportunity for Saint Lucia to enter the European market with its products, over the 11-year period to the present, the country has not been able to utilise the agreement to make any recognisable impact by way of the revival of the export oriented light manufacturing sector. It has been the "Accommodation and Restaurant" Sector (includes elements of Tourism) that has contributed most to employment growth and possibly to GDP and foreign exchange earnings in the more recent past. The Citizenship by Investment Programme (CIP) may be a factor contributing to inward investment in real estate and in the accommodation sector.

The net effect is that tourism has become a dominant sector in the economy of Saint Lucia. While there has been some recovery in the banana industry, the level of production remains much below the level of twenty years ago. The expansion in other crops while commendable, still has not countered the downward trend in the contribution of agriculture to GDP, and its reduced role in the tradable sector.

At the time the SLC-HBS was conducted in 2016, the IMF in its Article IV Consultation estimated that GDP growth had slowed to 0.8 percent, down from 1.8 percent in 2015. Overall unemployment had declined to 20.0 percent, but youth employment remained high at 41 percent. GDP was expected to grow by at least 0.5 percent in 2017, based on the performance of construction and agriculture. In effect then, the ongoing adjustment process has centred largely around the growth of the tourism sector with a minor role being performed by other tradable sectors like agriculture and a few other services other than tourism, like entertainment, information processing and offshore financial services with whatever dynamic these can impart to the non-traded goods and services sectors.

The fundamentals of economic diversification for sustainable development remain to be addressed and Saint Lucia is posed with a challenge in the achievement of sustainable development and therefore sustained poverty reduction in the years ahead. Significantly, climate change and the attendant environmental threats render poverty reduction an even more daunting task: the recent experience of the Commonwealth of Dominica and Antigua and Barbuda illustrate the enormity of the challenge Caribbean SIDS in reducing climate vulnerability as part of the equation of achieving sustainable development.

11.1 CONCLUSIONS

The SLC-HBS of 2016 establishes what has been achieved by a country committed to implementing formal measures for poverty reduction since the 1990s. The data provide evidence of achievements in some respects but also of short-fall in other areas. The following elaborates in summary, some of the key findings, based on the survey, and occasionally on the basis of secondary data available currently.

11.1.1 Overall poverty levels

- The head count poverty level fell during the 11-year period 2006 and 2016 from 28.8 percent to 25.0 percent, with the decline most pronounced in the rural areas of Saint Lucia where a decline in poverty levels from 41.0 percent to 32.9 percent occurred: given the increase in rural urban flight that started in 1990s with the decline in the banana industry, the poor were concentrated in urban Saint Lucia where almost 75 percent of the country's population residents now live.
- The Gini coefficient of inequality did not change much if at all; 43.1 in 2006 and 43.2 in 2016.
- On the basis of Purchasing Power Parity of US$1.90, the poverty headcount for Saint Lucia was 0.7 percent and at US$4.00, it was 4.4 percent.
- Poor households are larger by a full extra member than non-poor households, are also more poorly educated, with heads being twice as likely overall to have had no schooling, and to have not gone beyond primary school, with the bottom-quintile heads being over six times as likely to have had no education compared to their top-quintile peers.
- Overcrowding worsened over the period from six percent to eight percent living in households occupying a dwelling with over 2.5 persons per room, with this concentrated in the sub-urban areas of Castries and in Gros-Islet, the result of the concentration of slum households in these areas.
- On the basis of the LFS MPI, in 2017 45.0 percent of persons were deprived in at least 25.0 percent or more of the 11 deprivation indicators, and on the basis of the LFS for 2015 and 2017, the poor were on average as poor in 2017 as they were in 2015.
- On the basis of the 2016 SLC-HBS MPI, the level of multi-dimensional poverty was computed to be 28 percent: the MPI included dimensions of security for crime, food

security and health insurance along with three indicators on climate change vulnerability.

- The population living in *extreme multidimensional poverty*, with consumption that is so low that, even if spent entirely on food, they could not buy the necessary nutrients for a healthy life, was 0.5 percent of the population: they exhibited at least 50 percent of 16 social deprivations.

