

POVERTY ASSESSMENT REPORT –
GRENADA

VOLUME 1 OF 2

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LIST OF ACRONYMS

African, Caribbean and Pacific	ACP
Agency for Rural Transformation	ART
Basic Needs Trust Fund	BNTF
Borrowing Member Countries	BMC
British Development Division in the Caribbean	BDDC
Canadian International Development Agency	CIDA
Caribbean Basin Initiative	CBI
Caribbean Community	CARICOM
Caribbean Development Bank	CDB
Caribbean Examination Council	CXC
Caribbean Food and Nutrition Institute	CFNI
Centre for Popular Education	CPE
Coefficients of Variations	CV
Community Situational Analysis	CSA
Community-based Organisations	CBOs
Consumer Price Index	CPI
Country Poverty Assessment	CPA
Design Effect	DEFF
Drug Abuse Resistance Education	DARE
Eastern Caribbean	EC
Enumeration District	ED
Food and Agriculture Organisation	FAO
Foster, Greer and Thorbecke	FGT
Foundation Adult and Continuing Education	FACE
General Certificate Examination	GCE
Grassroot Based Organisation	GBO
Grass-roots Organisations	GROs
Grenada Citizens' Advice and Small Business Development Agency	GRENCASE
Grenada Community Development Agency	GRENCODA
Grenada Electrical Company	GRENLEC
Grenada National Institute of Handicraft	GNIH
Grenada National Organisation of Women	GNOW

Grenada Save the Children	GRENSAVE
Grenada Union of Producer Cooperatives	GUPC
Gross Domestic Product	GDP
Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome	HIV/AIDS
Industrial Development Corporation	IDC
Institutional Analysis	IA
Inter-Agency Group of Development Organisations	IAGDO
International Fund for Agricultural Development	IFAD
International Labour Organisation	ILO
Marketing and National Importing Board	MNIB
Mean Square Error	MSE
National Assessment Team	NAT
National Cooperative Development Agency	NACDA
National Development Foundation	NDF
National In-Service Teacher Education Program	NISTEP
National Insurance Scheme	NIS
National Water and Sewerage Authority	NAWASA
New Life Organisation of Grenada	NEWLO
New National Party	NNP
Non-Governmental Organisations	NGOs
Non-Sampling Error	NSE
North America Free Trade Agreement	NAFTA
Organisation of Eastern Caribbean States	OECS
Pan-American Health Organisation	PAHO
Parent-Teacher Association	PTA
People's Revolutionary Government	PRG
Petit Martinique Development Committee	PEMDECO
Poverty Gap	PG
Programme for Adolescent Mothers	PAM
Public Sector Investment Programme	PSIP
Small and Medium Sized Enterprises	SMEs
Small Enterprises Development Unit	SEDU
St. Andrew's People's Maroon Association	SAPMA
Structural Adjustment Programme	SAP

Survey of Living Conditions	SLC
Team of Consultants	TOC
United Kingdom	UK
United Nations Children's Fund	UNICEF
United Nations Population Fund	UNFPA
United States	US
Windward Island Banana Development and Export Company	WIBDECO
World Trade Organisation	WTO
Young Men's Christian Association	YMCA
Young Women's Christian Association	YWCA

EXECUTIVE SUMMARY

This Poverty Assessment Report on Grenada provides an examination of the economic and social conditions of the population of the country, with data collected in the first half of 1998. The Report is founded on three main components:

- A national survey of living conditions (SLC) that provides quantitative information on the households from a randomly selected sample of 1,124 households with 4,061 individuals;
- A Community Situational Analysis (CSA) conducted on 14 communities using focus group discussions, community meetings, participant observation, and open-ended interviews; and
- An institutional analysis of key agencies and organisations, with a review of their procedures and policies.

All of the above have been set in the context of the macroeconomic conditions of the country and its recent social and political evolution.

The training of nationals of the country in the conduct of poverty assessment and project action was a major objective of the exercise and a National Assessment Team collaborated with the Consultants at every stage of the exercise. The goal of this approach is that, on the withdrawal of the consultants, the critical work of poverty reduction and socio-economic development can be sustained by the nationals of the country.

DEFINITION OF POVERTY

For the purposes of comparability with other studies of poverty, we have used definitions that have become standard. Behind all definitions is the notion of a deficiency of resources as corroborated in the World Development Report of 1990: 'poverty is the inability to maintain a minimal standard of living.'¹

A frequently used measure of poverty seeks to establish a level below which households will not have the wherewithal to maintain a healthy existence and is often referred to as *the indigence line*. It establishes the **minimum food requirements necessary for existence or survival**. Another frequently applied method revolves around the concept of *relative poverty* which always connotes a comparison with some other group.

¹ World Bank 1990a,p.26

SUMMARY FINDINGS

Poverty Estimates

Analysis of the national survey data reveals that 32.1 percent of all individuals in Grenada were poor in that their annual expenditure was less than EC\$3,262, the cost of meeting their minimal food and other basic requirements. 12.9 percent of all individuals in the country were found to be extremely poor or indigent.

Poverty was found to affect particularly, the youth, with over 56 percent of the poor being less than 25 years old. More disturbing is the fact that 51 percent of those people living below the poverty line in Grenada are below the age of 20 years. Children 14 and under make up 41 percent of the poor as opposed to 28 percent of the non-poor.

The poor were characterised, therefore, by large families and a large number of children. At the other end of the spectrum, 5.6 percent of the poor were 65 years and over. These comprised 22.5 percent of all persons aged 65 years and over in the country.

Other important features of poverty were demonstrated in the following ways:

- ***Geographic:***

- The poor were evenly spread throughout the country;
- St. John's, however, had a much lower percentage of poor than its representation in the sample, and 23.9 percent of its population was poor compared to a national average of 32.1 percent;
- The severity of poverty, as reflected in the FGT₂ index, was greatest in St. David's followed by St. George's;
- The poverty gap was greatest for St. George's, that is to say, more resources would be needed to bring the poor in St. George's up to the poverty line than anywhere else; and
- The poverty gap was lowest for St. John's.

- ***Gender:***

- There was no evidence of gender differences, with the poor being evenly divided between males and females; and
- Among the poor, stated female headship was greater than stated male headship, but not significantly so – 52 percent as against 48 percent.

- **Employment:**
 - There was higher unemployment among the poor compared to the non-poor - 20 percent as against 13 percent;
 - Forty-seven percent of the unemployed was in the first two quintiles; and
 - The poor tended to be concentrated in elementary occupations.

- **Education:**
 - As much as 64 percent of the population had no form of educational certification;
 - The non-poor were more likely to have passed examinations than the poor; and
 - The country as a whole, however, had a limited human capital stock as represented by the level of education attained by the mass of the population.

- **Health:**
 - There was no evidence that the poor were less healthy than the non-poor; and
 - The poor relied heavily on public health facilities.

- **Housing and Living Conditions:**
 - The vast majority of the poor owned their own home - 94 percent;
 - Seventy-five percent of the poor owned the land on which their homes were constructed;
 - While there was little variation between the poor and non-poor in the type of roof - galvanized zinc for the most part - walls were more likely to be of wood among the poor; and
 - The poor were more likely to have pit latrines (61.1%) than the non-poor while the latter were more likely to have water closets.

The Situational Analyses on the 14 communities largely corroborated the difficult conditions faced by the poor in the country. Limited education, unemployment, poor social amenities, especially in terms of garbage disposal and safe sources of potable water were acute problems. There was concern among the poor that their children ran the risk of repeating the cycle of poverty and they saw little opportunity to escape the poverty trap.

Causes of Poverty

There are many factors responsible for the poverty witnessed in Grenada today. The most important one is the untransformed nature of the Grenadian economy. It was inserted into the international economy from the very beginning of its modern existence. It has not developed the capacity for flexibility to respond to the wrenching changes in the international economy.

This requires a human capital stock and social infrastructure that Grenada lacks. Grenadians are therefore trapped without the knowledge and the skills to fashion production capable of international competitiveness. The agriculture and manufacturing industries are unable to create the jobs and income adequate for the population, while tourism is as yet unable to take up the slack, for reasons not unrelated to its limited human resource base.

Grenada's industry has not fully exploited the few opportunities for internal linkages: e.g. tourism is not well linked to agriculture. Meanwhile, the informal sector and SMEs are incapable of providing protective employment for the population, and lack the capacity to transform the economy.

This fundamental weakness is exacerbated by a host of other factors:

- difficulties in the macro policy framework and in the incapacity of key agencies of state to create and support a dynamic for transformation - Agriculture, Education, Labour, and Trade and Export Promotion;
- limited safety net to protect the poor and those at risk;
- limitations in the physical infrastructure;
- gaps in the institutional infrastructure;
- poor community organisation and the inability of the people in their communities to exploit their internal resources for transformation; and
- limited coordination and cooperation among Government agencies, NGOs, and CBOs.

The Institutional Analysis verified that there is a range of public sector agencies, NGOs and CBOs that deliver high quality services to the poor and vulnerable and to the population at large. However, their protective shield leaves many exposed. Rural electrification cannot help the poor who lack the income to pay for electricity. Family Planning services have limited reach if nurses have a negative posture to teens seeking their services. Meanwhile coordination among agencies was found to be spasmodic.

Effecting Poverty Reduction

At the base of poverty reduction in Grenada at the present time, must be a radical human resource strategy that embraces the entire nation and excites it to acquire knowledge and skills. Grenada's salvation from poverty in the new global dispensation depends critically on the knowledge and skills Grenadians possess.

The notion needs to be popularised of Spice Island success on the basis of “*All Grenada in School.*” This is not education for certification but rather education and training for salvation and protection. It involves the Ministries of Education and Agriculture and their key agencies and others in roles for which they are not now prepared. They have to rise to the demands of providing a “*pedagogy of hope.*”

There are other elements in the poverty reduction strategy that fit into the architecture of social, economic and political structure of the country and that require specific actions. These are listed hereunder with priority rating identified.

**Table 1: Summary of the Poverty Reduction Strategy for Grenada
in Relation to the Timeframe for Action**

<i>Sector/Activity</i>	<i>Timeframe for Action</i>		
	<i>Immediate</i>	<i>Short-term</i>	<i>Medium-term</i>
1. All Grenada in School	✓	✓	✓
2. Macro Economic Management			
<ul style="list-style-type: none"> ▪ maintain and deepen dialogue among social partners over changes in the structure of the economy 	✓		
<ul style="list-style-type: none"> ▪ review the system of direct and indirect taxes 			✓
<ul style="list-style-type: none"> ▪ ensure that infrastructure development maximises capacity enhancement, and supports expansion of other sectors 		✓	
3. Income and Employment Growth in Agriculture:			
<ul style="list-style-type: none"> ▪ promote arrangements for forwarding linkage of Agriculture 	✓		
<ul style="list-style-type: none"> ▪ promote training of farmers in non-traditional crops 	✓		
<ul style="list-style-type: none"> ▪ promote credit for diversification 	✓		
4. Income and Employment Growth in Tourism/Eco-tourism			
<ul style="list-style-type: none"> ▪ establish linkages between agriculture and craft production 	✓		
<ul style="list-style-type: none"> ▪ train nationals in restaurating, tour guiding, diving, water taxi and other auxiliary services 		✓	
<ul style="list-style-type: none"> ▪ develop craft and visual arts 	✓		
<ul style="list-style-type: none"> ▪ develop focal points for popular entertainment centres e.g Gouyave, and others as ecotourism reserves 		✓	

<i>Sector/Activity</i>	<i>Timeframe for Action</i>		
	<i>Immediate</i>	<i>Short-term</i>	<i>Medium-term</i>
5. <i>Income and Employment Generation in Manufacturing</i>			
▪ develop credit support for SMEs in agroprocessing and other manufacturing	✓		
▪ develop programmes for training and retraining of workers in collaboration and cost-sharing with industry	✓		
6. <i>Income and Employment Generation in SMEs and the Informal Sector</i>			
▪ expand opportunities for SMEs and informal entrepreneurs	✓		
▪ develop credit arrangements appropriate for small business people			✓
▪ train small business people to self manage			✓
7. <i>Day Care and Evening Care Facilitation</i>			
▪ provide affordable day care and evening care services to allow women easier participation in the economy and labour market	✓		
8. <i>Technical, Vocational and Agricultural Education and Training</i>			
▪ establish a range of links with industry and training system using NEWLO as base model to allow for modular training for new entrants into technical, vocational and agricultural pursuits, and develop short upgrade courses for existing workforce		✓	
▪ establish industry fund for training			✓
▪ expand NEWLO across entire country, and bring NEWLO ethos to existing institutions like Mirabeau Agricultural School		✓	
9. <i>Adult Education</i>			
▪ upgrade and increase appeal of adult education to attract all post school adults	✓		
▪ promote notion of ' <i>all Grenada in school</i> ' for Spice Island success	✓		
▪ use mass media in popularising concept of national interest	✓		

<i>Sector/Activity</i>	<i>Timeframe for Action</i>		
	<i>Immediate</i>	<i>Short-term</i>	<i>Medium-term</i>
10. Secondary Education			
▪ expand rapidly the number of places at the secondary level	✓		
▪ seek to improve quality in performance	✓		
11. Primary Education			
▪ upgrade teaching staff and physical plant	✓		
▪ reduce overcrowding	✓		
▪ expand school meals for needy students	✓		
12. Primary Health Care			
▪ promote universal immunisation of children 4 and under	✓		
▪ popularise breast feeding as sole nutrition for babies under one year	✓		
▪ encourage at least annual attendance by population to health centres		✓	
▪ popularise healthy eating and lifestyles	✓		
13. Control of STDs			
▪ promote condom use in casual sex	✓		
▪ develop public education on the nature of STDs and risk factors	✓		
14. Environment and Environmental Health			
▪ expand solid waste services	✓		
▪ supply potable water to communities that lack such	✓		
▪ develop public education on environmental sanitation	✓		
▪ promote erosion control on hillsides and cultivate greater appreciation for maintenance of natural environment		✓	
15. Infrastructure Support			
▪ Build or rebuild access roads in rural areas		✓	
▪ Ensure potable water to all communities	✓		
▪ Ensure electricity to all communities	✓		
▪ Expand low cost housing and aided self-help schemes		✓	
▪ Encourage saving for home ownership		✓	

<i>Sector/Activity</i>	<i>Timeframe for Action</i>		
	<i>Immediate</i>	<i>Short-term</i>	<i>Medium-term</i>
16. Social Safety Net			
<ul style="list-style-type: none"> ▪ Maintain constant review of system to ensure that only those deserving receive help 	✓		
<ul style="list-style-type: none"> ▪ Ensure better targeting of school meals and book subsidies to those deserving 	✓		
<ul style="list-style-type: none"> ▪ Collaborate with NGOs, Private Sector and Trade Union Movement in creating structure for monitoring and review of social sectors 		✓	
<ul style="list-style-type: none"> ▪ Ensure protection for the vulnerable - elderly, disabled, and disadvantaged women, and children 		✓	
17. Gender			
<ul style="list-style-type: none"> ▪ Provide facilities to allow girls and women to participate in all areas of national life 	✓		
18. Community Empowerment			
<ul style="list-style-type: none"> ▪ Develop collaboration between the Ministry of Community Development and the relevant NGOs and CBOs, in particular and among other agencies in general 	✓		

Concerted Action and the NAT

Poverty reduction and eradication require concerted approaches by a range of institutions. Moreover, participatory processes are more effective in generating the level of understanding and support necessary to effect major changes that are needed in policy and in the implementation of the required programmes.

Grenada has a considerable number of NGOs and CBOs, along with governmental agencies engaged in the various areas of the social sectors. The review of their operations demonstrates that a large number have been efficacious in promoting development and in providing support for the poor and vulnerable. There has been some amount of coordination among a few of the developmental NGOs.

However, there is a relative absence of coordination among NGOs and Government agencies in addressing the problems of the poor and their communities. The recent effort by the Government to institutionalise a framework for discussion of national issues from among key agencies should help.

Grenada has already embarked on the first step through the establishment of a mechanism for inter-agency collaboration among the social and economic partners by the establishment of a coordinating agency, which brings together all the social partners in the review of macro-economic and social policy and planning. This augurs well for the future.

The NAT which was established for this assessment exercise should be made the Secretariat of the coordinating agency. The NAT must be able to maintain close links and engender collaborative networks with communities, with NGOs of various types, and with governmental agencies in the field, or, in one way or another, relevant to the issue of poverty alleviation, reduction and eradication.

The NAT is the best structure, at the present time, to monitor the poverty situation in the country. The NAT now possesses some capacity for monitoring poverty and for developing proposals to address it. There would be need to provide a regular budget for the NAT and its work, and to institutionalise its functioning as an independent advisory organisation, but endowed with the authority to have all its requests for information honoured by Government and other organisations.

CONCLUSION

Grenada is in the throes of one of the most severe transitions that it has had to undergo in its economic history. The country is seeking to transform a post-plantation economy with a few tradable sectors, to a diversified economy with a range of sectors, capable of meeting head-on the challenges of a technological age. It has to shift, whether voluntarily or involuntarily by external forces.

Its only choice is to respond now. To delay or to protract its response mechanism will deepen the poverty. The failure at transformation has already wrought havoc on a large proportion of the population. The assessment has identified the level of poverty and provided intimate details of the way in which the country, its communities and its households have fared. The proposals put forward have been developed as an agenda for implementation and action.

1.0 INTRODUCTION

This Poverty Assessment Report on Grenada provides an examination of the economic and social conditions of the population of the country, through the use of primary and secondary data that were assembled in the first half of 1998. There are three main sources from which the data have been generated: a Survey of Living Conditions, a Community Situational Analysis, and an Institutional Assessment. These provided the basis for the development of proposals and recommendations for the reduction and alleviation of poverty.

The national Survey of Living Conditions (SLC) was conducted for the entire country and produced quantitative information on households of the country from a randomly selected sample. The Survey entailed a 6.5 per cent random sample selection of the population. A total of 1,124 households (4,061 individuals) were interviewed. The survey collected data on household expenditure (food and non-food expenditure and the value of gifts received), housing conditions, demographics, health and fertility, education, labour force activities, migration and the health status of children under five years. The SLC also provided the critical poverty estimated identified in the study including the headcount, the FGT measures and the Gini Index.

Secondly, a Community Situational Analysis (CSA) was conducted in 14 communities using focus group discussions, community meetings, participant observation, and open-ended interviews of a small number of households in each of these communities. This qualitative assessment was also underpinned by supplementary quantitative data on these 14 communities, three of which had been selected for their having demonstrated some measure of advancement in their material conditions in recent times, based on the information of key personnel in the country.

Thirdly, information was collected from representatives of a number of organisations and agencies, including the public and private sector of the country and the non-governmental and community-based organisations operating in different spheres of the economic and social life. This institutional analysis, set within the macroeconomic conditions of the country, establishes the nature and the efficacy of the interventions that society at large makes on households in Grenada, and more so, on the poorer households of the country.

Key Questions

1. What are the characteristics, extent, geographic concentration, severity and causes of poverty in Grenada?
2. What are the dynamic links between conditions of unemployment, poverty and the informal sector?

3. What are the causes of poverty in Grenada, that is: What economic and social policies and/or socio cultural issues generate, sustain, alleviate, or reduce poverty?
4. In the context of (2), how do Government Agencies, Non-Governmental Organisations (NGOs), Community-based Organisations (CBOs), and Grass-roots Organisations (GROs) currently impact on poverty?
5. What actions by these groups (Government Agencies, NGOs, CBOs, GROs and the people themselves) can address the immediate conditions of poverty and its underlying causes?

Additionally, the training of nationals of the country in the conduct of poverty assessment and project action was a major objective of the exercise. A National Assessment Team (NAT) collaborated with the Consultants at every stage of the exercise, and improved on the skills derived in an earlier national effort in the examination of poverty in Grenada. The primary goal has been realised, in that there is every indication that on the withdrawal of the consultants, the critical work of poverty reduction and socio-economic development can be sustained by the nationals of the country who have been trained in this type of analysis.

1.1 DEFINITIONS AND MEASURES OF POVERTY

For purposes of comparison with other studies of poverty, we have used definitions that have become standard in the literature. Underlying all definitions, though, is the notion of a deficiency of material and other resources.

One measure of poverty, *the indigence line*, relates to the level below which households will not have the wherewithal to maintain a healthy existence. It establishes the minimum food requirements necessary for physical existence or survival. All households below this line are extremely poor and at risk. In the Caribbean, the needs of an adult have been set at 2400 calories and is the standard used in other parts of the Caribbean. In some other parts of the world, 2000 calories is the standard used.

Beyond this presumed scientific standard, there is debate on the adequacy or level of satisfaction of other needs, including clothing, shelter, social activities and access to information, all of which contribute to the quality of life. Normative factors enter the picture with measures of *absolute poverty* which take account of items other than food. Inclusion of these items takes absolute measures above the indigence line: the indigent are the poorest of the poor.

There is also *relative poverty* which always connotes a comparison with some other group. For example, if one half of the median income or expenditure was set as a bench-mark, persons or households with incomes or expenditures less than the bench-mark would be deemed to be living in relative poverty. Another popular comparison relates to the shares of income or expenditure that are available to quintiles or deciles.

Four key poverty measures have been used in the study. Three of these measures – the Head Count Index, the Poverty Gap and the FGTP₂ – belong to a class of measures proposed by Foster, Greer and Thorbecke (FGT). The *Head Count Index*, PH, represents the proportion of the population, whose annual per capita expenditure falls below the poverty line. The *Poverty Gap*, PG, measures the aggregate disparity in the expenditure of the poor compared to the poverty line. It represents the amount needed to raise the expenditure of all poor individuals to the level of the poverty line, as a proportion of the poverty line.

The *FGTP₂ index* measures the severity of poverty in a population by weighting each poor person according to their degree of deprivation. Appendix II, Volume 2 presents the method used in the calculation of the FGT measures. The fourth measure, the *Gini Ratio*, measures the inequality in the distribution of income in the population and is reflected diagrammatically by the Lorenz curve. The Gini Ratio, which ranges from 0 to 1, approaches 1, the more skewed the distribution of expenditure becomes.

1.2 CAUSES OF POVERTY

The causes of poverty are multi-faceted. According to the United Nations, poverty is “a complex multidimensional problem with origins in both the national and international domains,” (United Nations, 1995, p. 58). Much of the work in poverty assessment concentrates on the economic factors, or the structural elements that dictate the differential rewards derived from participation in the economy. However, there is a range of historical, social and psychological factors that can cause poverty. To these must be added chance factors like visitations of nature (natural disaster) or personal catastrophe and major illness that can afflict a household or a community, and precipitate their fall into poverty.

Another factor relates to differences among people. Households and individuals are not endowed with identical capacities or capabilities. Differences in education and training as well as in the commitment to, and the level of participation in, educational and training systems influence life chances. Personality traits and sub-cultural resources elicit differential responses to economic hardship. The presence of agencies or agents that can empower the poor, or those at risk, can make a difference by stimulating the poor to create new possibilities for themselves. All these factors create divergent responses over time and space in the face of economic difficulties. These differences also influence the effectiveness of interventions in poverty eradication.

1.3 NATURE OF THE TASK

The approach to the task was informed by the view that households and the communities in which they live are the elemental entities for the examination of living standards and the effect of economic and social processes in society. Figures 1.1 and 1.2 attempt to capture some of these

inter-relationships. The institutional framework is a function of the nature of the society. The resource flows to which the household has access, are dictated by socio-political and economic institutions which would vary across societies.

It is absolutely necessary to examine the effect of macro-economic policy, or of changes in institutions in the meso-economic framework like credit arrangements, labour markets, land policies and their impact on the household even though it may not be possible to quantify with any exactness, the impact of one or other policy measure. The upper section of the diagram constitutes the environment within which the household has to survive.

There is need to examine institutions, both as organisations, and as norms and patterns of behaviour that contribute positively to resource flows. In that regard, there are negative institutions that detract or reduce the capabilities and ultimately the access to resources of the household. It is the responsibility of the policy-maker to examine, in each particular situation, how the institutional factors influence the flows of resources to households or groups of households.

The household exists in a socio-political entity, or nation-state, with a certain pattern of government. It is possible to examine different groups of households by locating them by type in the framework and comparing their situation at points in time, and also over space. The life chances for a family dependent on cane farming in the South of the island of Grenada, will differ from one that is dependent on fishing in Petit Martinique and on agricultural labour in Clozier. Government policy in each of these fields also impacts on them.

While some households and individuals derive incomes by way of interest, rents, fees, profits etc., most of those who are the subject of the present exercise, derive earnings from wage income and/or from self-employment in small-scale agriculture, or in the services sector. On the other hand, there are others with no earned income or with insecure sources, who have to depend on transfers, whether from the Government, from voluntary organisations (NGOs), private individuals, or remittances from relatives abroad.

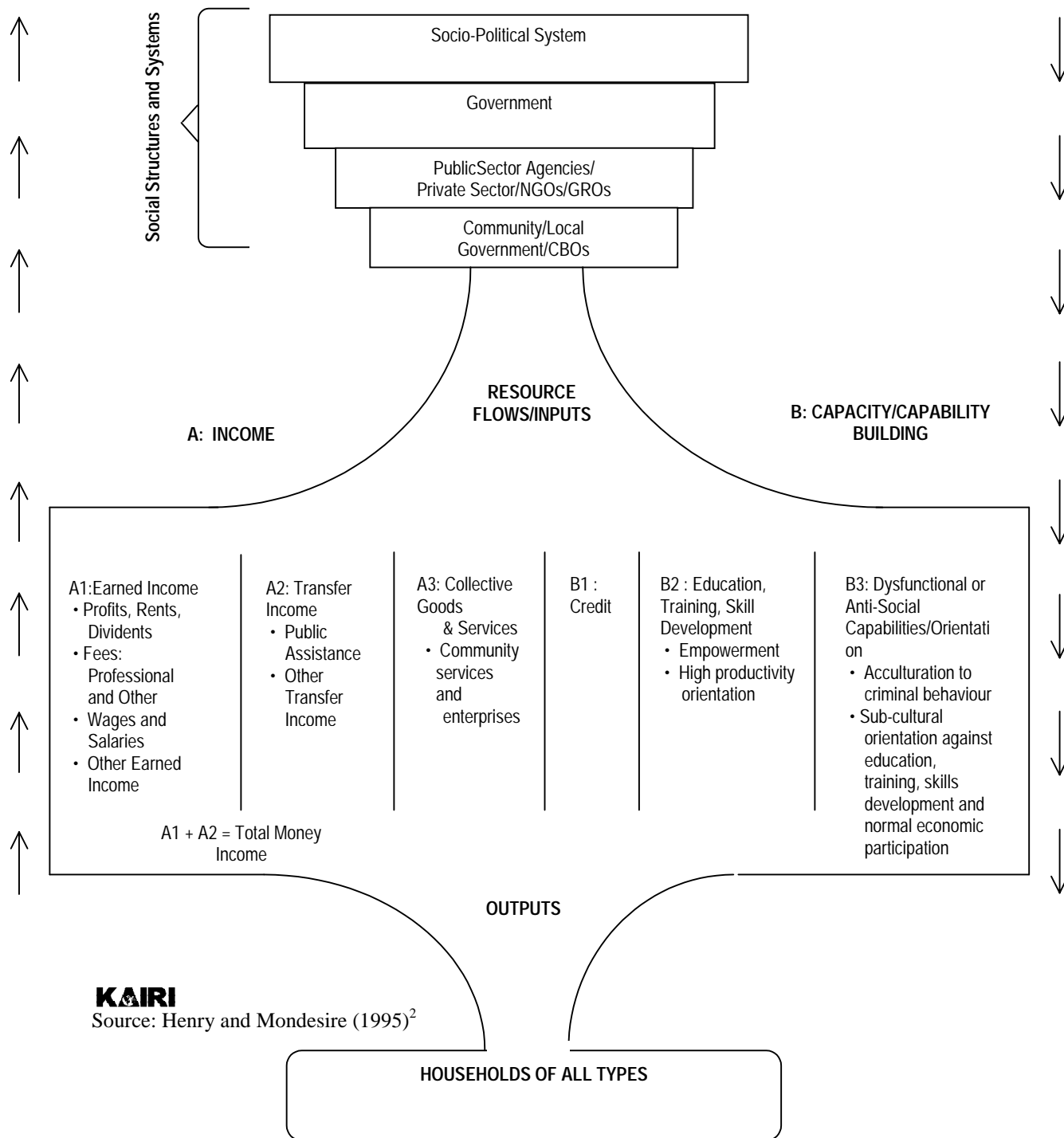


FIGURE 1.1: FRAMEWORK OF RESOURCE FLOWS TO HOUSEHOLDS

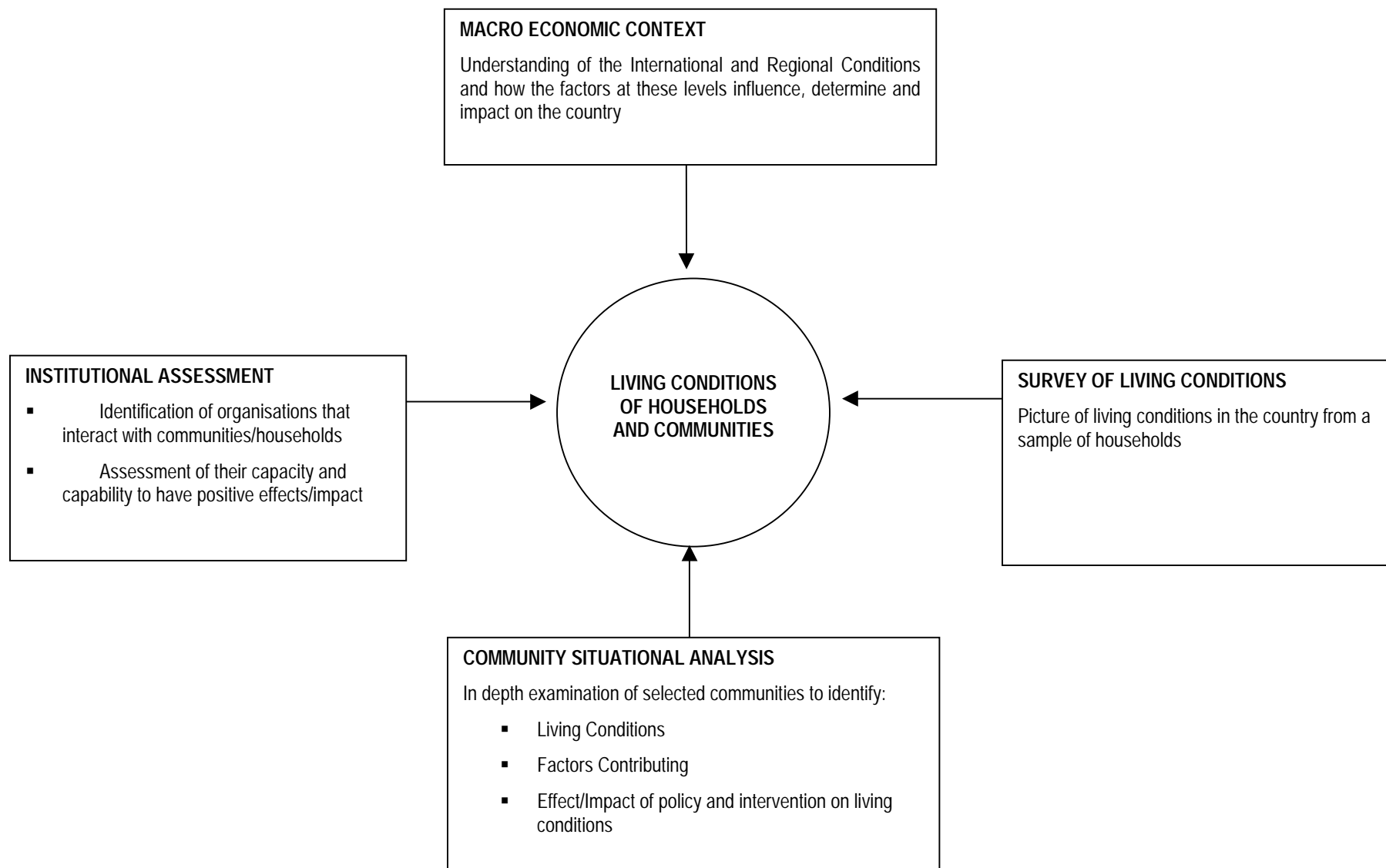


FIGURE 1.2: STANDARD OF LIVING ASSESSMENT COMPONENTS OF THE STUDY

The assessment exercise, in the narrow definition of that term, is the least difficult of the tasks. The more demanding task is identifying the interventions necessary for poverty alleviation, poverty reduction, and poverty eradication. The first relates to the provision of protection by way of transfers mainly, to those who are in need. They get assistance for the basic necessities of life but do not have the resources to keep themselves out of poverty. Poverty reduction includes alleviation measures but addresses the factors that are responsible for poverty. Poverty eradication has to do with measures that go to the heart of the problem and result in the full elimination of the conditions that create poverty. In other words, households achieve the requirements for sustainable livelihoods.

The process requires intermediation among the macro, meso and micro variables and institutions. For example, credit for small-scale agriculturalists is a necessary but not a sufficient requirement for the recovery of the farming sector. The framework calls attention to the locus of interventions.

On the policy side of the assessment exercise, the objective will be to identify which mechanisms are most effective in pulling households of different types out of poverty, and in sustaining them above the poverty line. In some cases, the household cannot be moved except through transfers, as in the case of the alleviation of poverty among indigent retirees. The framework helps in developing a checklist of the existing and potential interventions and their impact.

Grenada is part of the international economic and social system. The United Nations system, and the international financial and economic institutions and the World Trade Organisation (WTO), are a subset of international society. Grenada is also a member of the African, Caribbean and Pacific States, all ex-colonies that have shared certain trade and other privileges vis-a-vis the previous colonial powers. Grenada, like other Windward Island banana producers, has experienced the conflicts that derive from participation in one and/or the other organisation. The effects are felt in households and communities in the country which are the focus of the exercise in the assessment of the standard of living. This is portrayed in Figure 1.2.

The mix of quantitative and qualitative information gathered in this study provides for a good profile of the poverty situation in Grenada. More particularly, it affords planners and development specialists the opportunity of targeting measures designed to alleviate and/or eradicate poverty, within the confines of the discretionary measures that a mini-State like Grenada can take in the existing international economic system.

1.4 OUTLINE OF STUDY

Details of the methodology utilised in the study are presented in Appendix II of Volume 2. Section 2 surveys the social, political and economic structure of Grenada, while Section 3 examines the organisational and institutional framework and its impact on standards of living in the country. Sections 2 and 3 together provide the situational analysis of economic and social conditions and analyse the policy environment within which poverty reduction and alleviation are currently addressed in the country. Section 4 presents the findings of the study, and is based on the primary data collected from the SLC and the CSA.

Section 5 summarises the factors that have caused, and have contributed to the maintenance of the poverty identified, and reviews the effectiveness of specific actors or agents in Government, and among NGOs and CBOs in reducing poverty. Section 6 presents elements of a programme for reducing poverty and marginalisation, taking account of the political and institutional parameters of the country. This section also details the criteria by which progress can be monitored in the achievement of poverty reduction objectives and identifies the major hurdles likely to be faced in the near future. Section 7 presents the major conclusions of the study.

2.0 THE SOCIETY AND POLITY OF GRENADA

2.1 GEOGRAPHY

The country, Grenada, is located in the Eastern Caribbean archipelago, and consists of a tri-island state comprised of the largest island, Grenada, and two smaller islands, Carriacou and Petit Martinique, altogether having a land area of 344 square kilometres or 133 square miles. The largest island, Grenada, is mountainous and, lying as it does in the path of the North East Trade Winds, According to the Caribbean Meteorological Institute, located at Point Salines International Airport, between 1887 and 1996, Grenada had average rainfall of 1081.6 mm. The two smaller islands are low lying and are therefore much drier, and indeed, are subject to drought conditions in the dry season.

Given the heavier rainfall, the largest island has a vegetation much different from the two smaller ones, and supports tropical rainforests across a large swathe. The islands are in the path of the annual hurricanes and have sustained severe damage on occasion over the last 50 years.

Grenada is famous for its inland lake, the Grand Etang, which provides a large reservoir of fresh water for most of the year. The mountainous nature of most of the country provides its own scenic beauty. The southern part of the island, however, is relatively flatter and drier and there are beaches as well as small harbours that render it an attractive location for tourism facilities—hotels and marinas.

2.2 THE HISTORICAL SETTING

Grenada, like the other territories of the Caribbean region, was inserted into the international economy in the 15th century, to serve the economic and political interests of the European countries. Competition between Britain and France in the 17th and 18th centuries resulted in a regular change in control over the island. The final change was to come in 1763 when the island was ceded to Britain which remained the colonial power until independence in 1974. The French influence is still evident in the names of places and in the names of some of the present day inhabitants some of whom have in their ancestral line, émigrés from France and from French settlements in the Caribbean.

As occurred elsewhere in the Caribbean, slave labour was used as the axle for propelling sugar plantation agriculture, which, because of the terrain of Grenada, did not permit of sugar production as lucrative as in locations like Barbados and Trinidad. The end of slavery witnessed the withdrawal of the slaves from the plantations to plots on which they could squat and create a new livelihood for themselves. The result was a shortage of labour. The plantation owners had resort to indentees from India, though not on the scale of Trinidad and Guyana. The uneasy coexistence of a peasant agriculture with plantation agriculture dates back to this period.

With the end of slavery the overriding feature of the relationship between planters and ex-slaves had to do with the attempt by the former to prevent the latter from acquiring land and any measure of independence. Notwithstanding these attempts, the availability of marginal sugar estates and, following the Sugar Duties Act of 1846, abandoned sugar estates, afforded the ex-slaves the opportunity to acquire land. This impetus was given a fillip by the introduction of cocoa as a major crop.

Material deprivation in contemporary Grenada has its roots primarily in the use that has been made of its agricultural resources. The use of this country's agricultural resources is intimately related to its place in the international economic order. It has served as well to shape the nature of the internal productive and social arrangements that characterize the society.

This conflict had its economic expression in the reversal of peasant agriculture before the expansion of plantation export agriculture. By the turn of the present century, expansion of the plantation in response to markets abroad had become entrenched to the point where incipient peasant agriculture had been virtually destroyed. There was change in the export crop, but not in the system of exploitation. Moreover, whatever the system of production, agriculture remained the dominant sector.

By 1891 Grenada had almost completely opted out of sugar production with only 0.8 per cent of the total value of its exports being derived from that source. In its place had been substituted cocoa, for which there was a growing international demand, and which enjoyed a good market price. The historical record points to the central importance of the export agricultural sector to Grenadian society.² According to the Annual Colonial Report of 1905:

The colony is entirely dependent upon its agricultural resources and its leading exports are cocoa, spices and cotton. The first mentioned contributes about 85 per cent of the exports and the second about 10 per cent (Grenada Annual Colonial Report, 1905).

² D.A. Brown, *The Political Economy of Fertility in the BWI, 1891-1921*: Mona, UWI, 1994.

The 1904 Annual Colonial Report for Grenada comments with reference to the increasing imports of "ground provisions":

Reference has been made to the appearance of these articles among the imports of the Colony of late years; twenty years ago not only were none imported but exports were worth about 600 pounds sterling per annum. The change is due to (1) the increase of population, which proceeds at the rate of twenty per cent in ten years; and (2) the permanent absorption of the cultivable land of the island by cocoa and nutmegs. The result, while favourable to the large landowner, is distinctly unfavourable to the peasant... for whereas years ago he had his provision 'garden' always available for the support of himself and his family... the areas thus beneficially occupied either have been or are being absorbed by permanent cultivation, on the proceeds of which he is becoming more and more dependent (Grenada Annual Colonial Report 1904: p.10).

Here we see the foundations being laid for the marginalisation of domestic agriculture and the extreme dependence of the society on the fortunes of export agriculture that was to become one of its main features. Historically therefore, the pattern that emerged in this territory was one of increasing reliance on imported foodstuff to the neglect of the domestic agricultural sector.

...so far as foodstuffs are concerned, there is evidence of a change in local conditions which is gradually but effectively taking place. With the extension of cocoa and nutmeg cultivation less land in the interior is available for the labouring class to cultivate ground provisions, the quantity of which in the local market is consequently diminishing while the price rises, and the people are thus compelled to resort to more and more imported food (Annual Colonial Report, Grenada 1898).

A whole host of ramifications follow from the adoption of this type of productive arrangement. These have been well documented by scholars such as George Beckford.³ For our purposes one very important feature is the relegation of large sections of the population to the status of unskilled, uneducated, land-less agricultural labourers. The dedication of the best agricultural resources to primary export agricultural production and the neglect of human resources that is a natural corollary of this, is the base upon which much of the material deprivation has been founded.

Unlike in Jamaica where the defeat of Bogle signaled the triumph of plantation agriculture and the consolidation of capitalism, in the eastern Caribbean the peasantry continued to expand well into the 20th century. Woodville Marshall (quoted in Meeks) suggests that this was brought about by the following factors: weakness of the plantation sector due to late settlement of the territory, sparse population and the mountainous interior. Such a system was not able to withstand the long depression in the sugar industry.

³ George Beckford, *Persistent Poverty*: 1972, Oxford University Press.

This meant that there was always land coming onto the market available for acquisition by the peasants. It is these factors that were responsible for the rapid growth of the Grenadian peasantry between 1860 and the first decade of the 20th century. In 1860 there were 3,600 land holdings of less than 10 acres. In 1911 this figure had grown and exceeded 8000.⁴

Acquisition of land, though, did not necessarily mean independence for the Grenadian masses. In the first place production was almost entirely geared to the satisfaction of an external market. This increased dependency on imported foodstuff. Secondly, in a vast number of instances the relationship of the people to the land was very disadvantageous to them, resembling a type of serfdom. The nature of this productive arrangement, therefore, did not conduce to the independence of the Grenadian peasantry. As a socioeconomic category, the Grenadian peasant was not able to better himself either economically, or politically.

The planter class, even though weak, was able to establish mechanisms that ordered the relationship of the mass of people to the land in a way that was characterized by a lack of control and independence. Meeks quotes Smith (M.G. Smith, 'Structure and Crisis in Grenada' in *The Plural Society in the British West Indies*) in explaining pre-capitalist and semi-capitalist arrangements that were put in place to maintain control. Unprofitable sugar estates were sold cheaply by absentee owners to local managers, who, lacking the capital necessary to develop these estates let, out plots to ex-slaves on the condition that they produced cocoa and bananas. Once the cocoa began bearing, the land owner resumed control of the land. The ex-slaves would then be given another plot to develop along similar lines.⁵

There was a number of rights and obligations on the part of the owner and the peasant involved in this arrangement. Thus, in return for labouring on the land the tenants had the following rights: to harvest all of a particular variety of bananas on the land; to live on the estate rent-free; to occupy all gardens near their homes; to pay a nominal rent for plots further afield; to tether stock on the estate; access to the non-commercial food production that took place on the land; to collect wood for fuel, and to use estate timber to repair their homes. The owner, on the other hand, was expected to: buy manure from the tenant for use on the estate; put on a fete on occasions such as Christmas, Easter and Emancipation Day; settle disputes between tenants; act as Godfather for their children and provide general assistance to them.⁶

In 1879 Crown Colony Government was instituted. This represented the dictatorship of the British Crown in the local political arrangements. It effectively put an end to the possibility of any meaningful participation by the peasantry in the political life of the colony and further ensured their economic subordination to the planter class. The underdeveloped character of the

⁴ Meeks, B. Op.cit

⁵ Ibid

⁶ M.G.Smith, quoted in Meeks.

local manufacturing sector meant that no viable productive alternative to the agriculture emerged, which might provide an avenue for movement off the land by the peasants. The economic and political arrangements that obtained in the territory therefore ensured that the peasantry was tied to the estate and subordinate to and dependent on it. In addition, Grenadian society was steeped in the traditional race and colour relations of Caribbean colonial society.⁷

By the 20th century Grenada had become a marginal colonial possession of Britain. There were therefore no British investments in mining, manufacturing and agriculture and only limited commercial investment. Furthermore the siphoning of the wealth of the country continued. Meeks quotes Brizan as estimating that in 1976 only 8.3 per cent of the final value earned from nutmeg was actually retained in the economy. “In the 11-year period 1966-1977, EC\$742M was earned from Grenada’s nutmeg and mace, while the country retained only EC75.97M or 10.2 per cent of the final value.”⁸ The rest we are told accrued to foreign companies involved in the processing and marketing of the product.

By the Second World War, the socioeconomic foundation of Grenada was well set. In 1938 Grenadian society consisted of a small oligarchy of land owners with land over 100 acres, a small group of merchants and managers, a miniscule middle-level professional grouping and a large mass of small landholders and landless agricultural labourers. Of 18,599 holdings only 131 were over 100 acres and 1 over 1000. By 1945 holdings under 10 acres had increased to 19,592 but the picture at the other end of the scale remained virtually the same.

Besides the large land owners, the other members of the oligarchy identified in 1945 are 52 persons classified as merchants and managers in the 1946 census. Between this oligarchy and the peasantry was what Meeks terms ‘a thin middle strata’ comprised of clerical and professional persons. It was the weakness of small numbers, as well as being relatively unschooled, that prevented this strata from fulfilling the mission of leading the territory to self-government and political independence as was the case in the larger Caribbean territories.⁹

Agriculture was the single largest employer of labour. Of a total of 27,606 persons gainfully employed in 1946, 18,142 were listed as being employed in agriculture by the census. “During the 30 years before 1949 the numbers of agricultural labourers had declined while the number of land holding increased dramatically”. Thus in 1921 there were 17,717 agricultural labourers; in 1930 the figure fell to 15,800 by 1949 it was 5323. Agricultural labour was divided into four categories: “own account” peasant farming; those who sold their labour to the plantation on a

⁷ Ibid

⁸ George Brizan, *The Nutmeg Industry: Grenada’s Black Gold*, St Georges 1977 quoted in Meeks, 1988.

⁹ Meeks, 1988

part-time basis and worked for themselves the rest of the time; those who operated one or more types of metayage system, and full time agricultural labourers.¹⁰

The number of agricultural land holdings was not increasing, the population was not being absorbed elsewhere within the economy. The changing numbers reflected the fact of emigration to countries such as Panama, Cuba and Trinidad. During the war years, vast numbers of Grenadians went to Trinidad to help build the U.S. military bases. It was the returning migrants who were to act as catalysts of change in Grenada's otherwise docile and quiescent society. One such was Eric Gairy.

The unequal relations within the society were finally challenged in the late 1930s as the riots that started in Trinidad, led by a Grenadian born trade unionist, Tubal Uriah Butler, prompted a response in the then British Caribbean colonies, Grenada not excepted. The recommendations of the Moyne Commission that was established to investigate the sources of unrest, led to the first major constitutional change in Grenada. Universal Adult Suffrage arrived in the 1950s, and the previously unenfranchised got the power of the vote which they used solidly behind the populist leader, Eric Gairy.

Populism, and the militancy of his union that mobilised an incipient working class in agriculture and in the trades were a potent cocktail when Gairy took the reins of power. Land redistribution was high on the agenda, but so also was the objective of making the civil service more pliable and responsive to a popular party. Whether through his exuberance or through his failure to understand the niceties of administration, Gairy soon found himself in conflict with the Colonial authorities, represented through the Governor. Constitutional crises, and the banning of Gairy from politics for a period did not prevent him from finally securing the mandate to take Grenada to political independence from Britain in 1974.

Gairy attempted to diversify the economy with the establishment of a few manufacturing plants, increased construction and trade and the growth of tourism. However, Grenada still exhibited a high degree of structural dependence and export dependency. There was still a great reliance on foreign trade, payments and capital, as well as foreign technique in telecommunications, public utilities and technology to process agricultural exports. There was also a dominance of foreign economic decision-making.

Under Gairy, there was a deepening of the social crisis that was rooted in colonialism and the peripheral integration into global capitalism. Many emigrated. For Gairy, education was not high priority. He viewed education as a potential threat to his rule. He knew that the educated Grenadians held him in contempt and that his charisma and sway over the rural poor were partly

¹⁰ Ibid

due to the peasants' lack of education. He might have wanted to keep them in a state of low political consciousness.¹¹

The dawn of the 1970s found the educational system in decline. The problems were not new, nor were they entirely created by Gairy. However, under his rule many schools were not properly maintained or were closed, others were overcrowded. Only 15% of primary school students went to Secondary school during the latter Gairy years. In addition, 7% of 400 secondary school teachers had professional training or credentials and 36% of 900 primary school teachers. The curriculum was inappropriate and it reproduced attitudes of white superiority, black inferiority, while legitimizing colonialism and elite privilege.¹²

There was chronic and widespread unemployment, fuelled by emigration. Emigration attested to Grenada's role as a minor labour power source for the U.K., Canada, and the U.S. Women and youth were the bulk of the jobless. A lack of social infrastructure, such as child care, and a sexual division of labour impeded integration of women into the paid labour force. Consumption was also heavily dependent on manufactured goods from core nations. Agricultural imports accounted for 33% of the value of imports and 75% of the local diet by the end of the Gairy era.¹³

Under Gairy, Grenada is also said to have exhibited a low level of health. There was a predominance of malnutrition and other infectious, contagious disease. Public health discriminated against the poor, rural majority. The hospitals lacked basic equipment, medication, even beds and linen. The health centres and medical clinics were also dilapidated and inadequate. Public health workers were untrained. There was no national health care plan. Many relied on home remedies; those who could afford it visited private doctors. Corruption abounded. Health officials and physicians would use state resources for personal use or private practice. Dental care was abysmal. No free dental clinics existed.¹⁴

The above is an indication of why under Gairy poverty continued. Gairy, the union leader had the ambition of improving the condition of the labouring force. As political leader of the country, he seemed to renege on his promises. Instead, his reign profited himself, his friends and the bureaucratic elite. The masses were still neglected and disempowered. His policies only served to keep them oppressed and exploited. This factor, however, served the political platform of the People's Revolutionary Government (PRG).

¹¹ Schoenhals, Kai P. et al. 1985. *Revolution and Intervention in Grenada: the New Jewel Movement*, the U.S., and the Caribbean. Westview Press, London.

¹² Cotman, John Walton. 1993. "The Gorrion Tree: Cuba and the Grenadian Revolution" in *American University Studies, X, Vol. 38*. Peter Lang Publishing Inc., New York.

¹³ Ibid

¹⁴ Ibid

Grenada is the only Commonwealth Caribbean country to have experienced the revolutionary overthrow of an elected government. The alleged abuse of power under parliamentary cover prompted dissidents to topple the administration in March 1979 when Gairy was away on an official visit overseas. There seemed to have been much popular support for the coup by the PRG when it occurred.

According to Richard Vigilante (1984), the low political consciousness of the Grenadian masses, lack of education, long history of political and economic suppression, poverty and primitive living conditions retarded the growth of the Grenadian economy. Gairy devastated the economy. The PRG attempted to rebuild it and to create a patriotic, politically aware and educated Grenada.¹⁵

Bishop, leader of the PRG, saw the fundamental problem as an international system that is organized and geared towards ensuring the continuing exploitation, domination and rape of the economy, country and people. The PRG's aim was to change the deep-rooted prejudices and values planted by the slave experience and nourished by colonialism. Thus, it planned the creation of a new sense of Grenadian identity, patriotism and pride.¹⁶ It attempted to achieve this on many fronts, education being the major instrument.

The PRG contended that the inherited constitution conditioned the population to accept dependency as a normal state of affairs, by cloaking it with a sense of legitimacy. In this way, the people experienced a form of false consciousness.

The PRG embarked on a number of policies to restructure the economy (Payne et al. 1984). It committed itself to

- Diversify the economy
- Tackle some of the consequences of dependency
- Increase welfare expenditure – stress was put upon education, housing, road repair and other social services
- Challenge the external forces that shaped the development and evolution of dependency.

¹⁵ Sanford, G.W. & Vigilante, R., 1984 *Grenada: the untold story*: Madison Books, N.Y.

¹⁶ Payne, A, et al. 1984. *Grenadian Revolution and Invasion*. Croom Helm Ltd., Austria.

The allocation of lands for farming, the establishment of new industries, public works and construction reduced unemployment. By early 1982, it fell to 14%, mainly benefiting youth and women, and by late 1983 it was later estimated to be 10%. Food production also rose rapidly due to investment in new feeder roads and reform of the marketing system. Export earnings of fruits and vegetables also showed a dramatic increase generating an increased revenue of EC\$1.5million from 1981 to EC\$4.5million in 1982.

The PRG introduced Adult Education Centres to improve the intellectual capacity of adult learners; to achieve scientific and technical education; to guarantee the political-ideological education; to provide cultural and aesthetic education and to contribute to their moral education. A pivot in the thrust was the Centre for Popular Education, started in August 1980. Its aim was to improve the literacy of the adult population. Illiteracy was reduced to less than 3% and it has left its mark in the psyche of the population in respect of people centred programmes.

There were 5 pillars of the PRG's educational strategy:

1. Continuous Education — massive literacy campaign, National In-Service Teacher Education Program (NISTEP): a programme designed to further the education and training of teachers.
2. Education for all – free secondary education via common entrance; 40% of primary level students attended secondary school compared to 11% prior to the 1979 revolution. The 2nd government secondary school was opened – Bernadette Bailey, free university education abroad also increased.
3. New content in the curriculum – The Maryshow readers were introduced into primary schools. The books reflected the revolution and were geared to the Grenadian experience.
4. Work-Study approach – education took on a practical aspect through the learning of skills.
5. Integration of School and Community - Talented persons from the community were encouraged to instruct the children; the Community Educational Councils were in charge of curricula, supervision and maintenance of schools and transition from school to life in society.

Health care was similarly tackled and a number of initiatives taken through:

- Preventative medical programmes aimed at improving the basic health of all the people and shifting resources away from the big hospitals into the communities
- A public health awareness campaign mobilized by public health officials and other organizations
- Establishment of District Health Teams in every parish

- Establishment of a Food and Nutrition Council under the Ministry of Agriculture
- Expansion of water supply and development of sewage treatment
- Resumption of free care and attention to patients in the General Hospital
- Expansion of medical services, especially in the countryside.

Cuba sent specialist medical expertise, comprising doctors, dentists, etc. Notwithstanding all of this, the health care system was still in bad shape. Aside from poor management, the Grenadian medical personnel remained underpaid and demoralized. Conditions in the public hospitals were still said to be deplorable.

Deliberate emphasis was placed on Agriculture. Schoenhals *et al.* 1985 have identified some of these initiatives. The PRG constructed an agro-industrial plant, which used local fruits to produce jams, jellies, juices and chutneys under the label Spice Island Products, and were sold in Grenada and other countries, particularly in Trinidad and Great Britain. Other enterprises included a coffee processing plant, a spice grinding plant, a sugar factory, and the National Fisheries Industry. But, the industrial sector remained small, employing only 10% of the workforce in 1982.

The PRG also established a National Cooperative Development Agency (NACDA), which encouraged unemployed youth to set up agricultural cooperatives by supplying them with loans, access to land and training in farming, bookkeeping and marketing. They created the Marketing and National Importing Board (MNIB), which ensured that prices of various items (e.g., fertilizers, sugar, milk) were much lower in Grenada, than in other Caribbean islands. They reopened the Maribeau Farm School, and founded 4 other new rapid training agriculture schools. They created the Grenada National Institute of Handicraft (GNIH), which encouraged the production of various types of craft and marketed them both at home and abroad, through Gencraft.

However, there were still many problems; the worldwide recession caused a sharp drop in the demand for Grenada's main agricultural items. The prices for these products fell and that of imports rose steadily. There was major damage done by the hurricane and flood of August 1979 and January 1980. Both crops and equipment were damaged. The effects lasted until 1983. These problems were compounded by the fall in world prices of cocoa (15%) and nutmeg (12.6%).

Overall, the increased economic activity reversed the negative growth rate of the economy of the last years of the Gairy regime for which the average was -3.2%. This figure, however, continued to climb, reaching 5.5% in 1982. Income per capita rose from US\$450 in 1978 to US\$870 in 1983. In the last complete financial year of PRG rule, tax revenue was nearly 10% higher than estimated (EC\$67.6 million - EC\$74.1 million). Inflation was the lowest in the Commonwealth

Caribbean — 7%. Real living standards rose by 3%. However, the agricultural workers remained the poorest stratum of Grenadian society.

Grenada received financial assistance from Europe, CARICOM, Latin America, the U.S. and the then Soviet bloc. Cuba was the primary ally in the latter group. Cuba was particularly helpful in the support provided for the building of an international airport capable of receiving wide-bodied aircraft. Cuban doctors and other technicians helped to close major gaps in the human resource needs of the country, at the same time as many Grenadians were sent to Cuba for post-secondary education and training.

The building of the airport and the fact that Grenada was seen as a refueling stop for military personnel from Cuba bound for Angola, and elsewhere, invited the ire of the United States preoccupied with Cold War concerns. The creation of such schemes as the Caribbean Basin Initiative (CBI) by the United States was part of the process for the containment of what was seen as a Communist onslaught in the Caribbean, in which Grenada was deemed to be an active agent.

Grenada's socialist experiment came to an abrupt end in 1983, when internal divisions in its administration led to the execution of the then Prime Minister, Maurice Bishop. This provided the basis for an intervention by the United States on the invitation of a number of neighbouring countries. The fact that the Government had failed to hold elections as had been promised, created some divide between it and its Caribbean neighbours.

Grenada has returned to the democratic fold since then, with multi-party elections every five years, the most recent being in 1999. It has had changes in administration since then and political parties are active in the contest for power. The present Government has been returned for a second term in March 1999. This is the first time that this has happened since the return to democratic government.

2.3 INTERNATIONAL AND REGIONAL RELATIONS

Grenada is a member of the Organisation of Eastern Caribbean States (OECS), which groups the Leeward and Windward Islands into an international collaboration, the most important of which are the Eastern Caribbean Central Bank that is the monetary authority for the eight member states, and the Eastern Caribbean Common Market. At the sub-regional level, the countries have engaged in measures that may lead to their forming a Regional Assembly for a political unit embracing the Windward Islands.

The country is a member of the Caribbean Community (CARICOM) and the African, Caribbean and Pacific (ACP) group of countries, which latter entitles it to market access and assistance under special dispensation in the EC. It also enjoys a one-way free trade arrangement with Canada under the Carib-Can Agreement, and market access for some of its goods in the United States (US) market. There are also other bi-lateral trade and economic agreements, notably with Venezuela, and Colombia. The special privileges under the Lomé Convention have attracted hostile commentary and measures from the US, however, thereby nullifying some of the advantages the country has enjoyed in its North Atlantic trade.

In association with the other Windward Islands, the country markets its banana exports through the Windward Island Banana Development and Export Company (WIBDECO), which coordinates banana policy among the member states. However, because of the poor quality of its output in recent years, WIBDECO was forced to discontinue sourcing bananas from Grenada, pending its upgrading of quality. Grenada shares with the Windward Islands, joint representation in a limited number of fora. Freedom of movement of labour is allowed in respect of certain occupations.

2.3.1 GOVERNANCE

Following the restoration of parliamentary democracy, there were many forms of technical assistance from abroad to deepen the democratic process in the institutions of Grenada. There is a bicameral Parliament, with an elected Lower House and an appointed Upper House or Senate that is designed to canvas opinion from a wider body than the elected members of Parliament.