11.1.2 Self-assessment of poverty

- While a majority consider their condition worse than twelve months earlier, 35 percent consider this situation as unchanged.
- Interestingly, heads of rural households are both more likely to view their overall economic situation as worse off than in the previous year and to rate their household as 'poor' or 'somewhat poor', compared to their urban peers.
- In self-rating of household wealth, a majority of heads of poor households (51%) identify their household as poor, compared to 23 percent of non-poor heads.

11.1.3 Child poverty

- There has been a decrease in the child poverty rate since 2006, from 36.7 percent to 34.5 percent 10 years later. Allied to demographic changes, this has resulted in a reduction in the number of poor children from over 22,000 to just under 17,000.
- The child poverty rate (34.5 percent) is substantially higher than the adult poverty rate (21.3 percent). This is a common pattern that is found in both developed and developing countries.
- Child poverty is higher in rural areas (42.3%) than in urban centres (32.0%). However, as the majority of the population lives in urban areas, these areas account for nearly 69.0 percent of poor children.
- The child poverty rate is much higher in female-headed households than in those headed by males, 42.3 percent compared to 27.4 percent. Female-headed households now account for almost 60 percent of all poor children. This represents an important change since 2006 when there was little difference between child poverty rates in female and male headed households. Despite these changes, over 40 percent of poor children reside in male headed households.
- Female heads are disproportionately represented in one parent households where the child poverty rate is around 34 percent. Female heads also predominate (57%) in extended family households where the child poverty rate is 43.9 percent. In contrast, the child poverty rate in nuclear families (where there are few female heads) is much lower and 20.7 percent.
- Child poverty increases with the number of children in the household: from 14 percent in one child households to 66.3 percent in households with four or more children. These households accounted for 43 percent of all poor children. While the child poverty rate for one child households has decreased since 2006, those for two, three and four plus child households have all increased indicating that the reduction in child poverty since 2006 has been partly due to demographic change.
- The School Feeding Programme (SFP) is a social protection programme of the Government of Saint Lucia providing healthy meals and snacks for children in infant and primary schools. Overall, around 13,000 children benefited directly from the programme. 80 percent of beneficiaries (10,000 children) were aged 5-11 years (the main primary school age group), representing around 70 percent of the availability.

- Around 59 percent of poor children aged 5-11 years currently benefit from the SFP compared to 54 percent in not poor households. The SFP has a pro-poor focus in that relatively more poor than non-poor children benefit, however this is small.

11.1.4 The labour market

- Against the backdrop of an increase of participation of those of working age, the unemployment rate in 2016 increased to 23.3 percent compared to 13.2 percent for 2006: a major implication is that employment creation policies can no longer focus on those entering the labour market for the first time.
- The percentage of wage and salary workers fell between 2006 and 2016 and significantly in agriculture, and correlatively, the percentage in own account agriculture increased from 41.3 percent to 50.1 percent: some of these might have been elderly farmers.
- While a priori, there might have been some upgrading in educational levels of the workforce, when the work-forces in agriculture and non-agriculture are compared, it is clear that workers with more limited education were absorbed in agriculture: it is unlikely that the sector would have been well geared to apply up-to-date scientific and technological information in the production of agricultural output and in the promotion of diversification within agriculture.
- The share of the working poor in total employment fell for men but not for women in whatever age group, indicative of the inferior labour market experience for women in both survey years, and the sector Agriculture, Hunting, Forestry and Fishing had the highest share and number of working poor in 2006, in 2016, Finance, Insurance, Real Estate and Business Services had taken over that dubious distinction.
- While poverty levels fell, and median earnings improved between the two surveys, unemployment increased substantially over the period, and with that of female unemployment and youth unemployment in particular, ballooned: as the economy stagnated, youth entering the labour market faced rough times.