The country is divided into Parishes which exist as administrative units. However, there is no formalised local government machinery, and the Central Government is responsible for administration of public affairs at all levels. Recently, there has been some attempt at devolution with the establishment of a Ministry for the Affairs of Carriacou and Petit Martinique.

While there is no local government structure, there are civil organisations in some parts of the country that focus on issues of relevance to their specific localities e.g. the St. Andrew's People's Maroon Association (SAPMA), and Petit Martinique Development Committee (PEMDECO), and attempts have been made to create fora within which the Government, the Private Sector and the NGO movement could dialogue. In 1997, a civic mechanism was established for closer collaboration among the Government, the Private Sector, the NGO and the Trade Union Movements. It is too early to establish the efficacy of this new demarche which goes beyond the principle of tripartism linking the Government, the Private Sector, and the Trade Movement.

2.3.2 ETHNICITY

Most of the population is of African descent, with a small sprinkling of descendants of European and East Indian ancestry. In Carriacou and in Petit Martinique, there are pockets that can trace a more direct French and English ancestry dating back to an earlier period in the colonial past of white settlement of these islands. Given that Grenada experienced transfer of power between France and Britain, and given that the Haitian Revolution of 1792 did prompt settlement by French Haitian colonists seeking a safe haven, there is an element of a French past which is mirrored mainly in the names of many places in Grenada.

The solidity of the African foundation of Carriacou is reflected in the Big Drum Ceremony which is held annually and is derived from an African festival celebrating harvest time, and adapted to the post-slavery Caribbean environment.

2.3.3 NGOs, CBOs AND CIVIL SOCIETY

Grenada boasts of a number of NGOs and CBOs, along with State supported organisations representing special interests. The former have, from time to time collaborated among themselves under umbrella organisations. Recently, there was formed the Inter-Agency Group of Development Organisations (IAGDO). The agency utilised strict criteria in defining which organisations can qualify for membership as a development NGO. As elsewhere in the Caribbean, NGOs and CBOs are often regarded as the base for opposition political movements and tend to be held in some suspicion by ruling parties. Because of this, governments have often resorted to establishing development agencies, which are designed to appear as NGOs.

Most of the NGOs derive their resources from external sources. This too, tends to create suspicion in Governments since these organisations, if deemed hostile to a Government, cannot be stymied by lack of state support. On the other hand, the relatively greater attention paid to the transitional economies of Eastern Europe has reduced the flow of resources to NGOs in Grenada and other Caribbean countries with the result that they have to depend more on local funding, including subventions from Government.

The now long established tradition of NGOs and CBOs in the society underlines some internal capacity in the country to embark on important experiments, with or without the support of the Government. Thus, irrespective of the performance of formal political parties, there is in evidence vibrancy within civil society. On the other hand, not all communities enjoy the presence of CBOs as part of their internal organisation, and are indeed poorer for the absence thereof. A Trade Union Movement is very much in evidence and some economic sectors have been penetrated by the Movement.

2.3.4 OTHER SOCIETAL FACTORS

Urban/Rural Differences

Much of Grenada, outside of St. George's Parish, can be considered rural, and is so deemed by the Department of Statistics. Yet, the town of Gouyave in the north-west has characteristics that make it quite unique in the country and has decidedly urban characteristics. The town is home to a commercial fishing industry with many of its inhabitants engaged in fishing and the export of their catch to external markets.

The freer flow of funds apparently has not led to the improvement of living conditions. Most of the lands in the town on which homes are constructed, are in reality, sub-divisions of lands owned by one of the religious denominations in an earlier period. With a relatively high population concentration, and a weak institutional base for the mobilising of finance for housing and urban renewal, many residents live in crowded tenements, with all the implications that derive therefrom in respect of social life, including family formation. There are hints of urban blight.

Religion

According to the 1991 Census, the vast majority of the population of Grenada professes one or other of the Christian religions. Roman Catholicism has been dominant, followed by Anglicanism, but strong followings have developed in favour of Seventh Day Adventism and, in recent times, other American based religions have started to have some impact on the religious landscape.

Family Relations

Formal monogamous marriage is regarded as the most appropriate base for family formation, but, as elsewhere in the Commonwealth Caribbean, common-law and other forms of unions are widespread. Teenage pregnancy has been on the decrease, but is still high, and is the foundation of extended families in many households in which the grandmother is the head.

Mass Communication

There are no daily newspapers. However, there are a number of weeklies and bi-weeklies, carrying divergent editorial positions, some of which are openly opposed to the ruling party. Whether or not there is a strong formal political opposition, the Government of the day can expect much debate of its policies through the print media.

The sole television station was previously owned by the Government but has since been privatised. A Government Information Division utilises both radio and television in providing information to the public. Access to cable television is quite expensive. Domestic television is limited in domestic content and programme offering, with the result that much broadcast time is filled with North Atlantic, primarily American, material, and is the base of cultural penetration.

Radio and television services from Trinidad and Tobago and Barbados are accessible to residents in many parts of Grenada and constitute part of the fare of which they may avail themselves. As well, daily newspapers from both countries can be purchased at newsstands, especially in St. George's. Thus, Grenadians are not limited to their domestic mass media.

Transportation

Internal transport in Grenada and in Carriacou is provided by minibuses, while in Petit Martinique most people walk the short distances necessary to conduct their affairs on the island. However, boat ownership is quite common on this latter island since most people are required to go to Carriacou or to the islands of the Grenadines in the conduct of their affairs, including seeking access to health care on occasion.

Most communities on the island of Grenada have relative ease of contact with the main towns or larger adjoining villages, through the minibus system. However, there are villages that are remote, and to which there are no such services.

Inter-island communications are provided by light aircraft and a ferry service. The ferry service, which is regulated, is available six days of the week, twice per day, and allows the travelling public to commute among the three islands. The air service, however, is restricted to links between Grenada and Carriacou, since there is no landing strip on Petit Martinique. There are regular scheduled flights between the two islands of Grenada and Carriacou.

Outside of the ferry service among the islands, there are water taxis but the expanse of water between Grenada and Carriacou is subject to turbulence because of the underwater volcano — 'Kick 'Um Jenny'. Thus water taxi services are restricted largely to trips between Petit Martinique and Carriacou, and for short trips by holiday-makers between St. George's and the beaches, and hotels along the south-western part of Grenada.

2.4 POPULATION GROWTH

The population is estimated to have grown by just under 10,000 over the period 1981-1996, as can be seen in Table 2.1. In more recent times, births have displayed a secular downward trend, possibly because of a greater acceptance of family planning on the part of the population and in spite of resistance from the Roman Catholic Church in the country. Grenada is already into the phase of the demographic transition in which birth rates and death rates show a decline as can be seen in Table 2.2.

Table 2.1: Registered Births, Deaths and Mid-Year Population 1974-1996

Year	Birth			Deaths			Infant Deaths			Pop.
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Total
1981	1,241	1,181	2,422	371	361	732	24	12	36	89,200
1982	1,334	1,280	2,614	356	365	721	23	12	35	89,700
1983	1,440	1,432	2,872	400	394	794	33	28	61	90,300
1984	1,435	1,388	2,823	328	401	729	13	17	30	90,900
1985	1,555	1,552	3,107	405	408	813	39	17	56	91,500
1986	1,619	1,524	3,143	341	357	698	27	23	50	92,100
1987	1,564	1,538	3,102	369	412	781	25	20	45	92,700
1988	1,298	1,337	2,635	356	407	763	28	35	63	93,300
1989	1,317	1,335	2,652	380	363	743	23	13	36	94,100
1990	1,260	1,188	2,448	396	412	808	30	38	68	94,700
1991	1,252	1,235	2,487	322	344	666	14	11	25	95,600
1992	1,219	1,153	2,372	313	344	657	14	11	25	96,500
1993	1,110	1,110	2,220	364	381	745	13	19	32	97,000
1994	1,226	1,128	2,354	385	392	777	19	14	33	97,800
1995	1,157	1,129	2,286	390	417	807	14	15	29	98,500
1996	1,096	1,000	2,096	395	387	782	15	15	30	98,900

Source: Annual Abstract of Statistics 1996

Table 2.2: Population Indicators 1970-1996

<i>Year</i>	<i>Infant Mortality Rate</i>	<i>Crude Birth Rate</i>	<i>Crude Death Rate</i>	<i>Rate of Natural Increase</i>	<i>Net Immigration ('000)</i>
1970	32.8	29.1	7.9	21.2	-2.0
1971	26.1	28.9	7.4	21.5	3.8
1972	16.0	28.3	6.4	21.9	2.4
1973	18.4	27.4	6.8	20.6	-3.1
1974	31.1	26.3	7.0	19.3	-2.2
1975	23.5	27.4	5.9	21.5	-0.5
1976	27.7	26.1	7.2	18.9	-1.1
1977	16.7	25.3	7.8	17.5	-0.7
1978	29.0	23.2	7.1	16.1	-1.1
1979	15.4	24.5	6.8	17.7	-3.7
1980	23.7	23.5	6.9	16.6	-2.5
1981	14.9	27.2	8.2	19.0	-1.2
1982	13.4	29.1	8.0	21.1	-1.3
1983	21.2	31.8	8.8	23.0	-1.5
1984	10.6	31.1	8.0	23.1	-1.5
1985	18.0	34.0	8.9	25.1	-1.7
1986	15.9	34.1	7.6	26.5	-1.8
1987	14.5	33.5	8.4	25.1	-1.7
1988	23.9	28.2	8.2	20.0	-1.3
1989	13.6	28.2	7.9	20.3	-1.1
1990	27.8	25.9	8.5	17.4	-0.6
1991	10.1	26.0	7.0	19.0	-1.3
1992	10.5	24.6	6.8	17.8	-1.2
1993	14.4	22.9	7.7	15.2	-0.7
1994	14.6	23.0	7.9	15.1	-0.8
1995	12.7	23.2	8.2	15.0	-1.1
1996	14.3	21.3	7.9	13.4	-0.7

Source: Annual Abstract of Statistics 1996

One of the notable characteristics of Grenada, as with many other island economies of the Commonwealth Caribbean, is the long established tradition of emigration. Indeed, for all of the 20th century, there have been waves of migration of varying intensity and direction. The building of the Panama Canal attracted some to Central America. The development of offshore refineries in Curacao and Aruba attracted another wave. The short-lived Federation stimulated a larger trek south to Trinidad. The boom years in that country created an excess demand for labour there, and Grenada was a ready source.

Concurrent with the latter migratory flow south, there was the flow to Britain in the 1950s and 1960s, which was redirected to the United States and Canada as Britain tightened controls on non-white immigration from the Commonwealth. It was at this time, however, that the USA and Canada changed their immigration laws, and relaxed their rules in keeping with the developing ideology that all peoples should be treated equally, including being equitably assessed for admission as immigrants into those countries.

The natural sequel has been “going away” societies in the Commonwealth Caribbean with families resident in different nation states in the North Atlantic, but retaining close bonds with relatives in the Caribbean. Death announcements on radio in Grenada attest to the closeness of family units across national boundaries as many relatives abroad are identified in such announcements. Likewise do the continued banking with credit unions in Grenada, the purchase of house lots and construction of homes by Grenadians resident abroad, which signify a ‘rootedness’ in Grenada, though domiciled abroad.

Much of the building construction current at any point in time is attributable to the housing needs of returning nationals, who seek to spend their retirement and final years in the country of their birth. The closeness with relatives abroad has implications for planning in Grenada and surely influences the quality of life and planning at the household level.

That Grenada has experienced a slow growth in population in spite of a relatively high birth rate, and declining mortality rate, is directly attributable to the high level of emigration that the country has had for most of this century. The population is relatively young, with just under 50 per cent being in the age category 0-19 in the census of 1991, which has certain portents for the prospective labour force, and for the need for employment generation. In the absence of emigration, the employment requirement could be considerably exacerbated.

2.5 THE MACRO-ECONOMY

The macro-economy provides the context within which employment, income, savings and investment of households are realised on a daily basis. The economy of Grenada can be characterised as open and dependent. Exports and imports are a significant share of GDP,

underlying the fact that various sectors are closely tied to the international economy and export earnings and inflows from abroad are significant in the growth dynamic of the economy. Moreover, a limited range of output and just a few sectors are responsible for the generation of foreign exchange. This feature implies a high level of vulnerability of the economy to the vagaries of international trade in respect of the few products that enter international markets.

Grenada, like its Windward Island neighbours, experienced a substantial transformation of its economy in the Post-World War II years as a result of the expanded demand for bananas. In association with GEEST, the Governments of the Windward Islands succeeded in creating an infrastructure that allowed for a major expansion of this crop and for the involvement of large numbers of small farmers.

One of the ineluctable qualities of the banana industry in a small farmer/peasant agriculture regime is that it afforded a constant year-round stream of income to the farming community. Much of the income growth in the 1960s and 1970s could be attributed to the success with this crop. The cultivation of bananas was not as extensive in Grenada as in the other three Windward Islands. Thus, as conditions became more competitive and as quality standards were raised, Grenada became the marginal producer of bananas among the Windward Island countries.

Due to the fact that its agricultural sector is more diversified than the other Windward Islands, Grenada has not been as directly affected by the decline in banana prices. But there is no gainsaying that some areas of the country, like Clozier, have been seriously hurt. On the other hand, the diversified sector which had created an important source of foreign exchange in intra-regional trade was severely hit by the onset of the Pink Mealy Bug. The markets were immediately closed as Trinidad and Tobago and Barbados, in particular sought to protect their own agriculture from infestation.

Nutmeg and other spices have constituted another plank of the Export Agriculture. Grenada and Indonesia are the two most important producers of these spices. Growing conditions for the crop are very good in Grenada and there has been a long tradition in the farming community with this crop. However, while bananas have been subject to protected marketing conditions in the EC through the Lomé Agreement, the export of spices has faced open commodity markets which have witnessed major fluctuations with serious implications for farm incomes in Grenada. The two countries have not been particularly successful in organising stabilisation programmes.

Cocoa has been the other important crop, the production of which dates back to the last century when it helped displace sugar as a major export crop. Over the period 1995-96, there has been some improvement in market conditions and output has been expanded. The crop was initially a plantation crop, but today, there are small- and medium-sized farmers involved in its production.

As with other commodities, cocoa prices have fluctuated considerably, but generally have trended downwards secularly *vis à vis* manufactured goods in international trade.

Since independence, the various Governments of Grenada have sought to diversify agriculture specifically and the economy generally. New export crops have been tried, but with only modest success largely because of problems in creating the requisite infrastructure, especially in respect of a marketing system for non-traditional agriculture. At the wider economy level, Grenada followed other Commonwealth Caribbean countries in embarking on a mix of policies to create a light manufacturing sector, with notions of import substitution, married to export promotion, and/or export processing operations. Such industrial initiatives have had to face competition deriving from the entry of Mexico into the North American Free Trade Area (NAFTA) and from the development of free zones in countries like the Dominican Republic and in Central America.

In the more recent past, there has been a shift of focus to a tourism-led growth model in Grenada. The People's Revolutionary Government of the early 1980s laid the foundation with the undertaking of the Point Salines airport project with assistance from the Government of Cuba. That project, which was very advanced, was completed with assistance from the Government of the United States, following the collapse of the People's Revolutionary Government of Grenada in 1983. The largest longhaul jets can now bring tourists from the North Atlantic to Grenada. In addition, port facilities have been improved to allow for visits of cruise ships with the result that Grenada can now boast of a significant tourism sector. The sector took off in the mid-1980s. However, the growth rate in recent years has been flat, again with important consequences for domestic incomes.

The result of all these developments is that export agriculture, light manufacturing oriented to export markets and Tourism supply the bulk of the foreign exchange of Grenada. The fact that all three sectors have been plagued by problems, currently impacts directly on the macro-economic performance of the country. However, there is evidence of improved performance in all three areas in the first quarter of 1998, but it is too early to speculate on the sustainability of this trend.

As can be seen in Table 2.3, overall agricultural production declined over the period 1992-1997, with a secular decrease both in volume and value for bananas and cocoa, but with a recent improvement in nutmeg and mace. Cocoa output actually plummeted in 1994, possibly the result of unfavourable weather conditions in Grenada. While a major decline in the volume of output of the main agricultural products occurred, especially through the collapse in banana, improved prices stimulated nutmeg and mace output, and created a general improvement in export earnings from export agriculture.

Table 2.3: Major Agricultural Crops (purchased)

Series	1994	1995	1996	1997	1998	%Change			
	(1)	(2)	(3)	(4)	(5)	(2)/(1)	(3)/(2)	(4)/(3)	(5)/(4)
Quantity in '000 lbs									
Banana	10037.7	9584.9	4126.1	223.3	194.5	-4.5	-57.0	-94.6	-12.9
Cocoa*	2492.7	3773.9	4234.7	2617.4	3127.9	51.4	12.2	-38.2	19.5
Nutmegs	3955.5	4623.6	4588.2	5287.2	4616.9	16.9	-0.8	15.2	-12.7
Mace	204.0	218.5	259.5	448.6	334.9	7.1	18.8	72.9	-25.3
TOTAL	16689.9	18200.9	13208.5	8576.5	8274.2	9.1	-27.4	-35.1	-3.5
Value in EC\$'000									
Banana	2740.3	2690.7	1014.6	62.4	58.9	-1.8	-62.3	-93.8	-5.6
Cocoa*	4131.8	6594.2	7148.9	3632.3	2926.4	59.6	8.4	-49.2	-19.4
Nutmegs	2369.1	2926.7	3662.5	5145.3	8747.3	23.5	25.1	40.5	70.0
Mace	523.7	579.7	950.4	2546.5	1488.9	10.7	63.9	167.9	-41.5
TOTAL	9764.9	12791.3	12776.4	11386.5	13221.5	31.0	-0.1	-10.9	16.0

Source: Grenada Banana Co-operative Society; Grenada Nutmeg Co-Operative Association; Grenada Cocoa Association; Central Statistics Office; Grenada Economic and Social Review, 1996

Notes: Value Based on Advance Prices Paid to Farmers

The sustainability of such prices rests largely on developments in Indonesia, where two contradictory factors are likely to play themselves out. The El Nino effect was exacerbated by forest fires in Indonesia, resulting in a reduction in output. On the other hand, the massive depreciation of Indonesian currency and the push for exports may well stimulate major competition in the medium-term as that country seeks to improve its foreign exchange earnings in all its traded sectors. It must be recalled that Grenadian and Indonesian producers did not succeed in the establishment of a cartel in respect of their spices. Thus, it is rash to assume that the existing higher prices will be sustained into the medium-term. Table 2.4 demonstrates the recent impact of prices on export earnings of Grenada.

Table 2.4: Major Agricultural Crops (Exports)

<i>Series</i>	<i>1994</i>	<i>1995</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>%Change</i>			
	<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(2)/(1)</i>	<i>(3)/(2)</i>	<i>(4)/(3)</i>	<i>(5)/(4)</i>
QUANTITY IN '000 LBS									
Banana	9915.5	9533.3	4038.3	109.2	194.5	-3.9	-57.6	-97.3	78.1
Cocoa	2767.6	3140.6	3512.1	2932.1	2437.2	13.5	11.8	-16.5	-16.9
Nutmegs	6460.1	3936.2	4299.9	6296.6	5133.8	-39.1	9.2	46.4	-18.5
Mace	578.4	202.8	263.7	339.6	329.7	-64.9	30.0	28.8	-2.9
Nutmeg Oil			10.5	30.9				194.3	
TOTAL	19721.6	16812.9	12114.0	9677.5	8095.2	-14.7	-27.9	-29.1	-16.4
VALUE IN EC\$'000									
Banana	5694.5	4925.4	1478.5	1.4	77.4	-13.5	-70.0	-99.9	5428.6
Cocoa	7947.0	8953.3	6995.1	5047.9	5575.8	12.7	-21.9	-27.8	10.5
Nutmegs	12123.9	9434.7	11272.6	18714.9	23386.6	-22.2	19.5	66.0	25.0
Mace	1809.5	1640.3	2082.3	3153.6	3729.4	-9.4	26.9	51.4	18.3
Nutmeg Oil			153	723.4					
TOTAL	27574.9	24953.7	21981.5	27641.2	32769.2	-9.5	-12.5	23.3	21.7

Source: Grenada Banana Co-operative Society; Grenada Nutmeg Co-Operative Association; Grenada Cocoa Association; Central Statistics Office; Grenada Economic and Social Review, 1996

Notes: Export of Nutmeg Oil began in June of 1996

The projected growth rate of 4.65 per cent for 1997 is sustainable into 1998 and beyond only if there are net inflows from abroad either by way of external borrowing by Government and the private sector, or by way of foreign direct investment. Alternatively, Government may engage in domestic borrowing and this has happened before in Grenada, but has implications for “the crowding out” of productive private investment. Government deficit spending has sustained an expansion, with increases in both recurrent and capital expenditure. Indeed the expenditure-revenue gap widened between 1996 and 1997.

Given the structure of monetary and fiscal operations in the OECS, it is not possible for a Government to engage in deficit financing for very long. The devaluation of the currency which would be forced on a government in such circumstances, is not a possibility since this requires unanimity among the eight participating governments in the Eastern Caribbean Bank. Thus, adjustment will inevitably have to be made on the fiscal side when the Government is forced to bring expenditure more in line with revenues.

The one escape route is for tax revenues to increase because of an expansion in economic activity and more so through growth in the export sector. In felicitous circumstances, Government expenditure through deficit spending expands the productive base and infrastructure enough to stimulate a real expansion in output and in the export sector. Much depends therefore on the Public Sector Investment Programme (PSIP) and its effect in producing a real expansion of export. The available information on export growth in the recent past does not suggest evidence of this effect as yet.

The experience of the early 1990s can be adduced here. In the face of declining growth and an increase in the fiscal imbalance, the Government adopted a self-designed Structural Adjustment Programme (SAP) with the result that there were cutbacks in capital and recurrent expenditure, and additional taxes had to be imposed (Boatswain, 1997). The country may well have to return to some of these measures if the fiscal imbalance were to continue to rise, and if the traded sector were to display sluggishness in performance.

Table 2.5 demonstrates the performance of the economy over the period 1989-1997. Modest rates of growth have been achieved overall. Manufacturing demonstrated decent growth up to 1992; since then, the growth rate has either fallen or demonstrated a slight increase on the year-to-year pattern.

The absolute bright spot was Tourism, reflected in the Hotel and Restaurant item, which increased in real terms, between 1989 and 1994. The rate of growth has since demonstrated a tendency to flatness and even to decline in real terms in 1997, which might have been due to the effect of competing locations in the sub-region, weaknesses in the Grenadian infrastructure, or to failures in marketing.

In sum, three sectors have been the motor for the transformation of Grenada which remains an export-propelled economy – light manufacturing, tourism and agriculture. The fact that they have demonstrated modest performance until recently, has had implications for the macro-economic picture and has contributed directly to the quality of life of a significant number of households in the country.

The overall growth rate for the economy over the period 1989-1997 shows a decline in real terms from almost six per cent in the late 1980s to negative growth in 1993, and a slow recovery to just over four per cent in 1997. In an economy like Grenada's, it is the competitiveness of the traded sector that ultimately determines viability. While prospects might have improved slightly in one sub-sector — spices — Grenada is not yet on the path to self sustained growth. This would have major implications for the capacity of the country in dealing with the poverty sequel arising from limited growth performance.

**Table 2.5: GDP by Economic Activity at Factor Cost in Constant 1990 Prices
(EC\$ Million) 1986-1997**

<i>Economic Activity</i>	<i>Years</i>											
	<i>1989</i>	<i>1990</i>	<i>1991</i>	<i>1992</i>	<i>1993</i>	<i>1994</i>	<i>1995</i>	<i>1996</i>	<i>1997</i>	<i>Prel 1998</i>	<i>Proj 1999</i>	<i>Proj 2000</i>
Agriculture	65.22	64.01	62.51	60.82	58.31	54.72	58.47	53.92	53.43	54.70	56.63	58.91
Crops	53.19	51.41	49.34	47.24	44.52	40.76	44.35	39.50	38.70	39.61	40.80	42.43
Livestock	3.28	3.40	3.52	3.63	3.65	3.68	3.75	3.86	3.98	4.14	4.26	4.41
Forestry	1.71	1.80	1.89	1.95	2.03	2.03	2.05	2.15	2.26	2.38	2.51	2.66
Fishing	7.04	7.40	7.76	8.00	8.11	8.25	8.32	8.40	8.49	8.57	8.97	9.41
Mining and Quarrying	2.09	2.11	2.42	2.47	2.52	2.49	2.51	2.66	2.93	3.25	3.90	4.68
Manufacturing	29.80	31.33	33.15	36.93	32.33	34.78	37.46	39.62	41.72	47.62	54.76	62.98
Electricity and Water	16.91	18.04	19.48	20.45	20.34	23.42	25.69	26.88	28.66	30.96	32.51	34.13
Construction	35.77	34.56	37.01	34.75	36.31	36.71	37.63	39.67	42.92	50.17	57.70	66.35
Wholesale and Retail Trade	53.31	56.08	56.99	58.13	59.26	60.64	62.46	64.96	67.43	71.20	75.47	80.00
Hotel and Restaurant	24.08	27.70	30.25	35.48	36.28	45.53	43.14	44.85	44.71	45.63	47.91	50.79
Transportation	62.03	62.76	65.55	65.53	66.28	70.07	71.76	76.88	85.25	89.68	94.15	98.85
Road	45.72	46.47	48.29	48.56	48.81	49.31	51.91	54.51	59.96	62.95	66.10	69.41
Sea	11.57	11.16	11.57	11.02	11.38	12.88	11.70	14.42	17.10	18.34	19.07	19.84
Air	4.74	5.13	5.69	5.95	6.09	7.88	8.15	7.95	8.19	8.39	8.98	9.61
Communication	28.52	33.36	40.68	43.98	45.53	48.88	53.25	55.35	58.65	62.34	66.39	70.71
Banking and Insurance	36.09	37.21	39.11	40.42	41.19	43.74	47.52	49.42	51.89	55.00	58.85	63.56
Real Estate and Housing	22.51	23.20	23.16	23.16	23.62	23.74	23.86	24.57	25.31	26.20	27.77	29.44
Government Services	92.73	101.56	100.19	94.92	89.32	84.86	83.78	85.15	85.15	85.78	85.86	88.44
Other Services	13.93	14.19	14.46	14.75	14.85	14.99	15.14	15.52	16.14	16.79	17.62	18.68
Less Imputes Service Charge	29.02	28.32	29.88	31.28	31.76	33.73	36.04	37.84	39.73	41.12	45.49	49.13
TOTAL	453.97	477.79	495.08	500.51	494.38	510.38	526.63	541.63	564.45	597.20	633.95	678.39
GROWTH RATE	5.78	5.25	3.62	1.10	-1.22	3.33	3.09	2.86	4.20	5.80	6.15	7.01

Source: Grenada Statistical Office/ECCB.

2.5.1 CENTRAL GOVERNMENT

Table 2.6 provides data on Central Government Operations over the period 1985-1996. Significantly, Current Account Deficits of considerable size were incurred in the late 1980s partly as a result of the attempt by the Government to reorganise the state machinery following the restoration of democratic government, but more importantly, because of the unfortunate experiment of removing income tax as a source of revenue. Its replacement was a poorly administered indirect tax system, with the refocus of the fisc on consumption related taxes and excises. The problem was compounded by massive pay increases for public servants.

Table 2.6: Central Government Operations (\$mn) 1985–1996

<i>Item</i>	<i>1985</i>	<i>1986</i>	<i>1987</i>	<i>1988</i>	<i>1989</i>	<i>1990</i>	<i>1991</i>	<i>1992</i>	<i>1993</i>	<i>1994</i>	<i>1995</i>	<i>1996</i>
Current Revenues	123.9	115.5	108.4	123.3	151.4	147.6	156.4	158.7	173.1	170.3	188.1	199.6
Current Grants	-	-	-	-	-	-	-	-	-	-	-	-
Current Expenditures	115.1	101.4	133.2	176.5	171.4	153.9	159.6	161.9	161.9	169.5	171.4	182.6
Current Accounts Surplus/(Deficit)	8.8	14.1	(24.8)	(53.2)	(20.0)	(6.3)	(3.2)	(3.2)	11.2	0.8	16.7	17.0
Capital Revenue	...	42.7	12.6	7.3	3.9	13.5	26.3	11.6	19.0	21.9	22.7	-
Capital Expenditure	78.2	76.7	37.8	58.2	34.4	70.6	58.3	9.3	31.5	40.2	29.8	-
Overall Surplus/(Deficit)	(69.4)	(19.9)	(50.0)	(104.1)	(50.5)	(63.4)	(35.2)	(0.9)	(1.3)	(17.5)	9.6	17.0
Current Surplus/(Deficit) as % of GDP	2.8	4.0	(6.1)	(11.90)	(3.9)	(1.1)	(0.5)	(0.5)	1.7	0.1	2.2	2.1
Overall Surplus/(Deficit) as % of GDP	(22.3)	(5.7)	(12.3)	(23.2)	(9.9)	(10.6)	(5.4)	(0.1)	(0.2)	(2.5)	1.3	2.1

Source: Ministry of Finance and Planning.

In recent years, there has been some reining-in of expenditure with the downsizing of some Government Departments and the elimination of some. The Public Service was reduced in size from 6,633 to 5,122 in the 1990s, as part of the programme of Public Service Reform. The consequential retrenchment of public servants is likely to have led to a reverberation on overall unemployment, given the relatively slow growth in the economy and the limited absorptive capacity deriving from the economic and social infrastructure.

The Government has returned to the principle of taxes on incomes, though there now exists a relatively flat structure that is not conducive to high levels of equity in the tax system. In other words, the lower income groups are likely to carry a disproportionate share of the burden of taxes relative to the benefits they derive from Government expenditure.

Table 2.7 provides data on the recent fiscal operations. Direct taxes have accounted for one-third or less of total tax revenues. Customs and Excise (mainly taxes on international trade) have constituted the largest share of Government revenue, and, in fact, have risen from 48.5 per cent in 1995, to over 55 per cent projected for 1998, and were estimated at some 60 per cent for the present fiscal year in the last budget speech of the Minister of Finance (March, 19, 1999).

Table 2.7 Recurrent Revenue by Functional Classification

Item	1995		1996		1997		Estimates 1998	
	\$	%	\$	%	\$	%	\$	%
Total Local Revenue	188,602,804		203,646,773		217,453,511		246,727,375	
Customs and Exercise	90,744,047	48.0	109,468,382	53.8	124,700,000	57.3	137,300,000	55.6
Taxes	15,369,363	38.5	16,513,523	33.4	17,600,000	29.3	20,000,000	29.5
Licences	5,139,735	2.7	6,260,001	3.1	8,384,851	3.9	13,255,000	5.4
Airport Dues	687,598	0.04	645,000	0.03	650,000	0.02	700,000	0.02
Earnings of Gov't Dept.	11,555,587	6.1	11,968,628	5.9	16,015,435	7.4	18,316,775	7.4
Contribution and Reimburse.	941,010	0.5	939,324	0.5	919,600	0.4	987,300	
Miscellaneous	2,004,780	1.1	2,448,959	1.2	2,031,534	0.9	2,181,700	0.9
Post Office	4,025,024	0.2	3,018,946	0.1	-	-	-	-
Rent and Interest	676,471	0.4	810,250	0.4	1,002,091	0.5	1,112,600	0.5
Budgetary and SAP Support	425,000	0.2	-	-	-	-	-	-

Source: Ministry of Finance

There is debate on the efficacy of a tax expenditure process that is heavily dependent on indirect taxes as is demonstrated by the data in Table 2.7. The regressiveness of a system, in the final analysis, is determined by the sources of taxes, and the direction of the benefits. Thus, even if the lower income groups are forced to carry some of the burden of indirect taxation, they may derive the larger share of the benefits of the expenditures that are financed by these revenues in comparison with higher income groups. Moreover, indirect taxes may be more efficacious in deriving revenue from the better-off since the latter may be much more adept at shielding themselves from direct tax collection through tax avoidance and effective tax evasion. In other words, the fact of a higher revenue from indirect taxes is not a sufficient condition for regressivity.

The problem of progressive/regressive thrust in the tax structure is compounded by the nature of the item "Taxes" in Table 2.8. This Table demonstrates the reduction in Personal Income Tax and the very high reliance on General Consumption Tax, the share of which has increased considerably since 1995, and which is additional to Customs and Excise Duties already identified earlier.

Table 2.8: Taxes Disaggregated by Source (1995–1997)

<i>Item</i>	<i>1995</i>	<i>1996</i>	<i>1997</i>	<i>Estimates 1998</i>
Taxes as % of Government Revenue	38.5	33.4	29.3	29.5
Corporate Income Tax	19,645,844	22,602,512	21,200,000	23,600,00
Personal Income Tax	16,382,708	8,671,881	5,600,000	5,000,000
Stamp Duty	2,474,878	2,624,337	3,100,000	3,500,000
Property Tax	2,591,468	3,393,762	3,000,000	5,400,000
Land Transfer Tax	1,962,313	2,130,621	2,100,000	2,700,000
Annual Stamp Tax	2,467,475	3,875,311	3,900,000	4,000,000
General Consumption Tax	15,369,363	16,513,523	17,600,000	20,000,000
Other	14,525,972	8,275,337	7,250,000	8,674,000
Total	72,828,553	68,087,284	63,750,000	72,874,000
Corporate Income Tax as % of Total Taxes	30	30	40	30
Personal Income Tax as % of Total Taxes	20	10	10	10

Source: Ministry of Finance

The data are not readily available to establish relative incidence of taxation on and benefits derived by various income groups. Thus it is not possible to verify that the apparent regressivity of a greater dependence on indirect taxes hurts lower income groups more than higher income groups in Grenada. It is to be noted also that the harmonisation and general lowering of duties consequent on the liberalisation of trade will impact on revenues derived from Customs and Excise.

Table 2.9 provides data on expenditure by functional areas for the year, 1991–1999. Not unexpectedly, two significant social sectors, Health and Education, consume between 23 per cent to over 30 per cent of the recurrent budget. The classification of areas has been subject to the reorganisation of ministerial portfolio. However, these are the more skill-intensive areas, and reflect the willingness of the Government to satisfy social demand in these two critical areas.

The capital budget for 1991–1998 is presented in Table 2.10. Significantly, infrastructure is the largest single item for the entire period followed by Agriculture in most years. This would suggest that the thrust of Government's policy was to expand Agriculture with much of the infrastructure geared to support this initiative. Capital expenditure on the social sector, education and health, attracted less than 10 per cent of total expenditure for the years 1994, 1995 and 1996, was marginally above 10 per cent in 1997, and was projected at 14.3 per cent in 1998. The substantial expansion in infrastructure possibly relates to roads and other infrastructure. The output of agriculture has not yet fulfilled on the objective of the high level of capital expenditure.

Table 2.9: Government Recurrent Expenditure, 1991-1999

VOTES	1991		1992		1993		1994		1995		1996		1997		1998		1999	
	EC\$'000	% of Total	EC\$'000	% of Total	EC\$'000	% of Total	EC\$'000	% of Total	EC\$'000	% of Total	EC\$'000	% of Total	EC\$'000	% of Total	EC\$'000	% of Total	EC\$'000	% of Total
Governor General	298.2	0.2	380.1	0.2	371.7	0.2	379.6	0.2	359.9	0.2	374.2	0.2	429195	0.21	483984	0.2	511851	0.20
Parliament	684.4	0.4	582.3	0.3	569.9	0.3	583.8	0.3	1,130.80	0.6	766.2	0.4	809341	0.39	1001331	0.42	968196	0.38
Supreme Court	2,999.4	1.9	1,318.2	0.8	1,349.90	0.8	1,104.30	0.6	985.7	0.5	1,031.60	0.6	1119174	0.54	1319505	0.56	1307657	0.52
Magistracy	639.1	0.4	612.3	0.4	693.3	0.4	739.1	0.4	756.1	0.4	849.2	0.5	814038	0.39	1018875	0.43	1160480	0.46
Audit	252.1	0.2	341.8	0.2	392.6	0.2	498.1	0.3	417.7	0.2	409.8	0.2	502076	0.24	673063	0.28	641005	0.25
Public Service Commission	228.9	0.1	234.2	0.1	230.8	0.1	248.8	0.1	263.8	0.1	316.7	0.2	341861	0.16	353838	0.15	375905	0.15
DPP	291.2	0.2	227.8	0.1	198.5	0.1	208	0.1	196	0.1	152.5	0.1	239229	0.11	282969	0.12	305204	0.12
Electoral Office													255722	0.12	422664	0.18	1051571	0.41
Ministry of Legal Affairs and Local Gov't													915864	0.44	1007838	0.43	1776771	0.70
Prime Minister and Cabinet	1,811.60	1.2	853.9	0.5	660.4	0.4	1,047.20	0.6	1,394.70	0.7	1,833.50	1	2202553	1.06	2974406	1.26	3281267	1.29
Prisons	2,694.00	1.7	2,593.00	1.5	2,670.50	1.6	2,536.00	1.4	2,539.70	1.3	2,870.30	1.6	2993341	1.44	3327458	1.41	3843048	1.51
Police	13,311.60	8.5	14,439.90	8.5	16,260.50	9.5	16,459.80	9.1	17,169.10	8.9	18,205.90	9.9	19812793	9.51	20675730	8.73	23153559	9.12
Ministry of Tourism and Civil Aviation	-	-	5,134.60	3	5,798.20	3.4	5,921.00	3.3	7,741.20	4	8,778.10	4.8	5780045	2.78	6113818	2.58	5678368	2.24
External Affairs	4,686.20	3	5,584.20	3.3	3,133.40	1.8	3,238.90	1.8	3,363.80	1.7	3,945.00	2.1	4624940	2.22	5281608	2.23	5616347	2.21
Dept. Of Culture, Youth and Sports	-	-	1,085.50	0.6	1,297.70	0.8	1,457.00	0.8	1,517.60	0.8	2,626.50	1.4	2741962	1.32	3313182	1.4	3321461	1.31
Ministry of Finance	12,686.80	8.1	9,723.50	5.7	8,082.30	4.7	8,563.50	4.7	9,062.50	4.7	10,074.90	5.5	13924353	6.69	15794287	6.67	15399675	6.07
Pensions and Gratuities	9,725.60	6.2	16,662.90	9.8	15,170.10	8.9	15,767.70	8.7	16,400.90	8.5	16,566.30	9	24565145	11.8	20000000	8.45	21812223	8.59

Table 2.9 (continued)

VOTES	1991		1992		1993		1994		1995		1996		1997		1998		1999	
	EC\$'000	% of Total	EC\$'000	% of Total	EC\$'000	% of Total	EC\$'000	% of Total	EC\$'000	% of Total	EC\$'000	% of Total	EC\$'000	% of Total	EC\$'000	% of Total	EC\$'000	% of Total
Public Debt	23,077.40	14.7	28,099.00	16.5	30,891.70	18.1	37,453.40	20.8	47,410.60	24.6	28,488.20	15.5	31481839	15.12	39695355	16.76	49958462	19.68
Revision of Salary	-	-	4,926.30	2.9	1,260.70	0.7	-	-	-	-	-	-	7200000	3.46	-	-	-	-
Contributions	-	-	-	-	6,566.90	3.8	6,933.10	3.8	6,933.10	3.6	6,740.60	3.7	5125102	2.46	10000000	4.22	8972380	3.53
Ministry of Communication and Works	15,687.40	10	12,923.60	7.6	10,370.20	6.1	13,031.10	7.2	9,842.90	5.1	8,346.80	4.5	7939507	3.81	9042482	3.82	9245187	3.64
Ministry of Health, Housing and Legal Affairs	23,448.50	15	21,589.60	12.7	21,846.10	12.8	20,866.30	11.6	23,021.80	12	26,828.50	14.6	4528125	2.17	5048339	2.13	5460452	2.15
Ministry of Carriacou Affairs													871697	0.42	1789331		2075716	0.82
Ministry of Education	31,811.00	20.3	30,839.00	18.1	30,589.80	17.9	30,166.50	16.7	32,911.40	17.1	36,292.50	19.8	-	-	-	-	-	-
Ministry of Labour (and Education)	2,793.10	1.8	2,689.50	1.6	2,987.40	1.7	3,201.10	1.8	-	-	-	-	37975405	18.24	48159694	20.34	47560334	18.74
Ministry of Health and the Environment													24542414	11.79	31070362	13.12	32267832	12.71
Ministry of Agriculture	8,203.70	5.2	7,755.10	4.6	8,104.20	4.7	8,215.40	4.6	7,274.10	3.8	6,696.90	3.6	6499403	3.12	7942391	3.35	8092030	3.19
Radio Grenada	265.2	0.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Post Office	1,161.40	0.7	1,177.00	0.7	1,199.90	0.7	1,398.10	0.8	1,371.20	0.7	1,331.00	0.7	-	-	-	-	-	-
Personnel and Management Services	-	-	378.2	0.2	384.8	0.2	407	0.2	533.5	0.3	-	-	-	-	-	-	-	-
GRAND TOTAL	156,756.80	100	170,151.50	100	171,081.50	100	180,424.80	100	192,598.10	100	183,525.20	100	208235124	100	236792510	100	253836982	100

Source: Grenada Estimates of Resource and Expenditure, various years.

Table 2.10: Capital Expenditure Budgeted by Sector, 1991-1998

	1991		1992		1993		1994		1995		1996		1997		1998	
	Total EC\$	% of Total	Total EC\$	% of Total	Total EC\$	% of Total	Total EC\$	% of Total	Total EC\$	% of Total	Total EC\$	% of Total	Total EC\$	% of Total	Total EC\$	% of Total
Tourism	4,156	6.4	1,160,435	4.6	1,490,745	3.7	3,646,000	4.4	1,254,046	2.4	439,177	0.6	2,532,692	3.6	7,646,987	4.9
Comm. Dev	-	-	-	-	619,421	1.5	270,108	0.3	3,863,082	7.5	2,535,079	3.7	2,160,124	3.1	7,738,385	5.0
Infrastructure	16,284	25.2	8,633,063	34.4	21,115,004	51.8	43,514,285	52.8	22,291,484	43.3	34,837,649	50.8	36,961,898	52.3	70,497,000	45.4
Education	2,237	3.5	1,659,130	6.6	4,679,700	11.5	3,497,067	4.2	2,424,360	4.7	4,281,632	6.2	3,399,308	4.8	14,403,000	9.3
Health	8,363	13.0	1,826,249	7.3	863,028	2.1	2,852,712	3.5	1,769,262	3.4	1,221,546	1.8	3,748,769	5.3	7,743,375	5.0
Agriculture	15,843	24.5	6,788,513	27.0	9,698,414	23.8	21,380,893	25.9	12,961,286	25.2	17,690,454	25.8	14,459,767	20.5	16,436,510	10.6
Other	17,690	27.4	5,062,400	20.1	2,278,853	5.6	7,327,114	8.9	6,893,994	13.4	7,614,566	11.1	7,363,371	10.4	30,918,477	19.9
Total	64,573	100.0	25,129,790	100.0	40,745,165	100.0	82,488,179	100.0	51,457,514	100.0	68,620,103	100.0	70,625,929	100.0	155,383,734	100.0

Source: Grenada Estimates of Revenue and Expenditure, various years.

In more recent times, the infrastructure investment would include the highly visible Sports Complex/Stadium project which does not immediately contribute to the expansion in productive capacity, although it contributed significantly to employment in the short-term. Poverty eradication may require greater expenditure on the social infrastructure and on projects which contribute more directly to the expansion of output.

2.5.2 THE PRIVATE SECTOR

The Government is committed to a private sector led economic transformation and is concerned to provide the conditions within which the private sector will enter and expand in a number of key areas. As obtains elsewhere in the Commonwealth Caribbean, the formal private sector has been built largely around the Distributive Sector. The larger businesses have been involved in imports and distribution of mainly consumer goods rather than in manufacturing production. The distributive orientation of the sector is illustrated in the fact that the Chamber of Industry and Commerce is the main organisation representing business people in the country, with many of its larger members being merchants rather than manufacturers.

The Chamber of Industry and Commerce, to its credit, has recognised a responsibility that extends beyond the traditional focus of such agencies. Thus, it is engaged in development tasks including the stimulation of interest in production for exports. With the cooperation of friendly organisations abroad, it has established a training school to provide and enhance skills in information processing, which can improve domestic and export-oriented services. The Chamber is also involved in other developmental activities. Its Junior Achievers Programme has oriented many young people to business and commerce, and has improved their basic skills. It has also shouldered certain social responsibilities like the building of bus shelters.

In the sphere of economics and the transformation of the country, the Chamber is also deeply sensitive to the challenges that the country faces within CARICOM, with the reduction of the remaining internal barriers to trade within the region. The members involved in manufacturing production feel themselves to be under siege, with imminent changes in the Common External Tariff, and the freeing up of trade in CARICOM. They are indeed apprehensive over the future of the small industrial and manufacturing establishments, given that small size puts them at a disadvantage, as CARICOM moves to a single market and economy. Such firms are looking forward to the programme to be mounted by the Secretariat of the OECS, the purpose of which is to buy time for the manufacturing sector while it is being modernised.

2.6 PERFORMANCE AND PROSPECTS OF KEY SECTORS

2.6.1 THE AGRICULTURAL SECTOR

Grenada remains dependent on its agricultural sector for employment and foreign exchange earnings. However, while the country has demonstrated a greater degree of agricultural diversification than its neighbours in the Windward Islands, nutmeg, mace, cocoa and bananas have constituted the bulk of its agricultural output and agricultural exports (See Table 2.11).

Table 2.11 : Selected Domestic Exports (EC\$'000) 1993–1997

Series	1993	1994	1995	1996	Proj 1997	%Change			
	(1)	(2)	(3)	(4)	(5)	(5)/(4)	(4)/(3)	(3)/(2)	(2)/(1)
Total Recorded Domestic Exports of which	47,306.9	54,292.8	56,559.3	52,369.3	54,103.0	3.3	-7.4	4.2	14.8
Agricultural Exports	32,549.1	37,756.4	37,457.4	31,906.3	32,912.6	3.2	-14.8	-0.8	16.0
Banana	4,879.5	5,694.4	4,925.3	1,478.3	268.8	-81.8	-70.0	-13.5	16.7
Cocoa	8,404.0	7,947.0	8,953.3	6,995.2	6,600.0	-5.6	-21.9	12.9	-5.4
Nutmegs	7,065.7	12,123.9	9,434.8	11,274.2	12,000.0	6.4	19.5	-22.2	71.6
Mace	1,638.3	1,802.5	1,642.3	2,082.2	2,250.0	8.1	26.8	-8.9	10.0
Fresh Fruits	4,069.8	1,830.2	2,708.4	1,539.2	2,458.6	59.7	-43.2	48.0	-55.0
Fish	6,491.8	8,358.4	9,793.3	8,537.2	9,335.2	9.3	-12.8	17.2	28.8
Manufactured Exports	7,704.5	9,617.5	15,053.3	16,371.6	16,970.2	3.7	8.8	56.5	24.8
Flour	3,120.9	2,485.3	3,667.5	4,864.4	5,090.5	4.6	32.6	47.6	-20.4
Wheat Bran	111.2	90.9	113.6	62.8	64.7	3.0	-44.7	25.0	-18.3
Clothing	1,246.0	2,840.2	3,545.9	3,652.3	3,754.8	2.8	3.0	24.8	127.9
Paints and Varnish	1,495.4	2,281.7	1,263.5	1,251.9	1,314.5	5.0	-0.9	-44.6	52.6
Paper Products	1,731.0	1,919.4	3,300.2	3,648.9	3,767.6	3.3	10.6	71.9	10.9
Malt	n.a.	n.a.	2,316.0	1,378.9	1,420.3	3.0	-40.5		
Animal Feed	n.a.	n.a.	846.6	1,512.4	1,557.8	3.0	78.6		
Other Exports	7,053.3	6,918.9	4,048.6	4,091.4	4,220.2	3.1	1.1	-41.5	

Source: Central Statistical Office

Undoubtedly, the Agricultural Sector has made a substantial contribution to the economy since the Second World War and has been responsible for the substantial change in the quality of life for large numbers of people, especially in the rural areas of the country. The social and economic mobility of a large swathe of the population has been due to the performance of the sector, and banana production in particular, which was able to create new opportunities in the 1950s and 1960s as the classic small farmer crop.

The transformation of near monoculture in the agricultural system starting firstly with sugar, at the end of the last century, and then with nutmeg, cocoa and banana production, has always imposed enormous hardship on the population when one or the other product became unviable in international markets. The agricultural sector, at the end of the 20th century, faces a momentous challenge comparable to the structural difficulties of a century ago, and then in the 1950s when restiveness of agricultural labour forced a shift in the sector. The extension services are not fully equipped to address this major transformation.

A major challenge derives from the fundamental marketing changes in the international economy. The institution of agricultural protection, and special preferential arrangements for ex-colonies has been assailed by powerful economic interests and Governments, and is antithetical to the objects and spirit of the World Trade Organisation (WTO). Thus, Grenada, as an agricultural exporter, can anticipate that it will face far more open and competitive markets in the early 21st century, as it seeks to diversify with a number of non-traditional products — citrus products, golden apple, hot peppers, orchids and anthurium lilies, and other types of floriculture as announced in the Budget for 1998 (1998 Budget Speech, pp. 22-23).

A second challenge lies in the fact that some of the major competing countries are embarked on the application of science and technology to agriculture in a way not fully understood in Grenada. There is the ongoing bio-genetic revolution that underpins much of modern agriculture, that accords the advantage to agricultural systems in developed countries, where many of the advances with genetically modified plants are being commercialised (Economist, June 13th – 19th, 1998, pg. 113). To this scientific bow, one must string the technological arrow that allows a smaller, even miniscule work force, to achieve massive improvements in productivity per person employed, and on land area utilised.

There is another hurdle posed by the institutional structure. The small farm/peasant agriculture, with the marketing and other systems that were created for the participation of Windward Island farmers in banana production, is not necessarily as effective in the development and growth of other types of agriculture. According to the Agricultural Census of 1995, 57.5 per cent of the farming operations were on acreages of less than one acre, and together, these operations had available to them only 6.7 per cent of the acreage in agriculture. The agricultural regime needed for cash crops that could compete effectively with imports or for new export crops like mango, or pineapple etcetera, is different to what obtained with bananas.

A critical factor in facing the challenges in all the areas identified above is the quality of the workforce in agriculture. Back of Israeli farm output that enters and competes well in European markets, is an Israeli farmer, with completed secondary education, a good science base in his/her education preparation and an ability to interpret new scientific and technical information right down to his/her requirements and application in the field.

The Israeli farmer produces avocados, Jaffa oranges and other produce that will compete with potential supplies from Grenada, as it seeks to diversify its agricultural output. The Chilean counterpart is no less adept in technical and scientific preparation, and is the major supplier of avocados in the United States market. Even in traditional areas of its agricultural export, Grenada will find new competition from farming systems better prepared to adopt and apply technology. For example, Israel is now a potential supplier of bananas in international markets, including the EC.

The Grenada farmer is at a serious disadvantage in this regard. Nor is there an understanding of the level of investment needed to bring a partially educated farming community up to the requirements of the early 21st century agriculture. According to the Agricultural Census of 1995, while just under one per cent of farmers admitted to being illiterate, 80.34 per cent had had primary level education. It is a moot point what percentage had indeed completed primary level education. Grenada does not currently have the institutions that can transform its workforce in agriculture. In particular, its younger farmers, need to be transformed into a scientific and technologically sophisticated farming community.

This is a *sine qua non* if they are to generate new competitive agricultural products, with the ability to enter export markets and/or to protect home base against imports on the basis of price and quality of product. The management of its only formal training institution in Agriculture, the T.A. Marryshow Community College, recognises the severe inadequacy in meeting this challenge.

2.6.2 TOURISM

Tourism has displayed the strongest growth performance among all sectors over the period of the 1990s. The number of hotels and guest houses has grown. The number of stay-over visitors, cruise ship passengers, and excursionists has also grown and with that, the estimated expenditure. However, as can be seen in Table 2.12, the occupancy rates have reflected a fall from the 70 per cent rate achieved in 1994. Indeed, since 1994, the trend has been flat in terms of stay-over visitors suggesting either lack of competitiveness of the Grenada tourism product, or failure in its marketing.

A Tourism Master Plan has been prepared. Some of the new thrust in Tourism will be focused on the island of Carriacou. Other projects announced in the last budget include a Nature Tourism Programme and a Tourism Project Enhancement Programme. With the help of the Caribbean Development Bank, the Government is developing a programme to assist smaller scale hotels/guest houses which have been ailing for lack of clientele: a programme of cooperative marketing is to be developed to improve their situation. According to the Master Plan, Grenada is unique in the Caribbean for the number of small locally owned hotels, guest-houses,

apartments and cottages that constitute its guest accommodation¹⁷. However, there was identified a need for quality improvement and for marketing of facilities along with the other features that Grenada offers in respect of eco-tourism, and dive sites. There is unrealised employment potential in the sector.

Table 2.12: Selected Tourism Indicators

Series	1994	1995	1996	1997	1998	%Change			
	(1)	(2)	(3)	(4)	(5)	(2)/(1)	(3)/(2)	(4)/(3)	(5)/(4)
Total arrivals	317645	369346	386013	368417	391680	16.3	4.5	-4.6	6.3
Stay-over visitors	108957	108007	108231	110748	115794	-0.9	0.2	2.3	4.6
(Non-resident Grenadian)	16725	18145	17030	16922	18743	8.5	-6.1		
Cruise ship passengers	200808	249889	266982	246612	265875	24.4	6.8	-7.6	7.8
Excursionists	7880	11450	10800	11057	10011	45.3	-5.7	2.4	-9.5
Estimated expenditure '000ec\$	158668.5	155923.4	161063.0	160422.7	169994.4	-1.7	3.3	-0.4	6.0
Stay-over visitors	148208.4	142798.7	147134.5	147485.7	156172.9	-3.7	3.0	0.2	5.9
Cruise ship passengers **	9940.0	12369.0	13215.6	12207.3	13160.8	24.4	6.8	-7.6	7.8
Excursionists	520.1	755.7	712.9	729.7	660.7	45.3	-5.7	2.4	-9.5
Stay-over visitors by country of nationality									
USA	30476	30033	30380	29320	29381	-1.5	1.2	-3.5	0.2
Canada	4987	3920	4205	4977	5290	-21.4	7.3	18.4	6.3
UK	17740	18480	19583	21339	23311	4.2	6.0	9.0	9.2
West Germany	7276	6342	7004	5004	4017	-12.8	10.4	-28.6	-19.7
Grenada residing abroad	16725	18145	17030	16922	18743	8.5	-6.1	-0.6	10.8
West Indies	14747	14631	14359	16407	18636	-0.8	-1.9	14.3	13.6
Other	16623	16456	15670	16779	16416	-3.2	-4.8	7.1	-2.2
Total	108957	108007	108231	110748	115794	-0.9	0.2	2.3	4.6
No. of cruise ships	420	448	392	323	328	6.7	-12.5	-17.6	1.5
Hotel occupancy rate									
Bed night	70.1	67.2	61.1	62.1		-4.1	-9.1	1.6	-100.0
Room night	70.4	65.9	59.3	63.5		-6.4	-10.0	7.1	-100.0
Average Length of Stay	7.2	7.4	7.5	7.4	7.4	2.8	1.4	-1.3	0.0

Source: Central Statistical Office and Grenada Tourism Board

** About 75 percent of cruise ship passengers spend EC\$66

*Included in other from 1995

¹⁷ Government of Grenada/OAS, Master Plan for the Tourism Sector, Final Report, 1997.

Given that other countries of the Caribbean are engaged in a tourism-led growth model, much will depend on the degree to which Grenada can differentiate itself from its competitors in the Caribbean and elsewhere, as well as on the quality of infrastructure that is laid in the service of the Sector.

Moreover, for the Industry to contribute by way of backward linkages to Agriculture, there will be need for coordinated strategies by a number of agencies, and some amount of moral suasion will need to be exercised *vis à vis* the hotel and guest house operators. There is also a forward linkage from Tourism to Agriculture, with the possibilities offered by Eco-Tourism. The upgrading of skills of all the key participants will need to be addressed, and a supporting infrastructure established.

2.6.3 MANUFACTURING

Like other countries of the Commonwealth Caribbean, the Government has attempted some measure of industrialisation by the promotion of a manufacturing sector. Table 2.13 gives information on industrial production in EC\$ for the period 1992-1997. Beverage and tobacco are the largest single item. Grain mill and bakery products and prepared animal feeds are together a large category and are followed by chemicals and paints. Grenada and the other OECS countries, have from time to time, attempted to engage in collaboration at regional import substitution and export promotion. The objective has been to prevent the duplication of plant and competition for the same investible resources with output targeted at the same markets among the OECS. It is not clear at this stage to what extent this goal has been achieved.

Table 2.13: Selected Industrial Production (EC\$'000)

Category	1994	1995	1996	1997	1998	%Change			
	(1)	(2)	(3)	(4)	(5)	(2)/(1)	(3)/(2)	(4)/(3)	(5)/(4)
Grain Mill Products & Bakery Products	9494.5	10478.5	12935.5	10730.7	11702.7	10.4	23.4	-17.0	9.1
Prepared Animal Feed	5583.5	5343.9	6160.1	6369.0	5665.2	-4.3	15.3	3.4	4.6
Beverage & Tobacco	27457.2	30091.5	30768.8	31337.9	32572.9	9.6	2.3	1.8	3.9
Chemicals & Paints*	4055.2	3400.2	5278.4	6864.4	6251.2	-16.2	55.2	30.0	-8.9
Other	2665.0	3563.1	3734.3	3647.8	5097.0	33.7	4.8	-2.3	39.7
Total	49255.4	52877.2	58877.1	58949.8	62289.0	7.4	11.3	0.1	5.75.7

Source: Central Statistical Office

What can be established, however, is that Grenada is dependent on grain imports which are processed for human consumption and as animal feed for markets in Grenada and the Eastern Caribbean. Likewise, the chemicals and paint operations are simple, and hardly extend much beyond packaging. On the largest industrial estate in the country, the Frequente Industrial Park,

other important activities identified were assembly of electronic parts, furniture manufacturing and garment production.

There is a limited involvement of the country in food processing operations in spite of the fact that there is available a substantial amount of raw material. Officials at both the Industrial Development Corporation, which is responsible for industrial promotion, and at the Development Bank, which provides financial support, have concerns over the viability and sustainability of some of the industrial activity in the country, having regard to the imminent changes in the trade regime.

According to the Minister of Finance in the Budget presentation for 1998, there was some improvement in occupancy levels at the Frequente Industrial Park, with 92 per cent of the space taken by late 1997, as compared to 78 per cent in 1996. The second, but smaller industrial park, the Seamoan Industrial Park had an occupancy of only 18 per cent in 1997. The Government was hopeful that, in addition to direct foreign investment, Grenadian nationals including some residents abroad, would invest in the expansion of the sector. There was some element of a recovery in Manufacturing in 1996/97 as can be seen in Table 2.14.