11.1.5 Educational advancement

- Based on the ability to read or write, high levels of literacy were recorded for both males and females in Saint Lucia, with females (93.8%) having higher levels of literacy than men (90.6%).
- Investment in universal primary access has paid off in ensuring that illiteracy is less than 10 percent among household heads.
- When socioeconomic status was considered, poor men (82%) and women (90.5%) had lower levels of literacy when compared to non-poor men (93%) and women (94.8%), and men and women in the lowest two quintiles had notably lower levels of literacy when compared to their counterparts in the third to fifth quintiles.
- When area of residence and socioeconomic status were considered together, the attainment of no education was far more prevalent among the rural poor when compared to other categories and the attainment of post-secondary education was highest among females and males in Gros Islet (32.2% and 23.2%), Castries City Urban (24.8% and 17.6%) and Castries City (24.1% and 19.1%).
- Gross enrolment rates for males (65.4%) marginally outstripped females (62.4%) at the primary level, while gross enrolment among females far outstripped males both at the secondary level (73.2% vs 64.6%) and the post-secondary level (31.3% vs 11.5%).
- The attainment of higher levels of education was associated with higher levels of labour force participation and labour force participation rates were lowest among females with no education and highest among males with post-secondary education.

- While gross enrolment rates for males (65.4%) marginally outstripped females (62.4%) at the primary level, gross enrolment among females far outstripped males both at the secondary level (73.2% vs 64.6%) and the post-secondary level (31.3% vs 11.5%).
- Students and parents around the country were able to access an assortment of public assistance programmes geared towards enhancing access to education - Education Assistance (SSDF), the Community After School Programme, The School Feeding Programme (MOE), Student Support Services (MOE), Scholarships/ Bursaries (MOE), School Transportation Programme (MOE), Ministry of Education Community Day Care (MOE).
- Notwithstanding the major thrust in the provision of universal secondary education, much of the work-force lacks a basic secondary level preparation.

11.1.6 Health services and personal security

- The entire population is afflicted irrespective of income level by the life style of disease – diabetes.
- The poor and non-poor are equally represented with diabetes, and with asthma; but there seem to be differences across quintiles in respect of hypertension and cancer: 90.6 percent of those reporting cancer were among the non-poor which was 75.0 percent of the population.
- The better off were more likely to resort to Private Clinics, and to seek attention from private doctors, dentists and therapist, and were less likely to utilise home-made medicine.
- The poorest quintile was more susceptible to mental disorder, home accidents and significantly so to injury from criminal act.
- The incidence of motor vehicle accidents and industrial accidents was restricted to the non-poor, but on the other hand, the poor were very vulnerable to injury from criminal acts, with the poorest being exposed to greater violence to the person than the better-off.
- The higher the quintile, the greater the probability that a person would have had access to health insurance: access to health insurance increased with the respondents' wealth status, with respondents in the highest quintile being seven times more likely to have health insurance compared to responding household members in the lowest wealth bracket.
- Fear of crime was more pronounced among non-poor households, with households in the fourth and fifth quintiles expressing this fear more notably when compared to all other quintiles.
- Some 4.5 percent of households contained one or more victims of assault, with proportionately more non-poor households experiencing this type of assault when compared to poor households.
- More than 50 percent of the households with members who were victims of theft were among the fourth and fifth quintiles, while less than 7 percent of the households with victims of theft were from the first quintile.

11.1.7 Physical assets and living conditions

- Saint Lucian households are most likely to own a house and to have corresponding land ownership tenancy.
- As to the underlying land tenancy, however, poor households are 10 percentage points less likely than their rich peers to hold title; concomitantly, the land-squat rate is almost one and half times as high for the former group.

- In contrast, very few Saint Lucian households own vehicles, with less than one-quarter reporting ownership nationally in 2016.
- In terms of other household assets, ownership of household furniture, basic appliances (including a stove and refrigerator), and a smart television is fairly widespread (all above 80 per cent) nationally.
- While a low percentage of households report ownership of a personal computer in 2016, ownership of laptop computers (28.0%) and tablets (20.0%) was between two and three times as high.
- Almost all houses in Saint Lucia have sheet roofing and a slight majority are built with concrete walls, with the rest split almost evenly between wood (timber or plyboard) and a combination of wood and concrete.
- While almost all households (96 percent) report a piped main water supply (either to dwelling or yard), the poorest 20.0 percent of Saint Lucian households are also the most disadvantaged in terms of water provision. The greatest disparity in full-week supply rate appears in rural areas, with Anse la Raye/Canaries having the highest provision rate (92.0% of all households) while Micoud households have the lowest (19.0%).
- Cooking fuel is almost universally provided by gas although five per cent of Saint Lucian households still burn coal or wood. Unlike the case of water provision, no broad locality differences in electrification across rural and urban areas are evident in Saint Lucia.
- Approximately three out of every four households have water closet-type toilet facilities while another one in five households rely on pit latrines: alarmingly, the residual (slightly above one in every 20 households) report no toilet facilities.

11.1.8 Environmental risks in living conditions

- A lack of home insurance was the largest contributor to the environmental dimension of the MPI. As much as 88.0 percent of home owners in Saint Lucia do not pay insurance on the dwelling where they reside. The average insurance premium paid by households increased with their wealth status. Some nine percent of the population were categorised as deprived because they experienced the impact of a climatic event in the past five years, while 11.0 percent of the population are deprived because they do not have a regular water supply.
- Saint Lucia is close to achieving universal access to safe drinking water supply to its population; however, access to improved sanitation continues to lag behind. The majority of Saint Lucia's households (96.0%) use improved sources of drinking water, with 54.0 percent of households obtaining their drinking water as piped water indoor or to their yards. Bottled water (16.0%) and piped water obtained from outside the home (24.0%) are also important drinking water sources. Unimproved water supplies, especially rainwater, is an important drinking water sources for less than five percent of households. The use of rainwater for drinking was more likely among the poor compared to non-poor households.
- At 74.3 percent of households, improved sanitation coverage in Saint Lucia increased over the last 11 years. However, one in every four households utilised unimproved sanitation facilities. As much as 19.0 percent of the households had access to pit latrines and another six percent did not have household sanitation facilities. This situation has implications for public and ecological health. At 39.0 percent, pit latrines were important as a form of sanitation among poor households: some 15.0 percent of the poor had no facilities. As the data show, the use of pit latrines and the absence of

household sanitation facilities seem to be a concern mainly among low income households.

- There has been an 18.0 percent increase in the proportion of dwellings with concrete external walls with a substantially lower proportion of wooden homes (36.0%) and a slight decline in the proportion of dwellings with combined concrete and wooden outer walls. The increase in housing with plyboard external walls (17.0%) is a concern. Sheet metal, in the form of galvanise and galvalume, continue to be the predominant type of housing roofing in Saint Lucia (97.0%).
- Some 8.0 percent of households were affected significantly by three key climatic events in the past five years – The Christmas Eve Trough (December 2013), Hurricane Tomas (October/ November 2010), and the Drought of 2009/2010.The most significant shocks to households included a moderate (loss of 5% to 10%) to significant (10% or more) decline in household income; loss of income generating assets; and arising health issues.
- A look at adaptive capacity of households, compared to low income households, members of non-poor households are more likely to be better educated, have personal health insurance, and live in homes that have a regular indoor piped water supply and outfitted with improved sanitation and water storage systems. Their homes are also more likely to be covered by home insurance. Despite this trend however, home insurance coverage is low among home owners in the higher income brackets, and even lower among poorer home owners. A low adaptive capacity among poor and non-poor households puts them at risk and would mean greater reliance on the State and other external sources for post-disaster relief and for implementing measures that would build household resilience.

11.2 Poverty reduction in the context of sustainable development of Saint Lucia

- In developing an approach to the realities of poverty in 2016, and in mounting a programmes of poverty reduction, it is useful to revisit the recommendations of eleven years ago, and to note the areas where action was taken and with what results (Box 11.1and Table 11.1).