Table 2.14: Balance of Visible Trade 1976 – 1996 (EC\$ '000)

Year	Exports			Imports	Trade Balance
	Domestic	Foreign	Total		
1976	32,971.9	948.4	33,820.3	66,249.6	(32,429.3)
1977	36,900.5	1,853.4	38,753.9	87,285.2	(48,531.3)
1978	44,340.1	1,244.3	45,584.4	96,452.2	(50,867.8)
1979	55,696.8	2,101.8	57,798.6	117,978.7	(60,180.1)
1980	45,509.9	1,436.3	46,946.2	135,574.1	(88,627.9)
1981	50,275.3	1,081.1	51,356.4	146,709.8	(95,353.4)
1982	47,748.1	2,338.7	50,086.8	152,429.2	(102,342.4)
1983	50,711.4	1,076.3	51,787.7	154,479.2	(102,691.5)
1984	47,858.2	1,256.0	49,114.2	151,095.8	(101,981.6)
1985	59,000.2	1,332.4	60,332.6	186,997.1	(126,664.5)
1986	71,370.6	6,359.7	77,730.3	225,450.0	(147,719.7)
1987	80,460.1	4,773.9	85,234.0	239,415.7	(154,181.7)
1988	77,013.2	11,895.2	88,908.4	248,842.0	(159,933.6)
1989	67,636.1	8,981.0	76,617.1	272,319.2	(195,702.1)
1990	57,600.4	13,170.4	70,770.8	294,150.4	(223,379.6)
1991	54,143.3	8,480.0	62,623.3	316,525.3	(253,902.0)
1992	40,601.6	8,563.0	58,164.6	287,791.5	(229,626.9)
1993	47,306.9	10,772.3	58,079.2	338,753.7	(280,674.5)
1994	54,292.8	12,064.0	66,356.8	322,429.6	(256,072.8)
1995	57,402.7	6,022.5	63,425.2	349,687.8	(286,262.6)
1996	52,369.3	4,276.8	56,646.1	411,102.6	(354,456.5)

Source: Grenada Annual Abstract of Statistics, 1996.

2.6.4 OTHER SECTORS

The sectors discussed above are the principal sectors in respect of traded goods and services. They are primary foreign exchange earners. Other sectors also contribute to employment and growth of the economy and therefore to improving the prospects faced by some of the poor. One of the most important of these is the Public Service. Between 1990 and 1997, the share of Government Services fell from over 21 per cent of GDP to just under 17 per cent. This decline was associated with the retrenchment of a number of workers in the State Sector. Indeed, GDP contributed by Government Services showed a decline over the period.

On the other hand, strong growth was recorded by Electricity and Water, and more so by Communication, and Banking and Insurance (49% and 69% respectively), with more modest performances recorded for Transportation, Wholesale and Retail Trade, and Construction.

Table 2.15: Production of Water & Electricity

Series	1994	1995	1996	1997	1998	% Change			
	(1)	(2)	(3)	(4)	(5)	(2)/(1)	(3)/(2)	(4)/(3)	(5)/(4)
Water (M. Gal)	2263.0	2334.7	2364.0	2394.0	2219.0	3.2	1.3	1.3	-7.3
Electricity ('000 Kwh)	79908.7	87534.2	93185.6	97255.0	107776.2	9.5	6.5	4.4	10.8
Consumption Of Electricity									
Volume ('000 Kwh)									
Domestic	30020.1	33237.9	35219.1	36333.0	38575.1	10.7	6.0	6.2	-44.4
Commercial	31898.4	36610.9	38914.9	44055.3	49406.6	14.8	6.3	12.1	-57.4
Industrial	4936.6	4635.2	4413.0	4380.3	4745.2	-6.1	-4.8	8.3	-21.5
Street Lights	1163.5	1200.6	1226.8	1230.0	1247.1	3.2	2.2	1.4	-31.6
Total	68018.6	75684.6	79773.8	85998.6	93974.0	11.3	5.4	9.3	-52.1
VALUE (EC\$'000)									
Domestic	16511.1	18280.8	19370.5	19983.2	21216.3	10.7	6.0	6.2	-44.4
Commercial	18501.1	21234.3	22570.6	25552.1	28655.8	14.8	6.3	12.1	-57.4
Industrial	2320.2	2178.5	2074.1	2058.7	2230.2	-6.1	-4.8	8.3	-21.5
Street Lights	616.7	636.3	650.2	651.9	661.0	3.2	2.2	1.4	-31.4
Total	37949.0	42330.0	44665.5	48245.9	52763.3	11.5	5.5	9.4	-52.2

Source: Grenada Electricity Services Ltd.

National Water & Sewerage Authority (NAWASA)

In the final analysis, for small island economies like Grenada, the performance of the non-traded sector is conditioned by the performance of the traded sector. For example, any expansion in the Tourism Sector, will create a demand for internal travel and thus stimulate growth in the Transportation Sector. Construction, Wholesale Distribution and the Retail Trade are good barometers of the general state of demand, but depend on the supply of imports which have to be paid for, in the final analysis, by exports. On the other hand, some proportion of construction activity represents a demand for housing by returning nationals whose foreign savings are deployed to housing investment.

Grenada has had a negative balance on its visible trade and its services trade and inflows of foreign exchange on the services side, and on the account of Government, have provided the foreign exchange to maintain activity in the other non-traded sectors.

2.6.5 THE INFORMAL SECTOR

The informal sector has been defined by labour statisticians as comprised of:

- Units engaged in the production of goods and services with the primary objective of generating employment and incomes to the persons concerned, and typically operating at a low level of organisation, with little or no division between labour and capital; and
- Household enterprises with fixed and other assets which do not belong to a production unit as such, but to their owners with expenditure for production often indistinguishable from household expenditure and with kinship, personal and social relations rather than contracts for work arrangements (ILO, 1993, p. 179).

The informal sector has been important in the growth of Grenada. The sector acts as a residual to which resort many of those who are unable to find formal sector employment. Indeed, given that it is not the preferred sector of employment and is the location where some eke out a living, it is often not deemed to be work by some of the participants. Thus, it is possible to find persons who define themselves as unemployed and looking for work but who yet maintain themselves from self-employment in the informal sector. With a characteristically high unemployment rate, many seek refuge in low paying self-employment usually in the informal sector to create some sense of a livelihood. In other words, employment problems are reflected not only in unemployment rates, but also in the degree of underdevelopment and in informal work.

The development of trafficking in fruits and ground vegetables is directly attributable to the initiative of women who engaged in this area of the informal sector. The boom years in Trinidad and Tobago created a ready market for their supplies, as Agriculture in that country succumbed to “Dutch Disease” effects, together with the reduced competitiveness of other sectors because of the boom in the oil industry.

However, when oil prices fell, the market suffered a decline, which impacted negatively on this section of the informal sector, and the traffickers were forced to diversify and to target alternative but less rewarding markets. Further devastation was to occur in this subsector when Grenada was presented with a mealy bug problem and had restrictions placed on imports from this source into the other countries of the subregion.

Other informal sector activities exist in the form of small-scale agriculture, fishing, vending and animal husbandry. In the latter regard, Ministry of Agriculture sources suggest that a number of persons rear small ruminants for commercial purposes, without access to lands of their own, but make some contribution to agricultural output and employment.

Given the structure of the economy, and given the lack of depth in skills and training in the labour force, most persons who fail to achieve formal sector economic participation, are forced to depend on self-employment and informal sector activity. Thus, many of those so engaged are likely to be among the employed poor, sharing work and incomes among themselves.

As with many other countries of the Caribbean, Grenada has an incipient problem of narco-trafficking. At the present time, the problem seems confined to the growing, sale, and use of marijuana, which is marketed in an underground economy. There is collaboration between the local law enforcement agencies and the Drug Enforcement Agency of the United States, through the Shipriders' Agreement. The extent of this underground economy remains the subject of official and unofficial speculation, but its existence cannot be denied.

2.6.6 UNEMPLOYMENT

Recent unemployment statistics suggest that the rate fell from 26.7 per cent in 1994 to 17.5 per cent in 1996, with females carrying the brunt of the burden of unemployment. Tables 2.16 and 2.17 give unemployment rates by age and sex, and the unemployment rate by parish. St. George's and environs have had lower than average unemployment rates. There are two factors that may be at work in the reduction in recorded unemployment.

Firstly, the increase in open unemployment has the effect of bringing secondary workers into the labour market. In the absence of formal sector jobs, many join the ranks of the self-employed, such that recorded unemployment can fall to some extent, as a function of work-sharing in the informal sector rather than from a genuine expansion in employment. Secondly, given gender biases in employment practices, proportionately more women might have resorted to informal sector activities than men. The size of the informal sector is the obverse of the employment/unemployment problem and the lack of quantification does not mean that the issue is marginal in Grenada.

Table 2.16: Unemployment Rate by Age and Sex

Age groups	1994			1996		
	Both Sexes	Male	Female	Both Sexes	Male	Female
Total	26.7	18.0	37.3	17.5	11.6	25.5
15-19	51.0	39.6	63.4	41.2	28.2	60.5
20-24	39.6	27.5	53.8	23.5	13.7	36.2
25-29	28.3	19.9	38.7	13.3	6.2	20.5
30-34	24.6	16.1	35.2	17.0	5.4	28.6
35-39	20.1	11.1	30.5	14.2	8.4	19.9
40-44	18.4	10.9	26.0	8.9	5.7	12.9
45-49	16.8	10.3	25.4	11.4	11.9	10.8
50-54	16.1	10.9	24.0	15.5	3.8	27.3
55-59	16.3	10.0	25.0	15.2	11.5	19.8
60-64	20.0	16.4	25.7	8.5	5.3	13.8
65+	9.9	7.1	13.8	4.3	2.5	6.6

Source: Central Statistical Office

Table 2.17: Unemployment Rate by Parish

Parish	1994	1996
Total	26.7	17.5
St. George's	20.8	8.2
St. George's (Town)	16.7	15.3
St. John's	24.4	16.3
St. Mark's	25.0	35.8
St. Patrick's	20.0	26.0
St. Andrew's	36.2	22.0
St. David's	33.3	23.2
Carriacou	22.7	16.2

Source: Central Statistical Office

2.6.7 COMMERCIAL BANKING

The commercial banking system mobilises most of the resources that are made available as credit in the promotion and development of businesses in the various sectors of the economy. Table 2.18 provides information on commercial bank loans by sector for the period 1993 to 1997. It is noteworthy that after a slight fall in 1994 over 1993, commercial bank credit rose by 7 per cent in 1995, by 16 per cent in 1996, and by 22 per cent in 1997. Significantly, agriculture has

received a declining absolute and relative share generally. The relative share going to manufacturing also declined. The other main trade sector, tourism experienced an absolute and relative decline in 1997. In 1997, less than 20 per cent of commercial bank credit went to the traded sector.

On the other hand, Distributive Trade and Personal Loans for durable consumer goods, both related largely to the financing of imports, together exceed the share going to the major traded sectors for each of the years 1993 – 1997. The Distributive Trade by itself is only slightly less than the three traded sectors for all of the years. Grenada is still in the mode in which more domestic savings are directed at financing imports than at the sectors most likely to generate foreign exchange.

Table 2.18: Distribution of Commercial Banks Loans By Sectors (EC\$'000)

Sectors	1994	1995	1996	1997	1998	% Change			
	(1)	(2)	(3)	(4)	(5)	(2)/(1)	(3)/(2)	(4)/(3)	(5)/(4)
1 Agriculture	5376	8127	10701	10152	8869	51.2	31.7	-5.1	-12.6
2 Fisheries	2091	2560	2270	2699	2854	22.4	-11.3	18.9	5.7
3 Distributive Trade	73627	85556	91988	92075	104866	16.2	7.5	0.1	13.9
4 Mining and Quarrying	135	732	692	621	932	442.2	-5.5	-10.3	50.1
5 Tourism	48598	55551	62154	59636	61017	14.3	11.9	-4.1	2.3
6 Manufacturing	26147	26729	30687	30071	23331	2.2	14.8	-2.0	-22.4
7 Entertainment	3302	2963	5305	11402	12904	-10.3	79.0	114.9	13.2
8 Transportation	21428	23720	27999	35699	34407	10.7	18.0	27.5	-3.6
9 Utilities	22510	16890	35621	44630	41055	-25.0	110.9	25.3	-8.0
10 Construction and Land Development	22120	18642	18417	20070	27987	-15.7	-1.2	9.0	39.4
11 Government Excluding Statutory Bodies	14899	17911	21119	43718	51002	20.2	17.9	107.0	16.7
12 Financial Institutions	4211	2798	3521	2243	2123	-33.6	25.8	-36.3	-5.3
13 Professional And Other Services	13148	18140	18554	27526	40609	38.0	2.3	48.4	47.5
Personal:									
14 (a) House & Land	117290	126566	154452	191755	230606	7.9	22.0	24.2	20.3
(b) Durable Consumer Goods	18387	20373	27199	34612	38090	10.8	33.5	27.3	11.8
(c) Other	61291	61025	54206	80757	115810	-0.4	-11.2	49.0	43.4
TOTAL	454560	488283	564885	687666	797062	7.4	15.7	21.7	15.9

Source: Central Statistical Office.

2.6.8 THE INFLATION FACTOR

High levels of inflation are especially severe on poorer households. The lower asset base implies that there is little that they have which can appreciate in value with an increase in price levels in the economy. Where food prices increase rapidly, they are hurt more than other groups since a high percentage of their expenditure is devoted to food.

Table 2.19 provides information on price increase for the period 1991 to 1997. Generally, price increases in Food and Beverage item have tended to exceed the rate of increase in the all items index. *Prima facie* then, there is evidence to suggest that the poor would have suffered more given the nature of inflation. One mitigating factor is the phenomenon of home-production. Many of the poor in the rural areas satisfy their need for food from home-grown produce. Thus, their food intake may be only marginally affected by food price increases. On the one hand, given the high import content in domestic consumption, the opposite could have held.

Table 2.19: Consumer Price Index (Jan 1987 = 100)

Items	Average			% Change		As At			% Change	
	Jan-Dec 1996 (1)	Jan-Dec 1997 (2)	Jan-Dec 1998 (3)	(2)/(1) (4)	(3)/(2) (5)	Dec 1996 (6)	Dec 1997 (7)	Dec 1998 (8)	(7)/(6)	(8)/(7)
Food, Drink and Tobacco	145.7	146.0	148.0	0.2	1.4	146.9	147.5	150.2	0.4	1.8
Food, including non-alcoholic beverages	147.3	147.6	150.0	0.2	1.6	148.6	149.6	152.2	0.7	1.7
Alcoholic and Tobacco	138.4	138.9	139.2	0.4	0.2	138.2	135.9	138.9	-1.7	2.2
Household and Fuel Supplies	120.5	121.4	116.9	0.7	-3.7	123.7	119.8	114.7	-3.2	-4.3
Fuel and Light	116.3	115.6	108.1	-0.6	-6.5	121.4	112.6	105.9	-7.2	-6.0
Housing and Household Operational Expenses	124.5	127.4	128.6	2.3	0.9	124.5	128.5	128.7	3.2	0.2
Rent	127.8	130.3	131.2	2.0	0.7	127.8	130.8	131.2	2.3	0.3
Household Furniture, Furnishing and Equipment	119.3	124.1	124.4	4.0	0.2	124.9	123.9	125.6	-0.8	1.4
Personal Care and Health Expenses	124.6	125.6	134.1	0.8	6.8	125.4	131.5	135.6	4.9	3.1
Clothing and Accessories	113.1	115.7	114.3	2.3	-1.2	114.9	113.7	116.2	-1.0	2.2
Transport Equipment, Transport Operation Expenses, Transportation and Vehicles	137.1	137.7	136.8	0.4	-0.7	139.9	137.3	136.9	-1.9	-0.3
Recreational, Reading and Educational Expenses	138.3	148.3	159.1	7.2	7.3	147.1	153.0	161.4	4.0	5.5
Miscellaneous Expenses	123.4	124.2	127.4	0.6	2.6	124.8	125.2	127.7	0.3	2.0
All Items	133.2	134.9	136.8	1.28	1.41	135.0	136.2	137.9	0.89	1.25

Source: Central Statistical Office

2.6.9 ECONOMIC CHALLENGES

With an already high level of unemployment, and slow growth or lack of dynamism in its key export sectors, Grenada currently faces a major challenge, as the 21st century dawns. Its agricultural sector, that has been a major source for employment and for foreign exchange earnings, is more diversified than that of its Windward Island neighbours. There are support organisations not only for banana farmers, but also for farmers engaged in nutmeg, minor spices, and cocoa production. While this has provided some structural framework, farmers have had to face major price fluctuations, with implications for income security.

In the recent past, slow or declining incomes have led to some exodus and to the alienation of land, especially against the backdrop of the limited effectiveness of the Ministry of Agriculture and of other agencies like the Marketing Board in creating the institutional and other arrangements for a successful diversification. At the same time, the onslaught of liberalisation trends in the international economy, the removal of protection and the impact of new technology put the farmer in Grenada at a tremendous disadvantage.

The farming community has to enter external market with alternative crops and/or protect the home base from more efficient agriculture, let alone withstand competition from products that can be dumped on the market in Grenada. The small scale agricultural sector needs enormous technical and other resources to combat economies of scale, and economies of scope of farming systems more generously endowed with land, and with farmers with higher levels of education, and a greater science base than their Grenadian counterparts.

The manufacturing sector, which held the promise of diversification out of agriculture has had a chequered experience. The small size of the internal market in Grenada and of the sub-regional market renders import substitution a limited possibility even in the best of circumstances. Again, the thrust to reduce protective measures means that high duties to create protective tariff walls are a thing of the past. The countries of CARICOM, even as they attempt to create a single market and economy, are being pressured to establish the lowering of duties as a collective policy and as the *quid pro quo* for trade agreements with other more powerful trading blocs. All these factors pose a challenge for manufacturing in Grenada.

However, the challenge goes much deeper in its effect. As a country with high unemployment, Grenada seems a good candidate, *a priori*, for the promotion of low wage export processing operations. Unfortunately its wage structure is not competitive with the likes of places like the Dominican Republic and other Caribbean locations that have an infrastructure to encourage such operations. Moreover, as export processing manufacturing moves from competition over low wages with unskilled workers, to lower wages for the more skilled, Grenada's relative weakness in skills and knowledge workers puts it at a disadvantage in achieving this moving target of

viability in export manufacturing. The thin structure of industry and, more so, of export-oriented industry, is revealed in the limited range of activities operating at the Frequente Industrial Estate.

Tourism has been the brighter spot. Nevertheless, there are signs of weakness in the Grenada tourism product which may be due to one or more infrastructural problems, to the problems in marketing of the country and to competition. Its erstwhile socialist neighbour, Cuba currently commands major attention as do other ex-Communist or currently Communist countries in the international tourism market. The Tourism Master Plan will presumably address these problems. However, it is clear that training persons for the sector and the orientation of the population are necessary ingredients for a tourism-led transformation and the institutional support for such a transformation exists, at best, in embryonic form.

The harmonisation of fiscal incentives across the region means that Grenada offers an attractiveness to foreign capital that is similar to that of other countries. Foreign investment which it needs will respond on the scale required only if the country offers characteristics that are unique to itself. It stands a chance of success at the mobilisation of domestic productive resources only if it creates capacities, skills and entrepreneurship from within. There is little evidence of a major thrust in this direction at the present time. Thus, with some 17 per cent of its work force unemployed, with its agriculture and manufacturing showing decline or at best slow growth, and with its tourism sector subject to fickleness generally, and, specifically having to withstand competition from other Caribbean locations, Grenada is likely to face persistent tendencies to immiserisation for substantial sections of its population.

3.0 ORGANISATIONAL STRUCTURES, INSTITUTIONAL FRAMEWORK AND POVERTY

This section examines some of the economic and social structures and institutions that constitute the social fabric of Grenada. Some of these structures are meso-systemic – intermediate between the macro-system that can be defined as the Grenada economy and society, and the micro-units of individuals and households in the country. Societies differ in the institutional structures that they create.

These structures create a design for living for members of households, and for households in their communities, and other collectivities. They vary over time, and at any point in time, may have a differential reach to some or all communities. When one factors the poor into this equation, it is clear that poverty analysis requires a searching examination of the organisational and institutional framework of the society.

The critical element in poverty alleviation and in poverty eradication concerns the nature of the interventions that are made by agencies in respect of individuals and households. In other words, there are important influences that come to bear on the household and its members that determine, in fundamental ways, the quality of life for the constituents of the household.

These secondary organisations can be divided into four distinct categories although in their functioning, they may not demonstrate the distinctiveness in focus but may be characterised by omnibus approaches. In other words, they need not be exclusive in their goals and objectives. They may be categorised as follows:

- **Preventive**, in that the organisation protects the individual or the household against particular problems;
- **Remedial**, in that it helps to correct for problems after they have occurred;
- **Supportive**, in that it sustains the individual or the household that has fallen victim to a problem or difficulty; and
- **Developmental**, in that it helps the individual develop new capacities that allow for an upgrading in skills, knowledge or potential for self-sustaining growth.

Societies undergoing rapid economic and social change often witness serious dislocation in the circumstances of communities, groups and households. The collapse of the banana industry in Grenada has had a devastating effect on households in certain parts of the country. In the short-term, it is not possible for small farmer households to switch to other income generating activity except after a lag. Since low levels of education tend to characterise such households, the main

alternative breadwinners are unlikely to find ready employment opportunities elsewhere in the economy.

In the interim, such households experience severe poverty in their economic condition, which may lead to the exacerbation of conditions in subsequent time periods as children of school going age are withdrawn for lack of resources to send them to school. A downward spiral into chronic poverty can quickly develop.

The conditions of the poor can be alleviated by agencies that are supportive of households, by providing sustenance for elemental needs like food, clothing, etc. This is the transfer process through which some of the output being generated in the current period is made available to households, although they have not been able to contribute to its generation. There is a number of such agencies in the existing realities of Grenada.

On the other hand, there are other types of agencies that commit themselves to building capacity and to creating new opportunities for such households to engage in self sustaining activities. Thus, the retraining of small farmers, and the identification of alternative crops to which they can turn, and of alternative markets in which they can sell, may help them to avoid poverty and to enhance their economic status. The greater the presence of such organisations, and the more vibrant they are, the greater the possibility that households will be able to avoid serious poverty.

In keeping with Figure 1.1, the institutional structures provide resource flows or inputs to individuals, households and groups of households or communities. On the one hand, firms (including micro-enterprises and self-employed persons as units), cooperatives, and other places of work, provide pecuniary income. In some cases, the income is comprised of the proceeds of home production. In this regard, peasant or small holder agriculture is part of the institutional base of Grenadian society. Also some of the resource inflows into households, are in the form of pecuniary transfers — old age pensions, social assistance, or other help in kind like school feeding, food baskets and materials for construction of shelter.

But there are also transfers that are less of a physical form but which add considerably to the quality of life of households and especially of poorer households. Thus, besides money support by way of income transfers, there are programmes like support for teenage mothers provided by at least one institution in the country. Remedial and preventive initiatives also represent a flow of resources to households: programmes to arrest and eradicate drug abuse are of this nature.

Table 3.1 provides in tabular form, information on the primary orientation of the organisations that were visited as part of the institutional analysis conducted for this study. The institutions are scored on a scale of 1-5 with the highest score being 5, and 1, the lowest, as a rating of their contribution to the particular function. As indicated above, few organisations are single purpose in their approaches. Thus, attempts to treat with their focus under one or other rubric introduce

judgmental considerations of the analysts, and must be treated with caution. On the other hand, poverty assessment enjoins on researchers the requirement of undertaking qualitative review of the agencies and organisations that impact on households and individuals. The qualitative dimension, for all its weaknesses, undoubtedly advances understanding of poverty and its impact on society.

Table 3.1: Main Focus of Institutions

<i>Institutions</i>	<i>Developmental</i>	<i>Preventive</i>	<i>Remedial</i>	<i>Supportive</i>
1. ART	5			
2. Cane Farmers' Association	2			
3. Chamber of Industry and Commerce	3			3
4. Conference of Churches				3
5. Credit Union League	4			
6. Family Planning Association		5		
7. Food and Nutrition Council		3		
8. Friends of Earth	2			
9. Grenada Banana Cooperative Society	2			
10. Grenada Cocoa Association	2			
11. Grenada Co-operative Nutmeg Association	2			3
12. Grenada Council for the Disabled				3
13. Grenada Development Bank	3			
14. Grenada Industrial Corporation	3			
15. Grenada National Organisation for Women	3			3
16. Grenada Union of Producer Co-ops	2			
17. GRENCASE	3			
18. GRENCODA	5			
19. GRENLEC	3			
20. GRENSAVE				4
21. Legal Aid and Counselling Clinic				5
22. Marketing Board	4			
23. Ministry of Agriculture	3			
24. Ministry of Carriacou and Petit Martinique Affairs	4			
25. Ministry of Community Development	4			3
26. Ministry of Education	3		3	4
27. Ministry of Finance	3			
28. Ministry of Health		4		
29. Ministry of Housing and Women's Affairs				3
30. National Housing Authority	4			
31. NAWASA	3			
32. NDF	4			

Table 3.1 (continued)

<i>Institutions</i>	<i>Developmental</i>	<i>Preventive</i>	<i>Remedial</i>	<i>Supportive</i>
33. NEWLO	5		5	4
34. NIS				4
35. PAM	4		4	5
36. PEMDECO	5			
37. Police Officers' Group		4		
38. Prison Officers' Group				3
39. Public Service Development Programme				3
40. Public Workers' Union				3
41. River Saltee Credit Union	5			
42. Rotarac Club	3			
43. Salvation Army				4
44. SAPMA	5			3
45. Solid Waste Management Authority		3		
46. Soubisee Fishermen's Coop	3			2
47. St. Vincent the Paul				4
48. TA Marryshow Community College	3		3	
49. Tourism Board	3			3

3.1 DEVELOPMENTAL INSTITUTIONS

3.1.1 AGRICULTURE

Given the continuing importance of agriculture to the economy of Grenada in respect of employment, GDP, and foreign exchange earnings, it is imperative to examine the contribution of existing agencies to the development of the agricultural sector.

The Ministry of Agriculture is a key agency of Government in the sector. The review of its performance suggests that its contribution has been modest in the recent past. Indeed, it is quite strong in the analysis of problems, but not as effective in bringing remedies to the problems. It is engaged in developing a policy framework document, and has recognised that there is need to refocus its efforts at the provision of extension services to combat the severe rural poverty of which the Ministry is acutely aware. While the policy framework is not yet official policy, the Ministry is committed to particular approaches, and is involved in reorganising its machinery to deal with the problems.

Thus, a review of its efforts reveals more *anticipation* of the possible rather than confirmation of the existence of effective developmental measures. Some of the issues identified by the Ministry itself as engaging its attention are:

- diversification of agriculture and subsidy programmes to develop the sector;

- encouragement of backyard gardening;
- land redistribution and the development of a land-bank;
- forward linkage of agriculture to tourism, food processing and domestic consumption; and
- livestock production with special reference poultry and small animal husbandry.

The Ministry considers that the land distribution efforts have not been successful generally. Its officials are not sanguine that the country would take the urgent steps needed in respect of the establishment of a land-bank. The result is that much land is likely to continue being alienated from agriculture without a coherent policy framework, thereby exacerbating the rural-urban drift currently evident in the country.

The Ministry has not been successful in creating a link between agriculture and tourism, and the statements as to the possibilities offered by the latter have remained mere words. In respect of training for farmers, there are major deficiencies to be addressed in respect of both crop production and animal husbandry. The Ministry understands the difficulties, and can identify solutions, but does not consider that it is well structured at present to deliver effectively on the measures needed. The burgeoning demands are well beyond the capacity of its extension and other services.

Another state agency that has a developmental role in agriculture is the Grenada Marketing Board. The Board of this agency has taken a decision to promote non-traditional agriculture. It has also promoted the use of domestic supplies for domestic consumption. The agency has witnessed a modest response to its efforts generally and in a few cases, there have been some dramatic developments. For example, following its introduction of its generalised contract programme, the production of hot peppers increased 300 per cent.

Non-traditional agricultural producers have been drawn into a solidary organisation, emerging out of their subsistence status to become new exporters through the Marketing Board. The Board itself has embarked on a closer collaboration with the Ministry of Agriculture, and in respect of its programmes for contract farming, expects that the Ministry will help to support its efforts to generate export grade quality in the production of sweet potatoes, plantain, dasheen and seasoning herbs. The Board has had a moderate success so far, but its initiatives create grounds for optimism in respect of its role in creating new income sources for farmers.

The Grenada Development Bank is a state agency that also contributes to the agricultural sector, and has helped cane farmers, and other farmers producing traditional crops and cash crops for the domestic market, and also fishermen. The Bank has in more recent times, adopted a conservative approach, and has to establish that there is a certainty of repayment, and that there exists adequate collateral in extending credit to farmers and fishermen.

It recognises that this approach is not conducive to the growth of the agricultural sector generally, and of small farmers specifically, but it has not found the correct formula to allow it to assist and, at the same time, guarantee a low default rate on loans. Given that much of the funding emanates from external sources, including from the Caribbean Development Bank, the Grenada Development Bank has, perforce, to be very cautious in the extension of credit to ensure that it can, in turn, repay loans to its creditors.

Outside the State agencies engaged in providing developmental assistance to agriculture, it is possible to identify two types of organisations from among the NGO community whose activities contribute to the development of the sector. Firstly, there are those collective organisations, which the agricultural producers have established themselves and which are expected to minister to the needs of their membership. Secondly, there exist organisations that have a developmental focus, and direct some of their resources—financial and technical assistance and advocacy—in the service of the agricultural and fishing sectors, and of smaller operators in those areas, in particular.