Box 11.1: Proposed Five-Point Platform for Poverty Reduction from the Saint Lucia Country Poverty Assessment 2005/2006

Based on the SLC-HBS of 2006, a five-point platform for poverty reduction was proposed, namely:

- *The development of the people to be effective participants in the knowledge economy of the 21st century: beneficiation through the human assets;*
- *The mobilisation of financial resources from abroad and through the tax system to allow the country greater leverage in pursuing strategies better geared to the participation of nationals and regional entrepreneurship in the development of the place;*
- *Coherent and systematic physical planning in the management of the land resources of the country, and consistently with the needs of agriculture, industry, tourism, including eco-tourism and sustainable tourism, and housing: the beneficiation of the land assets, including through state involvement in real estate investment trusts;*
- *The development of the safety net to provide social protection where necessary, with clear mechanisms to graduate those whose condition no longer justify protection;*
- *The reorganization of Community Development to assist in social integration in the light of the challenges of rapid urbanization and rural depopulation.*

Table 11.1: Recommended Measures from the 2005/06 CPA and their Status as at 2018

Measure	Status
Workforce upgrade	Bee-keepers programme, programme for taxi-drivers and tour operators at Sir Arthur Lewis Community College and Programme in Agriculture at Sir Arthur Lewis Community College
Special Provisions for educational and training upgrade for Mothers for entry into labour market	No evidence available
Macro-economic adjustment and industrial policy	Ongoing but diversification component weak
Renewed effort at agricultural diversification with support systems	Limited response
CDB and donor coordination	Ongoing, with Enhanced Poverty Reduction Framework being elaborated
Social Marketing of Wellness in fight against chronic disease incidence	No evidence
New nodes of growth through comprehensive physical Planning	Intermittent interest apparently
Upgrade of building codes	OECS code being adopted
Redoubled efforts at squatter regularisation and slum clearance	Addressed in some communities like Anse la Raye, and George Charles Boulevard
Land Titling to treat with scarcity of land and coherence in arrangements for agriculture and tourism	No evidence of this, and introduction of CIP might have negative impacts on national population
Coordination of social interventions through Ministry of Equity Social Justice Empowerment, Youth Development Sports and Local Government	Successor agency involved in promoting collaboration and social registry being developed to rationalise on transfers to households and individuals
Entrepreneurial Development with special reference to Saint Lucian presence in the expansion of hotel and guest house plant	Village tourism being promoted as an element of this
Upgrade of public assistance in keeping with costs of living	Some commitment evident
Empowerment through local government reform	Limited response
Mobilising resources of Saint Lucians abroad	No evidence available

11.3 RECOMMENDATIONS IN 2018: STRATEGIES, POLICIES AND MEASURES

Poverty continues be the result of a nexus of social, cultural, economic and political factors. However, action solely on any one front infrequently leads to preferred outcomes. The GOSL has demonstrated its commitment to poverty reduction as a crucial element of equitable and sustainable development. This commitment has taken the form of several policies and programmes instituted over the years aimed at enhancing social, economic and environmental opportunities for its citizens and mitigating the impacts of poverty on communities and households. The national development planning drive of the country has made significant strides in the last decade, culminating six pillars of long-term national development:

1. Building Productive Capacity and Expanding Growth Opportunities
2. Strong Institutions that are a Platform for Growth and Development
3. Infrastructure, Connectivity and Energy – Key for Growth and Competitiveness
4. Adaptation for Environmental Sustainability and Climate Change
5. Social Transformation, Building Social Resilience and Social Capital
6. Enhancing the Labour Force Through: Education, Training and Workforce Development

These six pillars can be integrated with the sustainable development framework. In this regard, the main recommendations, strategies and policy recommendations have been put forward in line with the three pillars of sustainable development.

11.3.1 Economic strategies, policies and measures

Economic diversification through the development of sectors of strategic importance holds the key to the reduction of poverty. The promotion of such diversification is therefore an essential condition of any policy proposal for the improvement of the quality of life of the poor, outside of any redistributive measures that the Government or other partners in development can employ. Historically, manufacturing, agriculture and tourism have comprised the "tripod" of export sectors. However, one leg of this tripod has weakened in recent years – the manufacturing sector. Given the strategic importance of these sectors for an export propelled economy, the following interventions are recommended.

11.3.1.1 Manufacturing Sector

- **Concentration on the development of medium, small, and micro enterprises (MSMEs) and export development** based primarily on a push to create a strong business clusters geared towards the export market and creating jobs and increasing household income. Special attention should be paid to encourage enterprise development in disadvantaged areas and social groups. There is need to provide support to small entrepreneurs, micro-enterprises and the self-employed by way of training, and access to credit. This is an effective means of assisting the poor to employ themselves and to contribute to the eradication of poverty.
- **Diversification of exports:** beyond improving banana production, other agriculture, horticulture, manufacturing, and food processing.
- **Foreign Direct Investment: w**hile attempts must continue to be made to attract foreign investment through fiscal incentives and other arrangements, it must be recognised that there resides an important potential within the domestic small-scale sector e.g. agro-processing.

11.3.1.2 Tourism

The tourism sector has continued to be an engine of growth for the economy of Saint Lucia. The sector has the potential to facilitate the process of poverty reduction throughout the country through less concentration on the traditional areas.

- **Quality Standards in Tourism Services:** Ensuring that the owners/operators of hotels and guest houses are all trained to treat with the tourism needs of the country.
- **Community Tourism**: The development of enabling infrastructure to ensure that small indigenous hotels, guest houses and inns will continue to be increasingly involved in catering for an expanding clientele, not only from the USA, but also from Europe and other source markets.
- **French Connection**: Individuals working in the tourism industry should gain proficiency in French to encourage greater inbound tourism of individuals from neighbouring French Caribbean territories, and from France itself and from Germany, the latter being the largest source market in Europe.
- **Other tourism services**: entertainment, festivals, French connection, community tourism, all inclusive, backward linkages to agriculture and fishing.

11.3.1.3 Agriculture

- **Renewed efforts at agricultural diversification** paying special attention to the needs of farmers, marketing, support mechanisms, and access to credit. The diversification drive for the agriculture sector must be promoted to reduce imports and create new sources of foreign exchange earnings and employment.
- **Development of stronger backward and forward linkages** between key sectors: links among agriculture, tourism, and manufacturing must be considered.
- **Upgrading the farming community** is a central element of diversification of agriculture and of the diversification of the tourism product: technical training of farmers and support for them with technical and extension services including in the servicing of tech-packs, will be critical.

11.3.1.4 Labour

The industrial development of Saint Lucia requires an infrastructure for the training and retraining of the work-force to deal with shifts in the technology that might render some types of activities suddenly uncompetitive. There is need for the country to develop a consensus on wages. The relative cost and productivity of labour would determine the attractiveness of Saint Lucia for labour intensive manufacturing operations in the short to medium run. However, the need for improved productivity applies across the board to the tradable and non-tradable sectors as well. The development of the labour force and the improvement of the labour market is bound up with the upgrading of the entire work-force and has to be supported with institutional change that encourages workers to commit to self-upgrading on their own even when the state is unable to provide necessary support by way of training and retraining programmes.

11.3.2 Social strategies, policies and measures

11.3.2.1 Education

There are some measures that are needed for the expansion to be realised, mainly in the area of capacity building, but this has to be seen for both its short-term and longer-term implications. While it is obvious that the education sector has gone through a major and profound transformation in recent years, the workforce has not been upgraded to face the requirements

of international competition, and the education system has not been able to respond fully to changes in demand. There is need to:

- **Strengthen and expand post-secondary and tertiary education opportunities and access**. Continued effort towards increasing the provisions for tertiary and continuing education, the expansion of the training component of employment programmes, and the expansion of technical and vocational training are needed to further develop the education and training sector.
- **Develop initiatives to deal with education inequity and inequality.** Gender sensitive initiatives should be implemented to treat with the education needs of vulnerable groups such as at-risk youth, young mothers and single mothers. Initiatives to close the performance gaps between the genders with a view to improve their participation in the labour market must also be considered.
- **Promote individual commitment to life-long learning and self-upgrading**. Access of free Wi-Fi and understanding of the possibilities offered by such arrangements MOOCS can close the knowledge gap between the Saint Lucian work-force and competitors in the rest of the world, leading to institutional structures in Saint Lucia to improve productivity.