Among the first category one can identify the Cane Farmers' Association, the Grenada Cocoa Association, Grenada Cooperative Nutmeg Association, Grenada Banana Cooperative Society, and the Soubise Fishermen's Cooperative, which is also a community-based organisation. In the second category are agencies like the National Development Foundation, Agency for Rural Transformation (ART), Grenada Community Development Agency (GRENCODA), River Saltee Cooperative Credit Union, and Saint Andrew People's Maroon Association (SAPMA), the two latter being community-based.

Some of these organisations have made a substantial contribution by providing a base or structure through which farmers and agricultural producers generally can address their problems, identify solutions and collaborate with other agencies, including engaging in negotiations and advocacy with the public and private sectors. ART and GRENCODA could point to significant efforts that have paid off in terms of new or expanded productive capacity in agriculture and agro-processing. The National Development Foundation has had modest success in lending to small farmers. The Soubise Fishermen's Cooperative has been able to create a coherent structure to access critical inputs for the Fishing Industry. The River Saltee Credit Union has provided a base for mobilising financial resources of its members for their own developmental needs, while SAPMA has helped create an environment for food processing in a rural community.

Some of the agencies are plagued with weaknesses and problems however, which detract from their ability to provide assistance and to stimulate development. The Nutmeg Association has not been able to retain some of its present windfall to invest in downstream activities that could sustain the farming community in lean times. This weakness is attributed to the attitudes of members and the structure of the operation of the Association which enforce a very short-term

perspective. There has been a certain single-mindedness on the production of nutmegs only and not in the processing of jams and jellies, or even on initial first stage processing for export. This short-term horizon leaves nutmeg producers bereft of any latitude in the face of predictable declines in market conditions, thus exposing them and others dependent on the industry, to poverty conditions when prices fall.

The involvement of the State in the regulation of the Grenada Cocoa Association undoubtedly has had positive effect, but there are negative features as well. The Association is founded on an Act that makes it function like a company in some respects. On the other hand, it is required to provide service to farmers, and is not expected to create reserves. Thus, surpluses are seldom retained for developmental purposes, however much this is advisable.

Indeed, given the statutory powers of the Ministry of Agriculture over the Association, there are pressures for surpluses to be distributed, even though the industry needs to create capacities for its longer term survival. The temptation is strong for Ministers of Agriculture to appear to win favour in the farming community by ensuring distribution of surpluses rather than in directing allocations for restructuring and strengthening the sector or helping marginal producers to diversify.

This problem seems to characterise the operations of these associations in export agriculture in Grenada. The process starts with Government stepping in to support the farmers with establishment of organisations to create stability in the marketing of the produce. The Government, through the Ministry of Agriculture, becomes a member of the Board or has a close relationship with it. The Ministry of Agriculture influences the distribution of surpluses in respect of the timing and the quantum. The Ministry and/or the Minister come to be seen as the key decision makers in this regard. In the circumstances, the issue of allocations for distribution to farmers as against investment in the future growth of the industry, becomes politicised.

In spite of the severe problems faced by the agricultural sector, there is not much evidence of major collaborative initiatives among these organisations. The producer associations – cocoa, nutmeg, sugar cane, and banana – are generally not aware of what the other is doing, even though collectively, they represent the key foreign exchange earners in agriculture.

The Ministry of Agriculture has an established line of communication with the Marketing Board. However, an agency like NDF, that lends to the agricultural sector, remains peripheral to both and thus is unable to maximise its contribution to the diversification process, which is espoused by all three.

Thus, although there is a support institutional structure in agriculture, which presumably can help transform the sector, some of the organisations are modest in their capacity; some have their focus misdirected, and generally, there is a failure to collaborate and to direct energies at problem-solving in its macro and micro dimensions. A consequential poverty is evident in the rural and farming communities of Grenada, some of which is now surfacing in rural-urban drift, and the development of squatter settlements, especially in St. George's, with the flight from agriculture.

The basis for collaboration with the State is seriously weakened because of interpersonal conflict between the leadership of the Canefarmers' Association and members of the Government, over lands that have been farmed in the south-west of the country and which have been earmarked for a tourism project. The NGOs created an umbrella organisation under the rubric of Inter-Agency Group of Development Organisations (IAGDO), but there is evidence of internal differences in respect of the relationship with the Government. This would weaken the *bona fides* of the umbrella organisation in negotiating external funding, even though multilateral agencies are now more receptive to the idea of providing assistance to countries through resident NGOs.

3.1.2 MANUFACTURING

Manufacturing has long been looked to as a major plank in the overall development and transformation of the economy, and special incentives and institutions have been developed to promote its growth. The Grenada Industrial Corporation is the most significant among the state institutions. The National Development Bank is another. Among the NGOs, NDF and GRENCODA have made an important contribution.

The Industrial Development Corporation, established in 1985, focuses primarily on the provision of factory shells on industrial estates. Its thrust, in this regard, is expected to contribute to employment creation and, therefore to the improvement of life chances for poorer people. The recent experience in the growth of formal employment in manufacturing has not been particularly encouraging, partly because of the competitiveness of the Grenadian workforce — wage/productivity/skill nexus — *vis à vis* other Caribbean countries engaged in export manufacturing.

The Corporation has two industrial parks, the Frequente Industrial Park and the Seamoan Industrial Park. An estimated total of 845 persons were employed at the former in March 1998, and just 15 at Seamoan. The largest operations were in data processing (351 or over half) and in the assembly of electronic parts (118). Some 85 per cent of the space (some 85,000 sq ft) at Frequente Industrial Estate is occupied. While occupancy may be reasonably good, the contribution of the estate to employment represents about three per cent of the workforce.

Since 1994, the Corporation has been attempting to encourage the development of small businesses through an Incubator Programme, given the greater possibility of employment creation through smaller operations. The process involves the creation of micro-enterprise projects which are supported with training from the likes of NDF and the Small Enterprises Development Unit (SEDU) of the Grenada Development Bank. SEDU was established with the support of the International Labour Organisation (ILO), and previously provided small loans to individuals engaged in SMEs. The enterprises are expected to graduate and to move out of a highly subsidised arrangement after a two-year period. The enterprises have had interest rates of eight to ten per cent for loans which are to be repaid over a five-year period.

The experience with this programme has not been very encouraging, and the firms have remained “in the egg shell” in the view of one official, after more than three years. In sum, then, the experience with employment creation has not been very flattering of the effort, thus suggesting fundamental structural problems that Grenada faces in its transformation.

Besides the Industrial Corporation, there have been initiatives by the NDF, which has provided business guidance services, especially to agro-processing operations, and GRENCODA, which has helped cooperative producers in furniture and agro-processing. NDF previously received funding for credit for SMEs from loans made by CDB, through SEDU, but this procedure was discontinued after the change in political administration. It is not clear that these efforts have paid off in terms of substantial transformation and in employment creation. Moreover, given that, lately, NDF and GRENCODA have been strapped for funds, it is moot point whether development needs of the poor have been effectively impacted.

3.1.3 INFORMAL SECTOR SUPPORT

There are NGOs and CBOs involved in creating capacity for small and medium sized enterprises. However, the support for informal sector entrepreneurs is still limited. GRENCODA, ART, SAPMA, and the River Sallee Credit Union were four of the agencies that could be deemed to have some focus on the informal sector. They are seriously constrained by resource limitations.

Among the private sector, there is need to mention the management of the Grenada Bank of Commerce, among which resides a good appreciation of the developmental needs of the poor, and which provides support in the training and orientation of small entrepreneurs and also provided funds through the unending arrangement referred to above. The State agencies – Grenada Industrial Corporation and the Grenada Development Bank – tend to avoid entrepreneurs outside the formal sector.

Following the change of Government in 1995, funding through SEDU was discontinued, and the Grenada Bank of Commerce limits itself mainly to training, with responsibility for funding now under the responsibility of the Micro Enterprise Fund created by the successor administration. It was not possible to establish the efficacy of this new entity. The Marketing Board does make purchases from smaller farmers, some of whom could be classed as informal in their operations.

By and large then, while many persons have been forced to earn their livelihood within the informal sector, there is limited development assistance for their efforts, and what little exists derives mainly from the NGO community. The poor, many of whom have resorted to informal work to eke out a living, are starved of organisations that can help them to develop themselves.

3.1.4 CAPACITY BUILDING

Capacity building is an important element in development and transformation. Where the poor or lower income groups have access to resources that create new and more relevant capabilities among them, they are usually better equipped to extricate and sustain themselves out of poverty. Such capacity building may include, but is not limited to, training and upgrading of skills, reorientation at a psychological level and empowerment.

The foundation of capacity building is the level of access and the quality of education available to the mass of the population. Grenada has had a long tradition of universal primary education. Indeed, following on the Moyne Commission Report at the end of the Second World War, most Caribbean countries embarked on the objective of fulfilling on the objective of universal primary education.

According to many observers, the colonial period is associated with an elitist bias in the educational system. The masses were to be exposed to a very rudimentary education, with none but a narrow elite going to higher levels. This was consistent with the role that the plantation economies had to perform in the metropolitan directed production system.

According to Crispin (1997), over 98 per cent of the population in the age group 5-16 is enrolled in the educational system. The transition rate from primary to secondary level is determined by the number of places, and these, while considerably expanded on the level that existed two decades ago, are much below the numbers who could benefit from secondary education.

This is in spite of some important initiatives that have been taken over the last two decades. This elitism, however, continues to characterise the system even today. Under the socialist administration of the PRG, the first radical step in years was taken with the elimination of school fees in publicly funded secondary institutions. This was followed with a scholarship programme that allowed many Grenadians to secure university training in Cuba. The result was a ladder to opportunity with an expanded base to a larger number of Grenadians.

Notwithstanding all of these achievements in educational democratisation, according to Crispin (1997), there is a decided urban bias in the distribution of secondary school places. Opportunities for secondary education still go disproportionately to children from an urban background or from the middle and upper socio-economic strata — 80 per cent of the places are in urban areas. Given the demands of modern economic participation, the existing structure perpetuates the poverty to which the elitist education of the colonial period consigned the majority.

The transition to tertiary education is even more exiguous. Grenada, consequently, is saddled with a system of education that recreates low educational achievement for the majority from one generation to the other, which has implications for social and economic immobility and for the maintenance of poverty. While education consumes a considerable part of the Government expenditure, its actual distribution of benefits by social group may well exacerbate inequality, let alone poverty (Crispin, 1997). Moreover, the system has not prepared the mass of the population with the foundation for training and capacity building needed for an economy that needs to be geared for international competition.

There is currently an initiative among the OECS countries (OECS Education Reform Strategy), which is attempting to reorganise the entire system. A number of new secondary school places are to be provided during 1998, all in rural communities, but this expansion is expected to create some difficulty given the tightening fiscal situation. Educational reforms take time to make their impact. Thus, the inherent inequality of the present system is likely to endure in the absence of any radical programme.

Grenada has a mix of governmental and non-governmental organisations that provide education and training beyond the regular system of education and training or to a clientele that deems itself to be outside the system of formalised education and training. Some of the NGOs receive part-funding from the Government in their endeavours. According to the Ministry of Education, over 3,000 persons were enrolled in such programmes in 1995 (Planning and Development Unit, 1998).

Adult education and training are the responsibility of the T.A. Marryshow Community College. The Division of Foundation Adult and Continuing Education (FACE) superseded the Centre for Popular Education Programme (CPE) which was established by the PRG. The programme prepared participants interested in sitting for the School Leaving Certificate, GCE, CXC and for certificates in technical and vocational areas. At the lowest level, problems of illiteracy are addressed. It was not possible, however, to establish how well this government-run programme has fared, and to what extent the achievements of the CPE have been sustained. However, in the minds of the general public, based on informal interviews and discussion, FACE has not measured up to what was achieved by CPE.

In the area of tertiary or post-secondary education, the Community College remains the premier institution of the country providing full-time training in a range of sub-professional areas. The management is currently engaged in upgrading some of these, and recognises that there are areas of weakness, the most acute of which relates to agriculture.

Although fees charged to students are not high, poorer students may find difficulty in attending, especially since foregone earnings may be a major sacrifice, even in the face of high unemployment among the youths. There does not seem to exist a well-coordinated programme of scholarships or a student loan fund targeted at lower income groups to facilitate their participation, due regard given to the efforts of the Grenada Development Bank.

The New Life Organisation of Grenada (NEWLO) which was established as a result of cooperation among four religious organisations after the debacle of 1983, offers programmes for young people at two locations in Grenada. Most of the participants are from lower income backgrounds. The programmes have been very effective in providing such young people with marketable skills and many have secured employment immediately on the completion of their training.

Unfortunately, NEWLO has not been as successful in extending its services to older adults. A part-time programme catering for the post-youth age cohort collapsed because of poor attendance. There is apparently a need for such programmes to be buttressed by orientation sessions among prospective participants, most of whom would fall in the lowest income category in the society.

Another programme in capacity building is that of the Grenada Citizens' Advice and Small Business Development Agency (GRENCASE), which is a relatively new NGO. Its initial funding has come almost entirely from Government subventions. GRENCASE has been given the responsibility by the Government for the placement of young people in on-the-job training (Minister of Finance, Budget Speech, 1998: p.17), and, in such circumstances, also performs a monitoring role on the level of skills-transfer to the trainees. The programme is too recent to establish its efficacy, nor was it possible to review GRENCASE's functions outside of this programme.

There are programmes of a less structured nature, and more modest in their reach and objectives that yet contribute to capacity building among the youth and generally, which have some relevance to poverty reduction. The initiatives of NDF, ART, PAM, GRENCODA, the Rotaract Club, and SAPMA can be instanced.

3.1.5 OTHER DEVELOPMENTAL INITIATIVES

There are a number of initiatives that merit consideration as developmental in focus. The Grenada Union of Producer Cooperatives attempts to organise member units, but is limited by the essential weaknesses of its constituent membership. The formation of the Ministry of Carriacou and Petit Martinique Affairs apparently has already realised benefits in ensuring that there is a purposeful approach to public expenditure in the two smaller islands. The Petit Martinique Development Committee (PEMDECO), for its part, while relatively new, is already targeting at the programmes to enhance the quality of life and capacity of the community on Petit Martinique.

The Ministry of Community Development has a reach to most of the communities in Grenada, and has made some significant contribution in some of these. There is a staff of 11 Community Development Officers, and they have helped communities to address the need for infrastructure, water, roads and community centres. The National Housing Authority has expanded on housing provision using procedures consistent with the culture of the country.

NAWASA has extended water supply to an increasing number of rural residents, but there remain pockets on the main island, where water supply remains a problem, and residents have to depend on unsafe sources. GRENLEC, likewise, is continuing the effort of rural electrification and most areas of the country are now covered.

The Tourism Board has administered over the expansion of the tourism plant of the country, many of which facilities are small establishments. However, there has been difficulty in the area of marketing, with the result that many of the smaller establishments have been in financial straits. Moreover, while there has been repetition in official and other circles over the need to create linkage between domestic agriculture and tourism, it is not altogether clear that a major thrust has been made in this direction.

In sum, then, Grenada is well supplied with a number of agencies engaged in development work, some of which is of very high quality, in spite of resource constraints in most cases. They include agencies of Government, in addition to the Private Sector, NGOs and CBOs. There is no hard information readily available to judge the effectiveness of all these programmes, collectively, in their improving the quality of life for the poor, by enhancing their capabilities. The poor would have been poorer and more numerous without them, nevertheless.

3.2 PREVENTIVE SERVICES

Preventive services generally protect households and individuals from succumbing to problems or difficulties. In the case of lower income groups, in particular, such problems may precipitate the slide into poverty. The Family Planning Association is an important example of an agency

that has had positive effects. The Association, in spite of quiet hostility from certain quarters, has become main stream in Grenada society, providing advice and other services mainly to women, and preventing unwanted pregnancies.

Another important preventive programme is Drug Abuse Resistance Education (DARE), that is promoted by the Police Service in counteracting the increase in drug abuse, especially among young people. Indeed, it was the upsurge in drug abuse among young people that encouraged the police to establish DARE. The Community Development Division also provides a number of services that are preventive in nature in that they create some degree of protection, especially to low income groups.

More controversial, and of limited reach is the work of the Friends of Earth that attempts to alert the population to the risks of ecological and environmental degradation, which constitutes a major challenge to Grenada. Indeed, this seems to be an area requiring a substantial intervention, in the light of changing micro-climates in certain parts of the country.

There is very visual evidence of environmental degradation with the hillsides of Grenada subject to wanton 'slash and burn' agriculture, with the risk of the loss of top-soil and the depletion of the primary and secondary forests. However valiant its efforts, Friends of the Earth and others engaged in this type of activity, apparently have not made much of an advance in arresting practices prejudicial to environmental protection. This would impact negatively on Grenada's thrust into eco-tourism.

Nor has the Solid Waste Management Authority fared much better in inculcating a sense of public spiritedness in respect of environmental sanitation. The population generally litters with impunity, and there is very limited provision of facilities in public places for the discard of garbage, which may reflect a problem of under-funding, as well. By and large, the country is not well endowed with agencies and organisations that can subserve the preventive function by protecting vulnerable groups from poverty, social decay and environmental and physical problems that can reduce quality of life and income.

3.2.1 HEALTH

The effectiveness of the Primary Health Care system is usually well illustrated by data on the health system. Grenada has espoused the objective of health for all by the end of the century, and has made some advances in that regard. However, it is currently engaged in a revisit of its financing of health, and, as in many other countries, is finding it difficult to maintain public provision under the formulae that previously applied. The issue of user charges is being addressed, and the Government is already embarked on the *statutorising* of the hospital services, the objective of which is that hospitals will become self-financing.

Community services are expected to continue being financed through public expenditure. There are health centres within the reach of many communities, and the Ministry seeks to provide weekly or regular periodic visits by health personnel to the most remote communities. The rest of this sub-section discusses some of the data collected on the Ministry of Health and the general population, much of which provides an assessment of the preventive and protective role against ill-health afforded the population, especially the poorer members of society.

In 1997, of the 1,674 first visits to clinics made by antenatal mothers, 20.9 per cent were by teenaged mothers, 66.4 per cent were in the age group 20-34 and the remaining 12.3 per cent were over 35. Of the 2,058 births that occurred, 92.4 per cent occurred in Government institutions, the rest occurring in private institutions and by way of home deliveries. Still births and neonatal births accounted for 2.6 per cent. Low birth weight babies (<250 gms.) were eight per cent of total live births.

There is a tendency for formula milk to be utilised even in the first three months of life. Of the 1,210 infants seen in the first 12-15 weeks, approximately 32 per cent had been breast-fed solely for the first three months. There is, therefore, a high probability of malnutrition among infants of poorer mothers who discontinue breast-feeding but are unable to afford formula milk in the required quantity and quality, in their attempt to compensate. Of those visiting clinics in the first three months, four per cent were severely underweight. It is not clear from the data whether these were comprised solely of those who were underweight at birth, but some of them could have succumbed from premature weaning and the early introduction and deficiency in the use of formula milk. In the age group 1-4 years of age, 22 per cent displayed evidence of under-nutrition, while 17 per cent were overweight.

In 1997, a total of 16,479 visits were made by persons in the age group 20 years and over, of whom 30 per cent were male and 70 per cent were female. The highest frequencies of ailments were recorded for diabetes and hypertension. Table 3.2 provides information by parish. While the data do not exhaust the extent of these ailments in the respective communities, there are some interesting factors that need further investigation. In spite of the small size of the country and the relative ease of movement of people across the island, there seems to exist a significant divergence in probable lifestyle diseases between the more urbanised south and the rural areas of Grenada.

It might well be that the rural communities have retained much more of a healthy diet compared to the south of the main island. In the case of Carriacou and Petit Martinique where much of the food has to be brought in, and perhaps there is a greater dependence on food purchased, than on home grown supplies, as in the rural areas of Grenada, lifestyle diseases are more evident.

Table 3.2: Diabetes and Hypertension by District

<i>District</i>	<i>Diabetes</i>			<i>Hypertension</i>		
	<i>No. Screened</i>	<i>Positive</i>	<i>Percent</i>	<i>No. Screened</i>	<i>Positive</i>	<i>Percent</i>
St. George's	336	45	13.4	634	81	12.8
St. John's/St. Mark's	312	4	1.3	396	0	0
St. Patrick's	973	15	1.5	399	28	7.0
St. Andrew's	861	23	2.7	1,375	63	4.6
St. David's	108	53	49.1	456	240	52.6
Carriacou	279	49	17.6	847	200	23.6
Total	2,869	189	6.6	4,107	612	14.9

The principal causes of death for 1996 are listed in Table 3.3. hypertension and diabetes were the leaders and were followed by diseases like pulmonary circulation and heart diseases which were the leading causes of death in 1995. It is difficult to establish the extent to which poorer households were affected. However, to the extent that the rural poor in the north of Grenada showed a tendency to healthier eating, they may not have been as badly affected. In other words, there is need for greater health education immediately as the first signs of income growth or of urbanisation appear, to protect the population against eating habits that contribute to ill health and lead to lifestyle diseases.

Table 3.3: Principal Cause of Death, 1996

<i>Diseases</i>	<i>Rank</i>	<i>No.</i>	<i>Rate</i>
Hypertensive Diseases	1	78	0.8
Endocrine and Metabolic Diseases (Diabetes)	2	68	0.7
Diseases of pulmonary circulation and forms of heart diseases	3	60	0.6
Cerebrovascular Diseases	4	47	0.5
Ischemic Heart Diseases	5	30	0.3
Neoplasms of Digestive Organs and Peritoneum	6	28	0.3
Acute Respiratory Infection	7	24	0.2
Neoplasm of Prostrate	8	23	0.2
Ill-defined conditions	9	17	0.1
Certain conditions relating to perinatal period	10	16	0.1

Table 3.4 summarises the main data on the health status of the population for the period 1993-1997, against the backdrop of its demographic features. The Crude Death Rate has been falling, as has the Crude Birth Rate. Low Birth Weight Babies declined in 1997 as a percentage of total births. Key areas of immunisation have displayed some tendency to vary but have increased in 1997 relative to 1996. However, the lowest rates for the period were in respect of 1996.

Table 3.4: Demographic and Health Indicators, 1993-1997

<i>Indicators</i>	<i>1993</i>	<i>1994</i>	<i>1995</i>	<i>1996</i>	<i>1997</i>
Estimated Population	97,000	97,800	98,500	98,900	99,500
Total Live Births	2,220	2,254	2,286	2,096	2,191
Total Deaths	745	777	807	782	707
Infant Deaths	32	33	29	30	31
Neonatal Deaths	22	22	17	24	22
Post-Neonatal Deaths	10	11	12	6	9
Still Births	31	26	35	37	39
Death <5 years	39	41	35	37	38
Maternal Deaths	1	0	0	0	0
Crude Death Rate	22.9	23.0	23.2	21.2	22.0
General Fertility Rate	102.6	103.6	104.4	95.1	93.4
Gross Reproduction Rate	1.5	1.6	1.6	1.4	1.5
Total Fertility Rate	3.1	3.2	3.2	2.9	2.9
Crude Death Rate	7.7	7.9	8.2	7.9	7.1
Infant Mortality Rate	14.4	14.6	12.7	14.3	14.1
Neonatal Death Rate	9.9	9.8	7.4	11.5	10.0
Post-Neonatal Death Rate	4.5	4.9	5.2	2.9	4.1
Still Birth Rate	13.8	11.4	15.1	17.3	17.5
Death Rate <5 years	17.6	18.2	15.3	17.7	17.3
Maternal Death Rate	0.5	0.0	0.0	0.0	0.0
Rate of Natural Increase	15.2	15.1	15.0	13.3	14.9
Sex Ratio at Birth	100	100	102	110	100
Youth Dependency Ratio	71.0	70.4	69.2	67.7	66.8
Old-Age Dependency Ratio	14.3	14.2	14.0	13.9	14.3
Low Birth Weight Babies (%)		10.0	9.0	11.0	8.0
Immunization					
D.P.T.	88.0	91.0	95.0	80.0	95.0
Polio	90.0	84.0	77.0	80.0	95.0
M.M.R.	100.0	87.0	88.0	85.0	92.0

*Source: Statistical Unit, Ministry of Health
Central Statistical Office, Ministry of Finance*

The incidence of notifiable and communicable diseases is provided in Table 3.5. The recorded cases of AIDS increased between 1996 and 1997. Non-incidence in earlier years of HIV/AIDS may have much more to do with detection and records than to the absence of the condition in Grenada. The fluctuations in the incidence of Gonorrhoea and Syphilis may be due more to recording problems than to the actual incidence of the disease. The expansion in tourism, the mobility of the population and the alleged increase in prostitution would have had some effect. The high incidence of acute respiratory infection, and gastroenteritis among children is alarming, and would undoubtedly have affected poorer households.

Table 3.5: Notifiable/Communicable Diseases, 1993-1997

<i>Type of Diseases</i>	<i>1993</i>	<i>1994</i>	<i>1995</i>	<i>1996</i>	<i>1997</i>
AIDS				18	24
Acute Respiratory Infection (0-4 yrs)		1,745	2,986	4,772	3,223
Acute Respiratory Infection (5+ yrs)		1,309	3,034	1,466	3,097
Chicken Pox	49	49	81	69	59
Dengue	8	12	14	21	16
Diarrhoea	67	235	557	550	464
Gastro (0-4 yrs)	395	336	648	957	578
Gastro (5+ yrs)	387	366	737	800	562
Gonorrhoea	157	87	48	112	58
Influenza	1,504	521	357	302	200
Measles	3	6	2	0	1
Syphilis	15	0	19	54	6
Food Borne Illness				0	9
Leptospirosis	0	0	3	3	0

Source: Statistical Unit, Ministry of Health; Central Statistical Office, Ministry of Finance

In respect of the quality of health care, the Doctor and Nurse ratio to the population suggests an improved availability of services, although the distribution need not be equitable. However, given that nurses are almost totally absorbed by the public services system, an improved ratio of nurses to the population is likely to equate to better care. Some details are provided in Table 3.6.

Table 3.6: Selected Personnel in Health Services

<i>Health Personnel</i>	<i>1993</i>	<i>1994</i>	<i>1995</i>	<i>1996</i>	<i>1997</i>
Doctors	64	67	78	80	80
Dentists	11	11	11	11	15
Nurses	153	160	143	195	189
Pharmacists	62	66	66	67	61
Lab Technicians	12	12	12	12	17
Doctor to Population Ratio	1,515	1,460	1,263	1,236	1,243
Nurse to Population Ratio	633	611	688	507	526

Family Planning and changes in the roles of women in the society are having their impact on the birth rate. This is evident in Table 3.7. The number of births has dropped by almost 30 per cent over the period. The decrease is attributable almost entirely to the fall in the births to mothers in the lower age groups 15-29.

Table 3.7: Live Births by Age of Mother, 1987-1997

<i>Year</i>	<i>Total</i>	<i><15</i>	<i>15-19</i>	<i>20-24</i>	<i>25-29</i>	<i>30-34</i>	<i>35-39</i>	<i>40-44</i>	<i>45-49</i>	<i>Not stated</i>
1987	3,102	n.a	606	1,011	750	428	213	57	2	35
1988	2,635	n.a	510	829	656	400	184	50	6	n.a
1989	2,652	n.a	507	810	668	440	179	46	2	n.a
1990	2,448	n.a	483	672	620	428	147	51	3	44
1991	2,487	n.a	492	697	615	438	173	48	2	22
1992	2,372	n.a	426	669	572	443	183	41	1	37
1993	2,220	7	391	578	528	438	200	46	4	28
1994	2,254	8	393	609	513	416	252	48	2	13
1995	2,286	17	370	590	503	464	256	57	5	24
1996	2,096	11	321	592	467	419	215	51	4	16
1997	2,191	10	373	568	491	411	238	83	1	16

N.B. 1987-1992: Births to Women <15 years are included in the age group 15-19 years

Source: Grenada Annual Abstract of Statistics 1996.

3.3 REMEDIAL SERVICES

Poverty can depreciate human capital or thwart the development of individuals, and frustrate the possibility of their contributing to society and to their own welfare in a sustained way. Life crises — death of a bread-winner, social dislocation — can have a similar effect. Much depends on the structures within society to correct these factors that cause poverty or keep individuals and households in poverty.

One of the more outstanding initiatives in Grenada is the Programme for Adolescent Mothers (PAM) that seeks to mitigate the negative social and economic effect of teenage pregnancy. The organisation has been developed out of collaboration among a number of agencies, although the administrative responsibility resides with GRENSAVE. PAM affords teenage (up to age 17) and under-age mothers an opportunity of continuing their education and recovering their sense of self-respect that is damaged, given the social context of Grenada. Only about 25 can be accommodated at any one point in time. Girls have sat the examinations for the Primary School Leaving Certificate and the CXC, and the success rates have been encouraging.

The programme run by NEWLO is another excellent case of an intervention with remedial impact. For most of the students/trainees, NEWLO represents a second chance at education, and/or the correction for misdirected efforts in their earlier educational experience. On the other hand, there are important gaps or deficiencies. Adult Education programmes need considerable expansion in quantity and quality to attract the sizeable minority who need effective literacy and numeracy skills. There seems to be inadequate provision for young offenders in the existing penal system. Given the challenges that Grenada faces relative to the preparation of its workforce, and given the social problems posed by other forces in the society — crime, drug abuse, environmental degradation, land erosion — there is a dearth of remedial programmes, *prima facie*.

3.4 SUPPORTIVE SERVICES

The supportive structures provide assistance to the poor and help alleviate poverty by ensuring a certain quantum of assistance to them. These are the social safety nets designed not so much to help the poor to uplift themselves, but rather to protect them from the worst effects of the lack of income and resources. The old age pension, and other forms of public assistance to the needy attempt to address these problems through public expenditures by the Government. To this can be added more recent programmes like the School Feeding Programme of the Ministry of Education, and public subventions to the Grenada Council for the Disabled and similar grants to NGOs by the Government.

The Government is the most significant agent in the provision of the social safety net. The state is expected in modern society to shoulder certain responsibilities, and the provision for the social net is one of them. The Government of Grenada includes this in its allocation for Welfare Assistance, some of which is expended through subventions that it makes to NGOs and other organisations that have a reach to the poor. For 1998, the Government has made allocations to such organisations as GRENSAVE, Sapodilla Home, Homes for the Aged, National Children's Home, and the Belfair Home. The largest allocation is for Welfare Allowance most of which goes for Old Age Pensions and Social Assistance.

According to Franka Johnson (1997), the allocation for 1997 to this function, which resided with the Division of Social Services, was in excess of EC\$3.5m. It was distributed as can be seen in Table 3.8. Most of the money (75.5%) went in the support of the elderly by way of old age pensions to persons over the age of 65, who qualified on the basis of a means test. Once selected, such persons receive the pension until death. The pensions were increased from \$50.00 per month to \$75.00 per month. The development of a poverty line will establish the adequacy of this provision.

Table 3.8: Distribution of Government Expenditure on Support Services in 1997

<i>Support by Type</i>	<i>Percentage</i>
Children	15.60
Disabled	0.90
Elderly	75.50
Service Organisations	0.10
Casual Relief	1.70
Other	6.22
Total	100.00

Source: Johnson 1997

Children attracted the next highest sum. The individual allowances were in the sum of at least \$50.00 per month, and most of this was provided for transport costs for poorer children who have to commute to and from school. While the allocation is equity inducing, and allows many a poorer child to attend school, the selection of children is based on a means test and the availability of funds. There remains the possibility that this social safety net does not protect all who are in need.

There are a number of NGOs that perform a support function to the poor. Indeed, this has been traditionally, the main role of NGOs. St. Vincent de Paul, the Salvation Army, the Conference of Churches, and GRENSAVE are in the tradition of religious organisations sustaining the role of the vestry in almsgiving. The Salvation Army in Grenada is significant in all of this. In spite of a long presence in the country, its flock is miniscule. Yet, this organisation has been a key agency in mobilising help from various sources, including other religious organisations, to provide food supplies to the poor or destitute, and in administering school-feeding programmes for poorer children, and providing nursery services for lower-income working mothers.

GRENSAVE is the successor organisation to CANSAVE which was funded with support from Canada and was renamed when Canada Save the Children Fund withdrew. Its focus is on children, and it has been in existence since 1935, which makes it the longest standing NGO in the country. Over half of its funding derives from the Government and is allocated to day-care centres and preschools. The organisation does raise a substantial sum on its own, including from foreign sources. GRENSAVE has also contributed to the establishment of the Programme for Adolescent Mothers (PAM).

The thrust of the programme put on by PAM lends psychological support to pregnant teenagers at a difficult period, but also affords them training and continuing education. There is also the gender specific Grenada National Organisation of Women (GNOW), providing general support

to women, and the Legal Aid and Counselling Clinic of GRENCODA which assists mainly women in abusive situations.

According to Johnson (1997), the Private Sector makes an important contribution to the support function. She estimated that the ten largest firms in the country contributed just under \$1.0m in 1997. In the absence of tax relief, the firms are unlikely to provide much more. Johnson 1997 suggests that there are many ‘middle firms’ that could make a contribution but have not inculcated the value of corporate responsibility. She argues for the legislation to promote the development of charities in Grenada which would increase private donations. The deficiency in its institutional structure limits the provision of private sector funding to the social safety net.

3.5 CONCLUSION

This section reviewed the performance of a number of organisations that contribute to individuals, households and communities in the interventions that they make. Many of them have been very effective, and their initiatives are associated with a positive transformation in the quality of life for some of the poorer people in Grenada. Some of the vulnerable have also been protected from succumbing.

The review suggests that the most effective organisations do not have individually a universal reach to the poor, either because of limitations of resources, and personnel, or because their mandate has been limited to a particular group or community. While there exists a nascent umbrella formation among the NGOs, internal problems may constrain its ability to coordinate approaches. It is not likely that their collective reach is universal either, whether in terms of geography or by the nature of the needs of the vulnerable.

The Government has made efforts recently to create a structure representative of all the entities engaged in the Social Sectors. This augurs well for the future since it may lead to the institutionalisation of a coordinated focus to identify and close gaps of all types. In the short term though, deficiencies are likely to continue with immediate implications for poorer households in an economy that has still much to accomplish by way of diversification and transformation for self-sustaining growth in a challenging international economic environment.

4.0 THE NATURE OF POVERTY IN GRENADA

4.1 KEY FINDINGS OF THE SURVEY OF LIVING CONDITIONS

4.1.1 OVERVIEW

This section of the report provides estimates and main features of poverty in Grenada. In absolute terms the quantification of poverty involves the aggregation of its occurrence into a single statistic. In this report, that single statistic is based on the poverty line. This measure of poverty rests on the consumption expenditure of households. A poverty line based on household consumption expenditure tells of the expenditure necessary to purchase the minimum nutritional and other fundamental requirements of living. Those households that are able to afford this expenditure are the non-poor and those unable to do so are the poor. For this study the annual poverty line for Grenada is estimated to be EC\$3,262 per adult.

In relative terms, poverty is estimated on the basis of comparison with what some other group or individual possesses. Poverty becomes a function not of a minimal standard of living, but rather of the standard of living enjoyed by some group of persons relative to what others are able to afford. Thus, for example, persons belonging to the first one or two per capita consumption quintiles might be deemed poor, relative to the members of the other three or four quintiles.

This section reports also on the perspectives of selected poor communities. While the SLC focuses on a range of quantitative indicators of poverty, the CSA allows the poor to voice their perspectives on their conditions, and affords the opportunity to understand the thinking of the poor, their perspectives on the causes of poverty and the solution to their problems. The CSA provides snapshots of poverty based on the feedback from key informants of different age ranges, and from both genders in the community. Moreover, discussions were held with a number of poor persons in their own homes in each of these communities. The result of these two approaches is the detailing of the macro, meso and micro components of poverty from the economy and society to the people at the lowest end of the income scale.

4.1.2 ORIGINS AND CAUSES: WHY ARE THE POOR, POOR

Material deprivation in Grenada has its roots in the historical circumstances of the society. This has to do with its place in the international economic order as well as the nature of the internal productive and social arrangements that followed from this fact. In the contemporary period, the roles of Grenada and the rest of the Caribbean region as producers of primary produce have remained virtually unaltered. Even where aspects of the manufacturing process or the provision of services with some measure of technological sophistication have been relocated to the region it is those stages of the process that require minimal levels of skill that have come to the Commonwealth Caribbean. Monetary returns are therefore small and technological transfer is virtually nonexistent.

Thus the continued role of these societies within the global economy as producers of primary produce subject to the vagaries of weather and the terms and conditions of a fickle world market provide the structural context within which material poverty is perpetuated. Tourism has been one factor that has provided some variation on this reality, and all the countries have since adopted a tourism-based strategy. The competition within the sector, the fickleness of the industry and its small size in Grenada, have meant that there are still large numbers who remain untouched by the benefits that tourism has brought.

4.1.3 MAGNITUDE: ESTIMATES OF POVERTY IN GRENADA

Analysis of the national survey data reveals that 32.1 percent of all individuals in Grenada were poor. This means that their monthly expenditure was less than the cost of meeting their minimal food and other basic requirements (EC\$3,262). These individuals comprised 28.8 percent of the total number of households in the country. At the same time, 13 percent of all individuals in the country were found to be extremely poor or indigent. This means that their monthly expenditures were less than the cost of satisfying their minimal requirements for food.

Table 4.1 and Figure 4.1 present data on poverty estimates and other measures for four selected Caribbean territories. Poverty in Grenada in 1998 was higher than in St. Lucia in 1996 but lower than St. Vincent and the Grenadines in 1996. Also of interest is the fact that there was less inequality than in the other countries, as evinced in the Gini coefficient, but the poverty gap and the FGT₂ were higher, suggestive of a greater severity of poverty.

Data on the distribution of the poor by parish are presented in Figures 4.2 and 4.3.

Table 4.1: Poverty Estimate for Four Selected Countries

<i>Country</i>	<i>Headcount</i>	<i>Poverty Gap</i>	<i>FGT₂</i>	<i>Gini</i>
Grenada – 1998	32.1	15.3	9.9	0.45
St. Lucia – 1995	25.1	8.6	4.4	0.50
Belize – 1996	33.0	8.7	4.3	0.51
St. Vincent and the Grenadines- 1996	37.5	12.6	6.9	0.56

Box 1: Poverty Estimate

▪ Poor Households	23.8
▪ Poor Population	32.1
▪ Indigent Households	10.5
▪ Indigent Population	12.9
▪ Youth Population	30.2
▪ Elderly Population	22.5
▪ Female Population	31.5
▪ Male Population	32.7
▪ Male Heads	22.3
▪ Female Heads	25.3

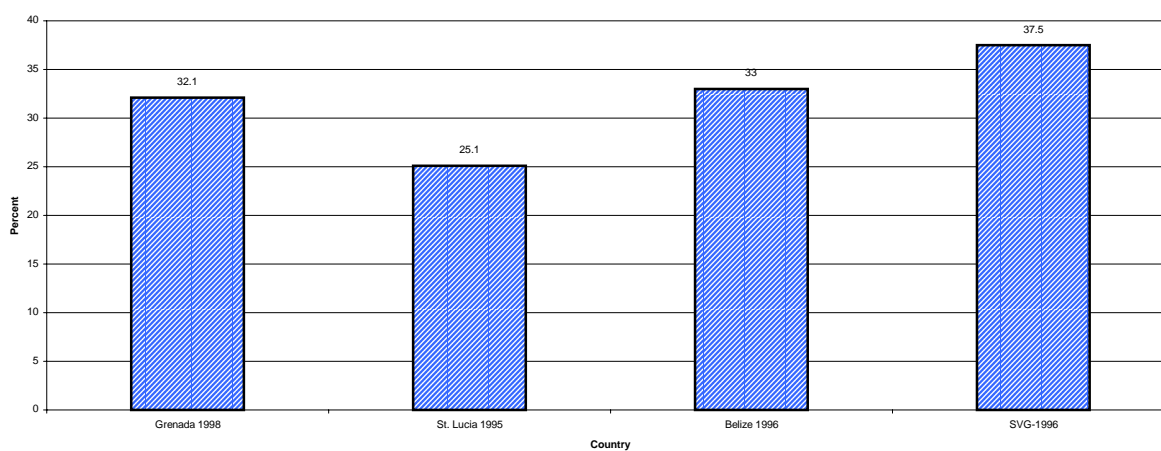


FIGURE 4.1: POVERTY HEADCOUNT FOR FOUR SELECTED COUNTRIES

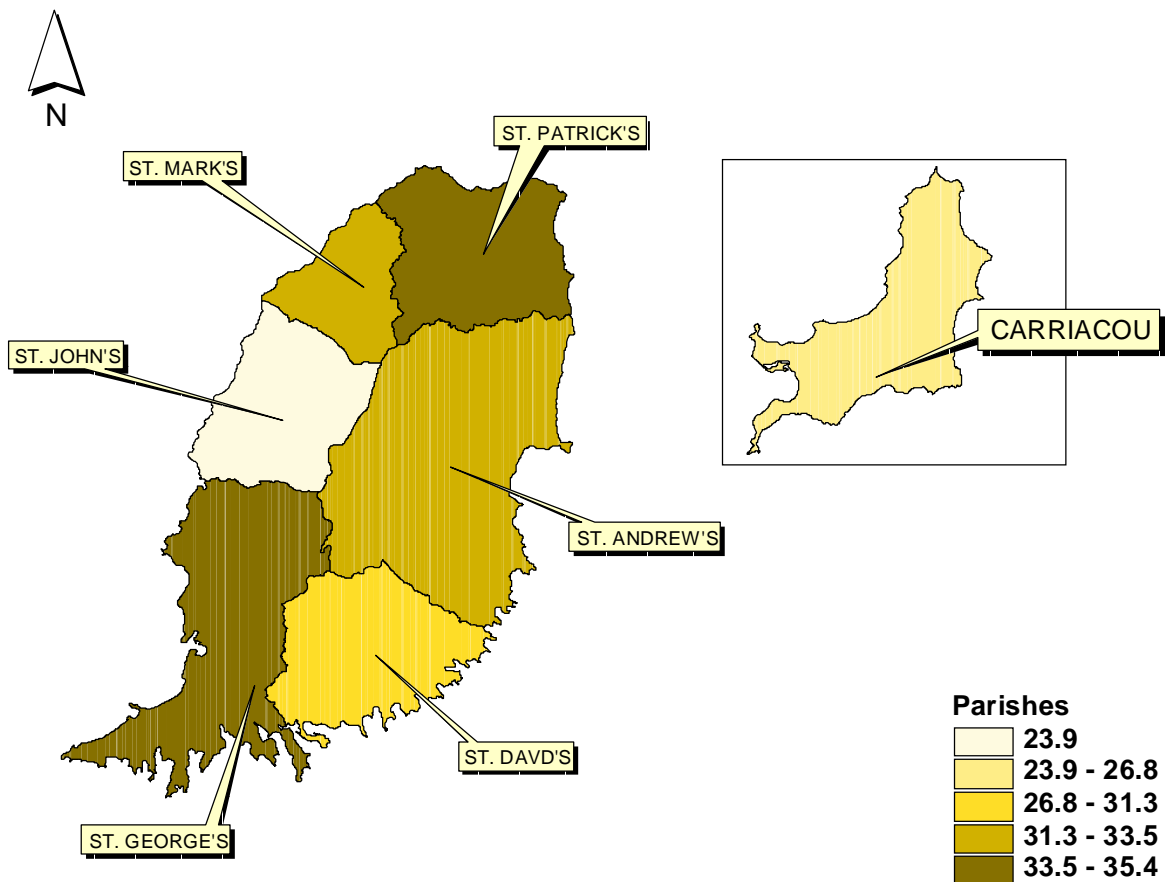


FIGURE 4.2: DISTRIBUTION OF POOR POPULATION BY PARISH

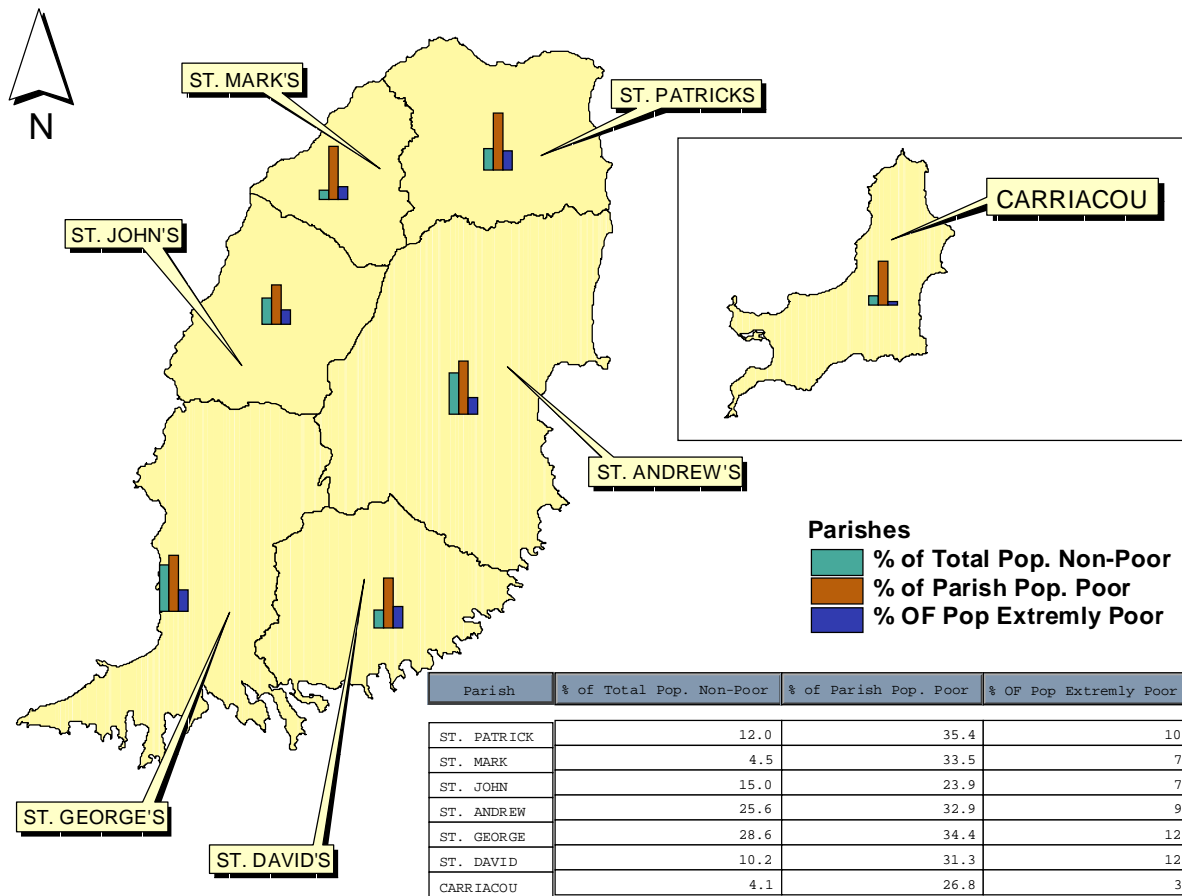


FIGURE 4.3: SOCIOECONOMIC DISTRIBUTION OF POPULATION BY PARISH

4.1.4 CHARACTERISTICS OF THE POOR IN GRENADA

4.1.4.1 Age

Table 4.2 and Figure 4.4 show the relationship between poverty and age in Grenada. The data reveal that poverty is a youthful phenomenon¹⁸. Over 56 percent of the poor were less than 25 years old. More disturbing is the fact that 51 percent of those people living below the poverty line in Grenada are below the age of 20 years. At the other end of the spectrum, 5.6 percent of the poor were 65 years and over. These comprised 22.5 percent of all persons aged 65 year and over in the country.

The greater proclivity of poor women to have large families is demonstrated in the table by the fact that children 0-14 make up 41 percent of the poor as opposed to 28 percent of the non-poor. Poor women tend to have relatively high rates of fertility and therefore poor households tend to have a high number of children. Even where national fertility rates are declining, the circumstances of the poor tend to foster attitudes of hopelessness and powerlessness that make them less minded to curtail their reproductive behaviour than the non-poor. This seems to be the case in Grenada where even though national fertility rates have been in decline during recent times, the 0-4 age group comprises approximately 12 percent of the poor as opposed to 8 percent of the non-poor. The differences in the relative sizes of the 0-4 and 5-9 age groups among the poor and non-poor points to slower rates of decline in fertility among poor than non-poor women and yielded a significant difference in age and socio-economic status - poor vs non-poor. (See Chi-square test in Table 1 Appendix IV).¹⁹

¹⁸ Thirty percent of persons 15-25 years were poor.

¹⁹ A Pearson significance test resulting in .000 is highly significant at the one percent level. A significance test less than .049 is also significant at the five percent level. Chi square results greater than .05 are not statistically significant and any relationship which may or may not seem to exist between the two variables is the result of an accidental or random fluctuation in the sample.

Table 4.2: Poverty by Age in Grenada

<i>Age Distribution</i>	<i>Socio-Economic Status</i>		<i>Total</i>
	<i>Poor</i>	<i>Non-Poor</i>	
0-4 Years	11.6	7.7	9.0
5-9 Years	13.7	9.6	10.9
10-14 Years	15.6	10.9	12.4
15-19 Years	10.4	10.1	10.2
20-24 Years	5.5	7.0	6.6
25-29 Years	5.5	6.1	5.9
30-34 Years	4.8	6.2	5.7
35-39 Years	6.7	6.2	6.4
40-44 Years	3.0	4.6	4.1
45-49 Years	3.5	3.5	3.5
50-54 Years	2.4	3.1	2.9
55-59 Years	2.1	3.2	2.8
60-95 Years	1.7	4.1	3.3
65 and Over	5.6	9.1	8.0
Not Stated	8.1	8.5	8.4
Total	100.0	100.0	100.0
n	1303	2758	4061

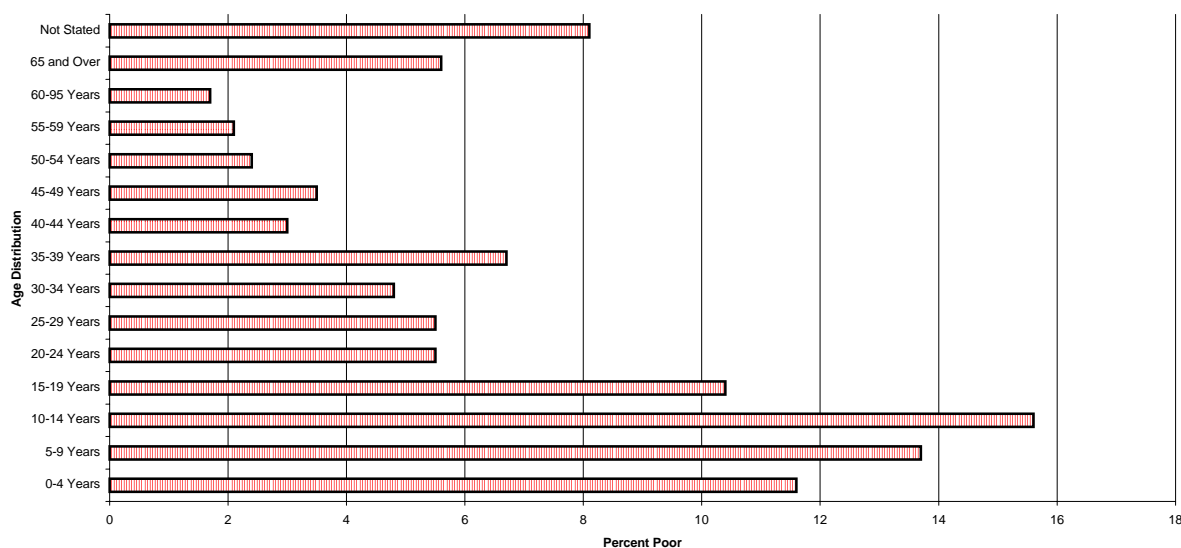


FIGURE 4.4: DISTRIBUTION OF POOR BY AGE

CASE STUDY

CONSTANCE COOPER 24 YEARS OF AGE

Constance is a shy, retiring young woman who speaks in very soft tones. The shack in which she lives rests precariously on a hillside. It has one bedroom, a dining room and a kitchen. The bedroom has a makeshift bed made from a large piece of sponge framed by some pieces of board. There is no electricity, or running water and the household uses the neighbour's toilet, as it has none of its own. The shack belongs to Constance's sister. Besides Constance and her sister, the household consists of four of Constance's six children. Her other two children live in Carriacou, one with the father, and the other with 'a lady'. The children are aged 13, 11, 8, 5, 2, and 9 months. It is the four youngest children that live with Constance. Of these only one, the 8 year old, attends school.

Constance grew up in St Georges. She has 4 brothers and 3 sisters, and is her mother's last child. Their mother, who worked as a cleaner in the Catholic Church, raised them. Constance attended primary school up to standard 7. She left school at age 11 to have her first child. She has not done much work, only being able to point to the seasonal Crash Programme work as a job experience.

Constance receives \$150 per month from the father of her last two children. She also receives help from a male friend who works in a supermarket, and she gets clothes from the Church as well. Nonetheless, she still finds herself without food at times. Today is one of those times. During the interview she reveals that she and the children have had no food for the past 24 hours. She last saw her boyfriend, the father of her last two children, on Sunday (today is Tuesday) and he told her that he would not get any money until Friday. Whenever she finds herself without food, she gives the children some sweet water (sugar and water) and sends them to bed. Sleep she reveals is one of the means through which she deals with hunger. She frequently finds herself without any food.

Constance has attempted to get a job as a cleaner at an office, but has not been successful. She has not sought another job since failing to get the one at the office. She reports that if she were to get a job her father's mother would mind her children during her absence. Her sister has one child who lives with her mother. She works as a maid and uses most of her pay to support that household. Constance reports that she would like her children to stay in school for as long as possible and try and get jobs when they are through.

Constance does not have any plans for the future. She would not like to have any more children and intends to go on 'Family Planning'. Yet, to this point in time, nine months after the birth of her last child, she has not made any effort to acquire any form of birth control. She relies instead on post partum infertility.

4.1.4.2 Geographic Distribution

Apart from the difference between St. George's, the capital, and the rest of the country, Grenada makes no sharp distinctions between its towns and the countryside. Therefore, the meaningful distinction in terms of the regional distribution of the poor is by parish rather than the simple urban–rural divide. Table 4.3 provides us with a picture of the way in which the poor are distributed by parish. Some 32 percent of the persons living below the poverty line in Grenada are found in the parish of St. George's. These persons represent 34 percent of the parish's population and 10 percent of the population of the country.

As can be seen in Table 4.3, St. George's, St. Mark's, St. Patrick's and St. Andrew's had percentages of their population poor, slightly above their representation in the sample. Table 4.3 establishes also that the poor were relatively evenly spread out across the country. Their presence across the parishes tended to match the representation of the parishes with sample selection. Only in the case of St. John's was there a substantial difference discovered, but, along with Carriacou was not significant enough to dominate the tendency for a wide spread of poverty across the parishes. This is also the parish where are settled a number of Grenadians who have returned home for their retirement. Its percentage of population poor (23.9%) was much below the national average of 32.1 percent. Carriacou was the next location with below average poverty (26.8%) followed by St. David's (31.3%), which is the parish with a few well-to-do communities, including the gate-community of Westerhall Point. The poverty level in St. David's, however, was not significantly below the national average.

Table 4.3 Poverty Estimates by Parish - Grenada

<i>Parish</i>	<i>As a % of Non-poor Population</i>	<i>As a % of Poor Population</i>	<i>% of Parish Population Poor</i>	<i>Total Parish Population (no.)</i>	<i>Parish and Percent of Sample</i>
St. George's	28.6	31.7	34.4	1202	29.6
St. John's	15.0	10.0	23.9	543	13.4
St. Mark's	4.5	4.8	33.5	188	4.6
St. Patrick's	12.0	14.0	35.4	514	12.6
St. Andrew's	25.6	26.6	32.9	1052	25.9
St. David's	10.2	9.8	31.3	409	10.1
Carriacou	4.1	3.1	26.8	153	3.8
Total	%	100	100	4061	100.0
	No.	2758	1303		

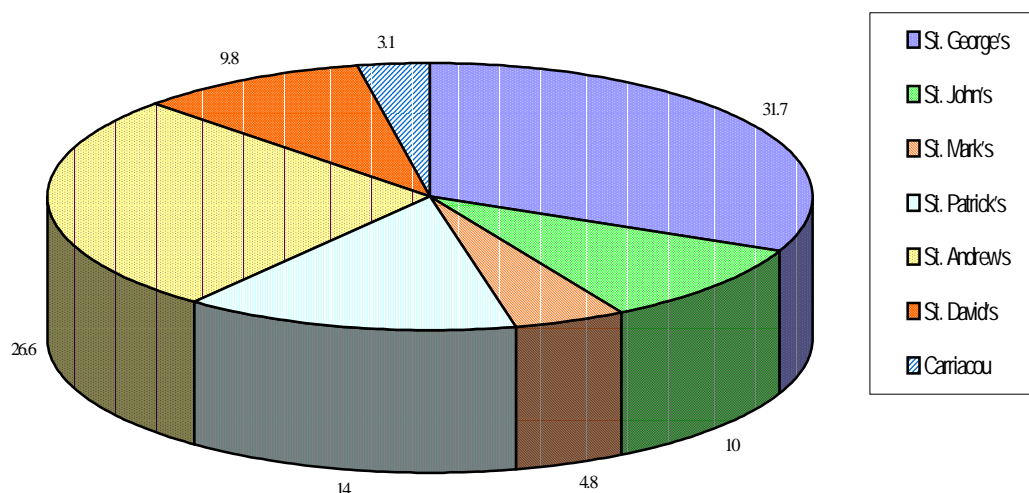


FIGURE 4.5: DISTRIBUTION OF POOR AS A PERCENTAGE OF POOR POPULATION BY PARISH

St. George's had the largest share of the sample and of the poor and non-poor and was followed by St. Andrew's. Table 4.4 supplies estimates of indigence. St. George's had the second highest level of indigents - 15.6 percent. Both the well-to-do and the very poor congregate in St. George's. The highest internal percentage of indigents was found in St. David's.

Table 4.4: Distribution of Indigent Population by Parish

Parish	Headcount	
	Index	Share of Total
All Grenada	12.9	100.0
St. George's	15.6	35.9
St. John's	9.8	10.1
St. Mark's	5.9	2.1
St. Patrick's	14.0	13.8
St. Andrew's	11.7	23.5
St. David's	16.6	13.0
Carriacou	5.2	1.5

The other two measures of poverty utilized are the poverty gap index and the Foster, Greer, Thorbecke P² measure.²⁰ While the Headcount Index measures the prevalence of poverty, the poverty gap index provides a measure of the depth of poverty. The FGT₂ provides a measure of the severity of poverty. The poverty gap index provides an aggregate measure of the distances of

²⁰ See Martin Ravallion, "Poverty Comparisons: A Guide to Concepts and Methods": LSMS Working Paper No. 88

all of the poor from the poverty line. The FGT_2 is a more refined or sensitive measure of the differences between persons below the poverty line. The other two measures for each parish and the entire country are shown in Table 4.5. The data indicate that St. George's has the greatest share of the poor found in Grenada, as well as the highest PG estimate. St. David's has the greatest severity of poverty. The parish of St. Patrick's follows next with a PG and FGT_2 index of 16.1 and 9.7 percent respectively. St Mark's, had the lowest FGT_2 estimate and St. John's the lowest PG.