11.3.2.2 Health

Likewise, an effective system of primary health care such that the poor can be protected even in a situation of declining incomes from any undermining of bodily health is a necessary condition for capacity building. In this regard, potable water, universal provision of toilet facilities, the safe disposal of garbage, family planning services, and the inculcation of improved eating habits emerge as high priority areas. There are also infrastructural supports needed which contribute to the quality of life, and also provide an environment facilitative of capacity-building: housing, water, electricity, roads, and communications are among the most notable of these.

There is also the infrastructure that would afford some of the poor immediate opportunities for employing themselves: campsites, footpaths and trails would allow the involvement of communities that hitherto have not been able to offer eco-tourism services, but which have some of the other amenity resources. The promotion of individual responsibility for maintaining good bodily health has to be inculcated from early in life and would lead to control on the costs of health care in the country.

11.3.2.2.1 Children

To an extent, tackling child poverty will involve the strengthening of general poverty reduction programmes, e.g. those designed to reduce unemployment and stimulate job creation (see 11.2.1.1 above) and those related to improving access to education for at risk groups (see 11.2.1.2 above).

However, there will also be a need to enhance the existing social protection system as it relates to children. This will involve both: (i) strengthening and extending current social welfare and social assistance programmes for children (social protection floors for the most vulnerable and poorest, and child benefits including the SFP), and ii) policies and programmes designed to address child related social issues such as domestic violence, family break-up, the physical and sexual abuse of children, substance abuse and criminal activity, all of which can compromise children's life chances. These types of intervention will need to be both remedial (to reduce the adverse consequences in current impact and behaviour) and preventive (to reduce the likelihood of such effects and behaviour in the future).

11.3.3 Environmental strategies, policies and measures

The key objective is to achieve availability and sustainable management of water and sanitation for all. Additionally, it is important to reduce environmental health risk, protect the environment, and bring about a robust and more climate resilient water and sanitation infrastructure. There is recognised that toilet linked to septic tank/soakaway system would continue to be the dominant type of household sanitation facility in Saint Lucia. The following are recommended:

- **Extend and improve water infrastructure and service provisioning efforts** that would result in more indoor delivery and a regular and safe supply in under-provisioned areas.
- **Improve household sanitation among poor households** by providing special incentives and to facilitate development and upgrading of toilet facilities.
- **Pay greater attention and provide direct resources to the construction, upgrading and maintenance of home sanitation facilities that meet basic sanitation standards**. Particular attention should be paid meeting basic household sanitation standards in poor communities, especially households located in Anse la Raye-Canaries.
- **Increase community environmental (public) health education** by strengthening communication activities in communities, particularly in at risk and disadvantaged communities.
- **Encourage the development of household water storage and safe rainwater harvesting** as mechanisms for building resilient.

The 2015 OECS Building Code provides home developers and owners in the OECS with the standards and guidelines necessary to construct and improve housing and related infrastructure to acceptable minimum standards of safety and structural integrity. The key objective here is to develop a housing stock that is climate and energy resilient and meets the OECS minimum building standards. The following are recommended:

- **Develop a robust legislative framework** to ensure that the OECS Building Code becomes a key pillar of Saint Lucia's regulatory mechanisms for built development.
- **Strengthen development control institutional framework** through adequately staffing and equipped Development Control Authority that would ensure compliance with the built standards as set out in the OECS Code.
- **Awareness building, training and regulatory incentives** are important strategies to ensure home builders to adopt formal building codes.
    - Develop programmes to assist low income families to build homes to code and to renovate informal housing to the acceptable minimum standards.
    - Make technical professionals (architects and engineers) and standard housing designs easily accessible to at-risk low-income households.
    - Raise awareness within communities and households and build knowledge as a key part in developing a disaster resilient housing sector. It is important to recognise that poor and non-poor households have different characteristics and capacities and understanding them would be crucial to effectively reach and expose them to the relevant information.
    - Promote green building practices to increase climate and energy resilience.

It would also be important to reduce asset vulnerability and the exposure of both poor and non-poor and at-risk households and communities to climate change and natural hazards through the following:

- **Conduct vulnerability assessment of communities prone to climate change and to different natural hazards and to earthquakes in the nation at large.** Special attention should be paid to communities at risk to landslides, flooding and coastal erosion;
- **Introduce social protection measures** which target low income households to enhance adaptive capacity and build resilience to climate change and natural hazards;
- **Develop and invest in initiatives that result in the reconstruction/renovation existing homes and infrastructure** for poor at-risk families. Integrate such initiatives in urban locations to job creation and reduction of youth unemployment;
- **Address property rights and encourage investments in squatter communities**;
- **Increase collaboration and work between the State and players in the financial and insurance market** in developing and promoting products that can result in greater pick up rates of insurance; increase access to finance by non-poor households for home construction and renovation; enable clients affected by climate change and natural disasters to rebuild more resiliently; to encourage higher levels of savings by both non-poor and poor families; and
- **Continue climate change and natural disaster building awareness and knowledge**, particularly in at risk communities, to the health-related impacts of climate hazards.

11.4 Concluding Comment

The Government of Saint Lucia, through its various agencies, has maintained poverty reduction at centre of socio-economic policy. Its commitment to the fulfilment of the Millennium Development Goals ensured that in the elaboration of policy in the first decade of the 21st century, state and non-state actors employed measures founded on the evidence provided by the 2006 SLC-HBS. The country has recommitted to poverty reduction within the framework set by the SDGs.

Over the last two decades, it has reorganised its institutional structures specifically designed to treat with poverty. There has been effort at coherence in the machinery of the state in the development and application of pro-poor measures and collaboration among institutions has improved efficiency and equity in the structure of social transfers to the poor and the vulnerable. In spite of slow growth or even decline in the economy, there was a reduction in poverty and indigence over the ten-year period since the 2006 SLC-HBS, possibly because of the better performance of the institutions engaged in poverty monitoring and alleviation.

As a SID, Saint Lucia has had to address the problems of transformation in an international economy whose evolution conditions the capacity of the country to no small extent, to develop and provide the wherewithal for poverty reduction measures and approaches that empower the poor and vulnerable and improve their capacity to protect themselves from poverty. The socio-economic problems of transformation and diversification of a post-colonial economy and society have been compounded by the impact of climate change and natural hazards, that can render nugatory critical investments in physical infrastructure. The hurricane season of 2017 has been a warning of the enormity of the task of sustainable development for Caribbean SIDS.

The most recent SLC-HBS now provides a solid base for redoubling efforts with a poverty reduction strategy, but against the backdrop of the changed realities of the present decade. In the most recent past, the methodology for poverty assessment and analysis has become more robust with the development of the MPI. Moreover, the Enhanced Poverty Assessment Framework promoted by the CDB, allows for poverty assessment that is more encompassing

and can render targeting more effective and efficient in treating with individuals, households and communities that are poor or succumb to poverty. The framework is most helpful in galvanising policy making in Caribbean economies and societies as they face whole society threats and whole society vulnerability that are created by the likes of Hurricane Maria.

Some of the recommendations outlined above involve continuing with measures that were initiated in the middle of the last decade of the 20th century. Indeed, in some cases, there is need merely for the tweaking of approaches – for example, human resource development. Other recommendations which were made in 2006 might not have attracted policy response from the Government as yet, but remain most relevant nevertheless – for example, the land titling project.

This report in identifying measures to be adopted has sought to allow the lessons of experience and an assessment of deficiencies in previous approaches to guide policy making as the country tackles the problems of poverty reduction over the next seven years of the SDG framework and as Saint Lucia adjusts to a changing international economy that conditions much of what transpires on the domestic front, and all in the context of undeniable climate change.

The 2016 SLC-HBS has laid a solid data base from which to plan and to assess the country's performance in combating poverty as a continuing development challenge into the third decade of the 21st century, and in the fifth decade of its efforts at transforming a social and economic construct created in the colonial period of the last millennium, into a viable nation-state providing a high quality of life to its citizenry.

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