Table 4.5: The Poverty Gap and the FGT_2 Index by Parish

<i>Parish</i>	<i>Headcount</i>	<i>Poverty Gap (PG)</i>	<i>FGT_2</i>
All Grenada	32.1	15.3	9.9
St. George's	34.4	17.8	11.8
St. John's	23.9	11.1	7.0
St. Mark's	33.5	13.0	6.8
St. Patrick's	35.4	16.1	9.7
St. Andrew's	32.9	14.3	9.3
St. David's	31.3	17.1	12.4
Carriacou	26.8	13.4	7.4

4.1.4.3 Gender

In terms of gender differences, the poor were fairly evenly divided between males and females. Males accounted for 49 percent of poor persons and females 51 percent. Some 33 percent of all males in the country lived below the poverty line and 32 percent of all females were poor. This distribution reveals that gender is not a significant indicator of poverty since it is in keeping with the general distribution of sex in the population, viz. 49 percent men and 52 percent women. See Table 4.6 and Figure 4.6. The Chi Square test confirms that there was no difference (Table 2, Appendix IV).

Table 4.6: Sex by Socioeconomic Status

<i>Gender</i>	<i>Poor</i>		<i>Non-poor</i>		<i>Total</i>	
	<i>Within Socioeconomic status</i>	<i>Within gender</i>	<i>Within Socioeconomic status</i>	<i>Within gender</i>	<i>Within Socioeconomic status</i>	<i>Within Gender</i>
Male	48.7	32.7	47.4	67.3	47.8	100 (n=1942)
Female	51.3	31.5	52.6	68.5	52.2	100 (n=2119)
Total	100 (n=1303)	32.1	100 (n=2758)	67.9	100 (n=4061)	

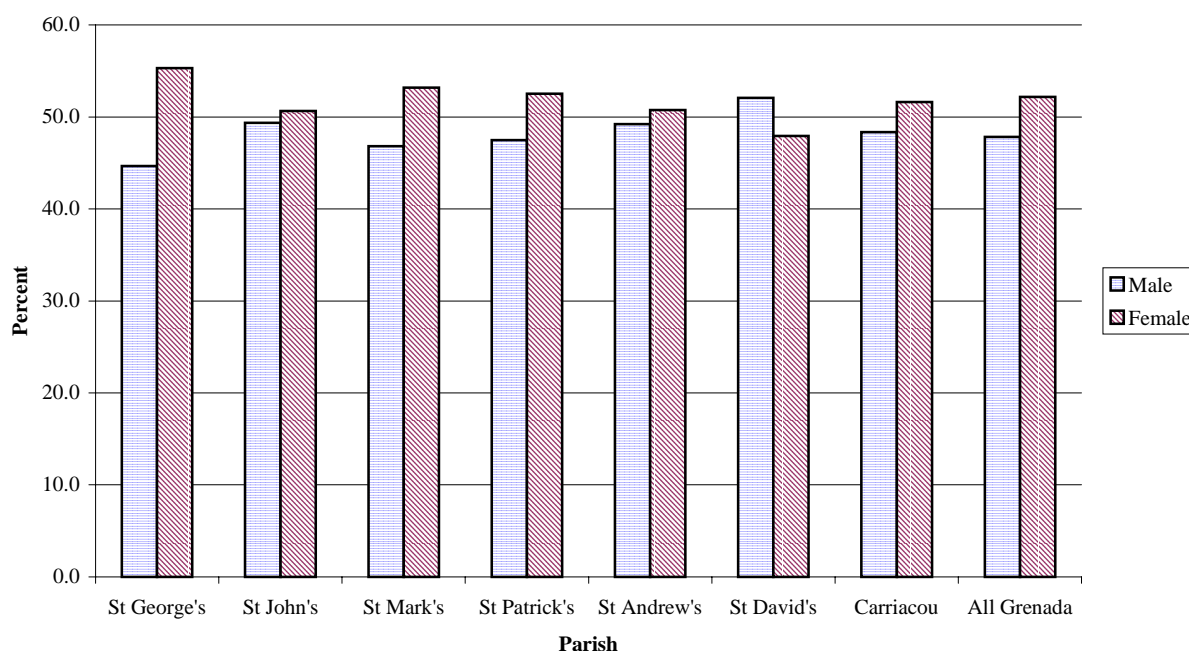


FIGURE 4.6: DISTRIBUTION OF MALES AND FEMALES BY PARISH

4.1.4.4 Ethnicity

Persons of African descent comprise some 80 percent of the population. It is therefore not surprising that they make the vast majority of the poor, as they do of the non-poor. These persons constitute 80 percent of the poor and 81 percent of the non-poor. The other numerically significant ethnic category is the ‘Mixed’ grouping. These persons are among the poor. They make up 12 percent of the total population and some 11 percent of the poor.

4.1.4.5 Labour Force Activity

This section of the report examines the labour force characteristics of the poor. In this regard, it looks at the labour force participation rate, employment, unemployment and the occupational distribution of the poor. The survey data indicate a labour force participation rate of 76.5 percent. Among the poor the rate was 79 percent. While the non-poor participation rate was 76 percent.

The survey data indicate an unemployment rate of 15 percent. This compares favourably with the estimate of 17 percent derived from the labour force survey.²¹ Among the poor the rate was 20 percent, while among the non-poor it was 13 percent. Socioeconomic status overrides sex as a predictor of employment status. When disaggregated by sex, unemployment rates are the same

²¹ The undercount in the survey is due, in part, to the difference in the reference period used by the LSMS and the Labour Force Survey on the question regarding labour force activity.

for poor males as for poor females, although non-poor females have higher rates than non-poor males.

When socioeconomic status is disaggregated by quintile and sex, the same relationship becomes apparent. This is shown in Table 4.7, which shows labour force participation and unemployment rates within quintiles by sex. On average, unemployment rates for males and females in the first two quintiles, within which all of the poor would be found, are virtually the same. An inverse relationship between unemployment and socioeconomic status obtains. As we move up the socioeconomic scale, the unemployment rate declines (see Figure 4.7), but in the case of women, the rate of decline is less than that experienced by males.

**Table 4.7: Labour Force Participation Rate and Unemployment Rates
by Gender and Quintiles**

	<i>Quintiles</i>					<i>Total</i>
	<i>Poorest</i>	<i>II</i>	<i>III</i>	<i>IV</i>	<i>Richest</i>	
Participants (%)	79.7	77.6	76.8	75.0	74.4	76.5
No.	384	301	391	438	508	2102
Males (%)	84.9	79.7	82.1	79.5	81.6	81.5
No.	185	189	184	205	280	1043
Females (%)	75.4	75.6	72.6	71.5	67.1	72.1
No.	199	192	207	233	228	1059
Unemployed (%)	19.5	17.8	16.1	11.6	9.8	14.6
No.	75	68	63	51	50	307
Males (%)	20.5	18.0	13.0	8.8	10.7	13.8
No.	38	34	24	18	30	144
Females (%)	18.6	17.7	18.8	14.2	8.8	15.4
No.	37	34	39	33	20	163

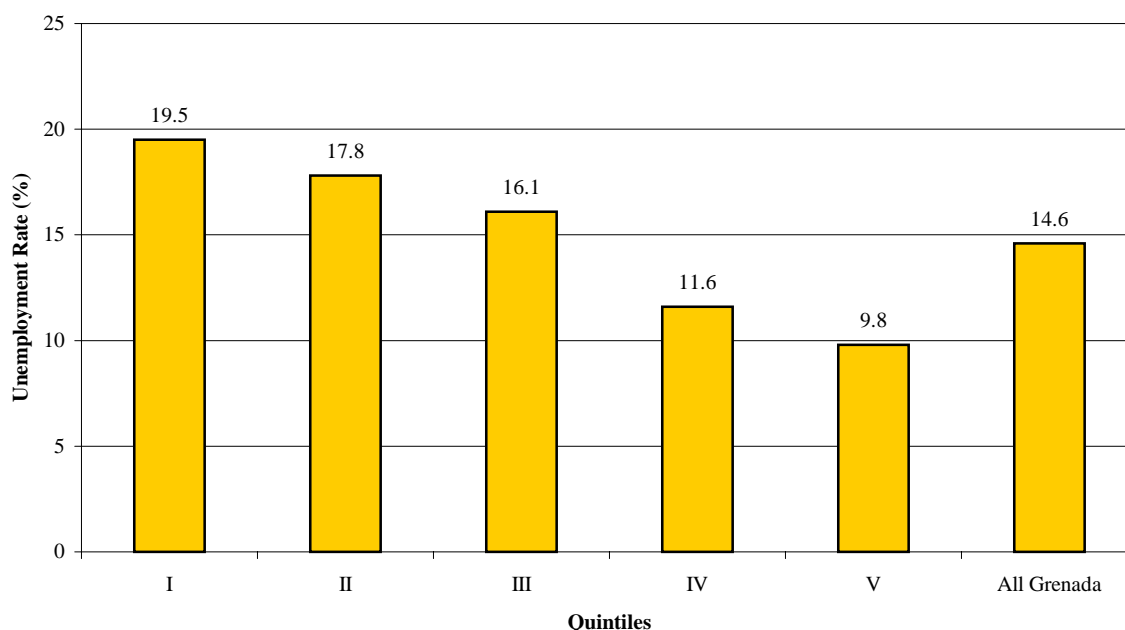


FIGURE 4.7: UNEMPLOYMENT RATES BY QUINTILES

Table 4.8 gives the spread of the unemployed across quintiles. It shows that quintile I has the largest share of the unemployed — 24 percent. The share declines as we move up the socioeconomic scale, being lowest in quintile V, which has a share of 16 percent of the country’s unemployed. This table also shows a heavy concentration of the unemployed in the first two consumption quintiles, virtually 47 percent of the unemployed in the country are in the two first quintiles.

Table 4.8: Share of Employment and Unemployment by Gender Across Quintiles

	<i>Quintiles</i>					<i>TOTAL</i>	
	<i>Poorest</i>	<i>II</i>	<i>III</i>	<i>IV</i>	<i>Richest</i>	<i>%</i>	<i>No.</i>
Participants	18.2	18.1	18.6	20.8	24.2	100.0	2102
Males	17.7	18.1	17.6	19.7	26.8	100.0	1043
Females	18.8	18.1	19.5	22.0	21.5	100.0	1059
Unemployed	24.4	22.1	20.5	16.6	16.3	100.0	307
Males	26.4	23.6	16.7	12.5	20.8	100.0	144
Females	22.7	20.9	23.9	20.2	12.3	100.0	163

In general, the data indicate that although unemployment is not confined to the poor, there is a strong association between unemployment and poverty.²² Meaningful employment targeted at the poor is therefore one obvious short-term means of attacking poverty.²³ The majority of unemployed persons were below the age of 30. This was more so the case among the poor. Table 4.9 shows the unemployed by age and socioeconomic status.

Among the unemployed youth there is a category that is noteworthy. This is the educationally certified that the economy seems unable to absorb. These young people have at least a school-leaving certificate and in many cases a number of GCE and CXC subjects. They, however, make up a quarter of the unemployed in quintiles I and IV and smaller percentages in the other quintiles.

Table 4.9: Unemployed by Age and Socioeconomic Status

<i>Age</i>	<i>Socio-economic Status</i>	
	<i>Poor (%)</i>	<i>Non-poor (%)</i>
15-19	13.4	8.0
20-24	14.3	18.1
25-29	13.4	11.7
30-34	10.9	11.7
35-39	16.0	9.0
40-44	6.7	11.7
45-49	6.7	4.8
50-54	3.4	4.3
55-59	2.5	2.1
60-64	1.7	5.3
65+	2.5	5.3
Not Stated	8.4	8.0
Total	%	100.0
	No.	119

²² This is not always the case. In Jamaica for example the poor have lower rates of unemployment than the non-poor. Here, an extensive small farm domestic agricultural sector and a well-developed informal sector provide employment of sorts for the poor. In Grenada, the absence of a well-developed informal sector and the pervasiveness of domestic agriculture do not allow for this to happen.

²³ Two popular means of doing this are through the creation of non-productive urban-based 'crash' programmes and under-productive rural agricultural operations. Both methods while likely to result in the reductions in the depth and severity of poverty are unlikely to lead to its eradication.

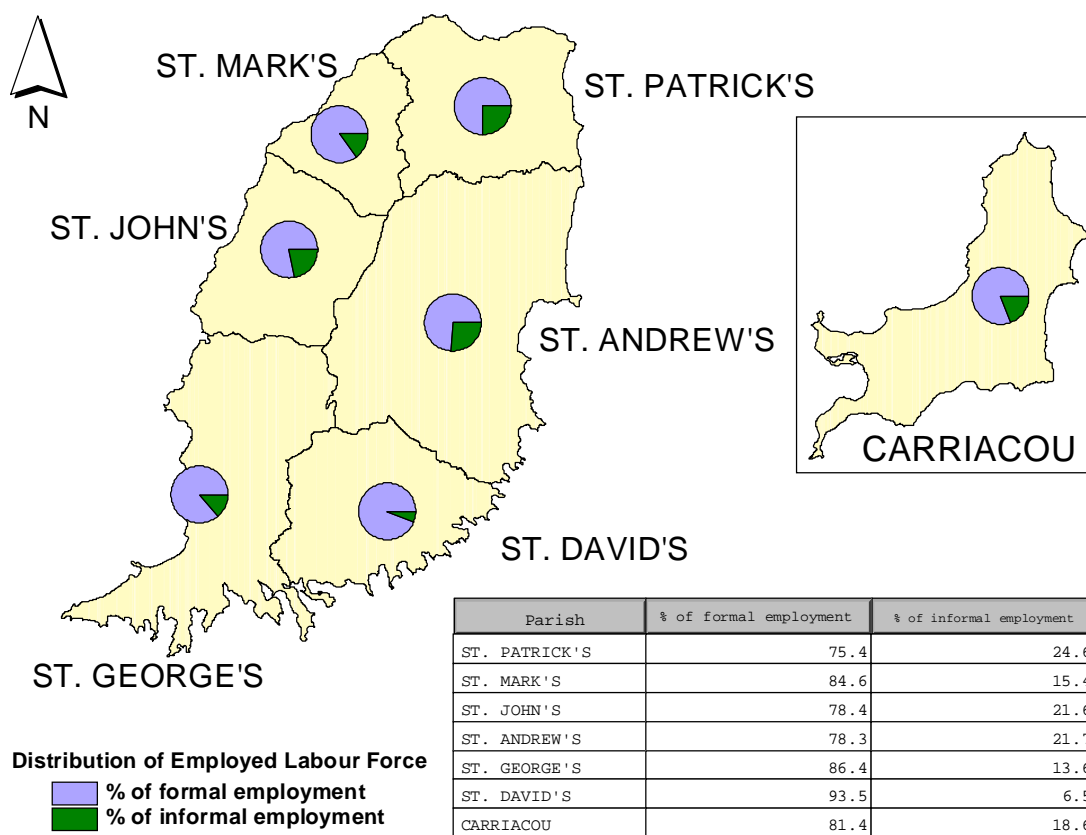


FIGURE 4.8: LABOUR FORCE PARTICIPANTS BY SECTOR OF EMPLOYMENT

4.1.4.6 Geographic Distribution of the Unemployed Poor

The distribution of the unemployed poor by parish is shown in Table 4.10. The highest percentage of the unemployed poor was found in St Andrew’s. St. George’s followed next with over one quarter of the unemployed. These percentages of the poor represented 21 and 18 percent of the parish population respectively.

Table 4. 10: Distribution of the Unemployed Poor by Parish

Parish	% Unemployed Poor	Unemployed Poor as a % of Total Poor in Parish Labour Force	
		%	No.
St. George's	27.7	17.8	185
St. John's	9.2	17.7	62
St. Mark's	5.0	28.6	21
St. Patrick's	11.8	16.7	84
St. Andrew's	31.1	21.3	174
St. David's	13.4	30.8	52
Carriacou	1.7	7.1	28
Total	100.0 (n=119)	19.6	606

High rates of non-response to questions having to do with occupation make the analysis of the occupational status of the poor pointless. Suffice it to say that the poor in other countries of the Caribbean tend to be concentrated in a narrow band of elementary, unskilled occupations. This is likely to be the case in Grenada as well. Certainly, the qualitative data from the poor households suggest the existence of a well-established tradition of chronic intergenerational poverty associated with low levels of education and skill. Most of the forebears of these persons belonged to the small landholder or landless agricultural labourer occupational grouping.

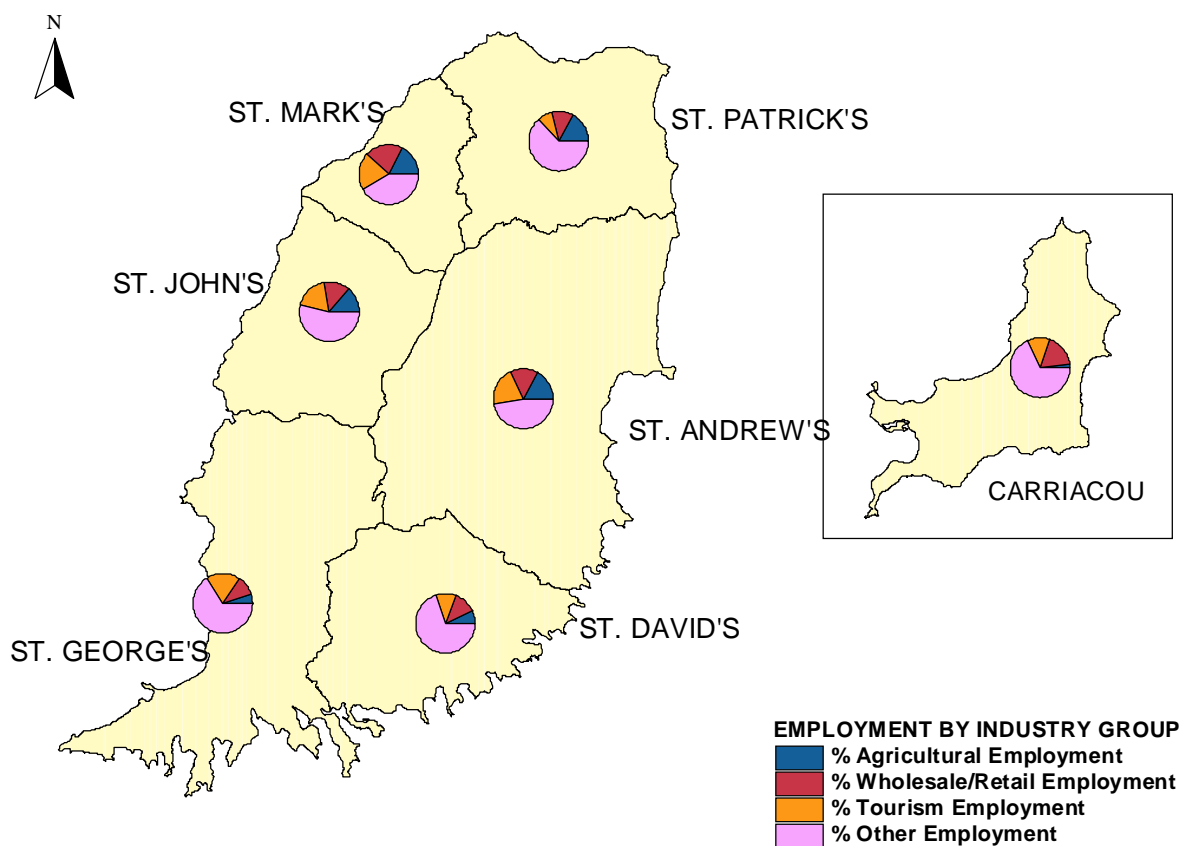


FIGURE 4.9: DISTRIBUTION OF EMPLOYED PERSONS BY INDUSTRY

CASE STUDY: INTERGENERATIONAL POVERTY

MAY ALI 61 YEARS OLD

DISTRICT: POST ROYAL

May is a 61 year old grandmother. She lives in a one bedroom wooden house. May has lived in this house since 1955 with her husband. He is 71 years old. The house is in an advanced state of disrepair. The flooring is shaky and contains holes that put the household members at risk of falling through. The one bedroom in the house has been partitioned into two: the smaller section is used as a sleeping area for the three grandchildren who reside with the respondent and her husband. The house is infested with termites. Windows that once contained glass now have pieces of board instead. The zinc roof has no ceiling. The kitchen is attached to the house but is made partly from zinc. Its main feature is a large fireplace for cooking with firewood. The house is furnished with a long chair, a table and a cabinet, which has no glass.'

The house is located on a quarter acre of land, which belongs to May's husband. There is no electricity or running water, and the family uses the public standpipe and the nearby river as its water sources. The house has a pit latrine.

May is of East Indian ancestry and was born in the rural community of Clozier. She comes from a small family of one brother and two sisters and grew up with her mother and stepfather. Both were agricultural labourers. She attended primary school up to sixth standard, leaving school when she was 10 years old. In keeping with the Indian cultural tradition of the day she got married at age 12 and went to live with her husband. He was a labourer who never attended school. She had her first child at age 14 and had five others subsequently. They are now aged 47, 40, 41, 37, 31 and 30.

She sent her children to Primary school; some attended up to Standard 7. These children themselves started having children in their teens. She now has 24 grandchildren and 6 great-grandchildren. Many of these do not go to school regularly because there is no money for lunch. Mary says she has no knowledge of the school-feeding programme.

The three grandchildren who live with May and her husband belong to her fourth child, a daughter Cindy, who is unemployed. Cindy has six children by three different fathers. The other three children live with her. She attended primary school up until standard 8. She is at present unemployed and has no skill, although she has a school-leaving certificate. She earns some income by doing washing for a family in the district. She also receives some income in the form of child-support, from one of the fathers of her children. Her final source of income is from the sale of produce from a 'garden' that she plants on one acre of land. The corn, peas and pumpkin that she reaps is sold to people in the district in which she lives. Cindy has not gone in search of a substantial job. She maintains however that if one became available she would take it. She maintains that a job in, say, a store in the nearby town would not pay enough to cover daily bus fare and lunch and buy clothes. Even though the family for whom she washes has a restaurant she has never asked them for a job. She has no plans to do anything else in life. May's other daughters are either unemployed or work as domestic workers or small-scale cultivators.

4.1.4.7 Education

As much as 64 percent of the population of Grenada has no form of educational certification. Although slightly higher in the poorer quintiles, this lack of educational certification of the Grenadian people is spread fairly evenly across the five consumption groups into which the society can be divided. This is shown in Table 4.11.

Table 4.11: Highest Examination Passed by Quintiles

	<i>Total</i>					<i>Total</i>
	<i>Poorest</i>	<i>II</i>	<i>III</i>	<i>IV</i>	<i>Richest</i>	
None	65.9	71.2	68.3	61.8	56.1	63.9
School Leaving	2.5	3.7	3.8	4.7	7.3	4.6
CXC Basic	5.2	3.1	4.9	5.2	2.7	4.1
GCE O/CXC 1-2	8.2	4.8	7.4	10.3	9.6	8.3
GCE O/CXC 3-4	.8	.6	.3	1.2	.8	.7
GCE O/CXC 5+	.5	.6	1.6	1.4	3.7	1.7
GCE A 1-2	.8	.3	.8	1.2	.8	.7
GCE A 3+	-	-	-	.7	1.0	.4
Diploma	1.4	1.4	2.2	2.3	5.4	2.8
Degree	.5	-	1.1	.2	3.3	1.2
Other	.8	2.0	1.6	3.5	2.9	2.3
Not Stated	13.2	12.4	7.9	7.5	6.7	9.3
Total	%	100.0	100.0	100.0	100.0	100.0
	No.	364	354	366	427	519

Also of interest is the fairly even spread of such educational certification as does exist, across the entire consumption grouping. The less than one third of the population with educational certification is, in the main, the result of efforts made in relatively recent times to provide the mass of the population with educational opportunities. Analysis of educational attainment by age seems to bear out this proposition. The data reveal that 73 percent of Grenadians aged 30 years and over have no formal educational certification.

Although only 35 percent of the respondents gave answers to the question on ‘type of school attended’, the recent educational history of the country would suggest that most of its inhabitants did not have the opportunity to attend secondary schools. This is in keeping with the low levels of certification discussed above. Formal education beyond the primary school level is a relatively recent phenomenon in Grenada.

In addition, access to secondary education has been fairly egalitarian in nature. Since the provision of secondary education to the majority by the PRG, the majority of students who attend secondary institutions move from government primary into Government secondary schools or Government supported secondary schools. Private institutions make up a miniscule percentage of the school system at all levels.

The expansion in secondary education has been too recent to make a major impact on the educational distribution of the population inherited from the earliest years of Grenadian independence. Moreover, the relatively undiversified structure of the economy would have failed to encourage any massive expansion in the human capital stock beyond those set by the deprivations of the population for an improved educational system. The data establish the limited human capital stock of the country. There is an association between improved educational certification and socio-economic status. The educated, not unexpectedly, fare better in the labour market than the poor, a fact attested to the Chi Square test relating education to socio-economic status (see Table 6, Appendix IV). On a key variable like having successfully completed secondary education by securing five or more CXC passes, it is clear that one was more than four times likely to be non-poor than poor, and more than three times likely to be non-poor with a Degree, than having a degree and being poor. Table 4.12, which shows the highest examination passed by poor and non-poor persons, illustrates this point. There is reward for learning even in the undeveloped state of industry in the country.

Figure 4.10 presents data on the highest level of education attained by heads of households.

Table 4.12 Highest Examination Passed by Socio-economic Status

<i>Highest Examination Passed</i>		<i>Percentage Passed</i>	
		<i>Poor</i>	<i>Non-poor</i>
None		70.2	61.5
School Leaving		2.9	5.3
CXC Basic		4.3	4.1
GCE O/CXC 1-2		7.0	8.8
GCE O/CXC 3-4		0.9	0.7
GCE O/CXC 5+		0.5	2.2
GCE A 1-2		0.5	0.8
GCE A 3+		-	0.5
Diploma		1.4	3.3
Degree		0.4	1.5
Other		0.7	2.9
Not Stated		11.2	8.5
Total	%	100.0	100.0
	No.	561	1469

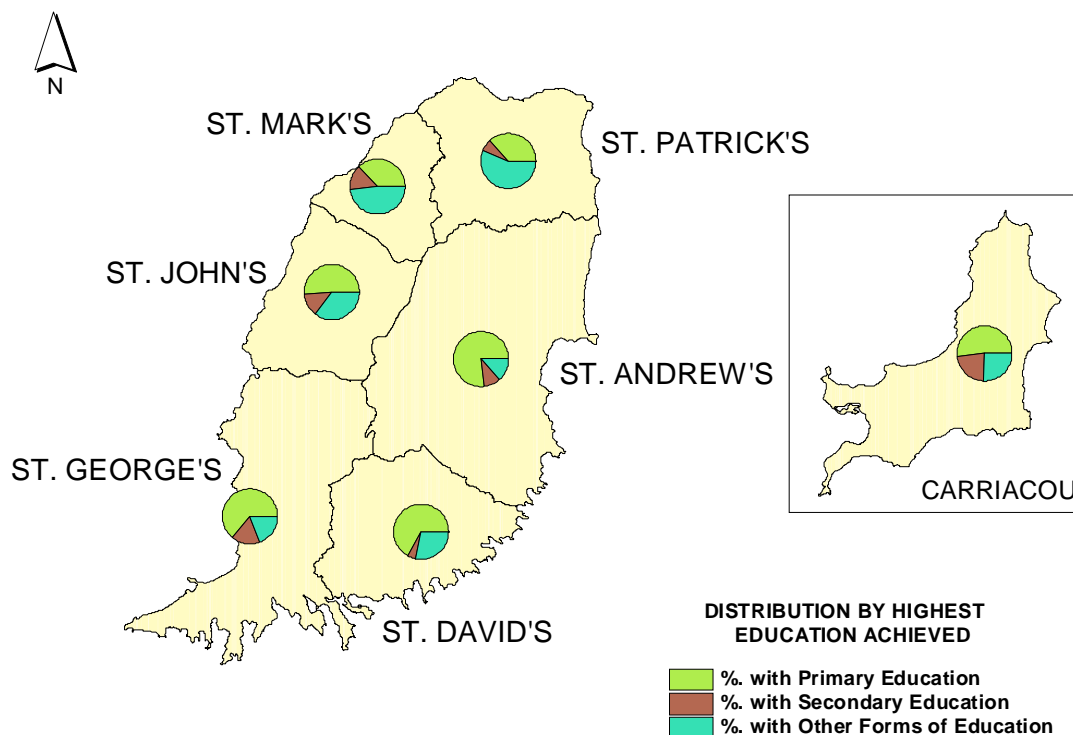


FIGURE 4.10: HIGHEST LEVEL OF EDUCATION ATTAINED BY HEADS OF HOUSEHOLDS

4.1.4.8 Health and the Environment

The relationship between poverty and health in the Caribbean region presents something of a conundrum. In virtually all of the territories in which LSMS have been conducted, the poor have a favourable health status relative to the non-poor and the relatively prosperous groups in society.²⁴ The standard question relating to the incidence of illness on these questionnaires has been “Did [respondent] have any illness or injury during the past 30 days? e.g. cold, diarrhoea, or other illness/injury due to accident”. It was felt that perhaps the unexpected finding of the poor

²⁴ The scholarly literature speaks of what is known as the socioeconomic status gradient in health. This suggests that the poor are more likely to contract and succumb to certain type of illnesses than the non-poor. It is suggested that in some instances disease or mortality risk increases fivefold as you move from the wealthiest to the poorest segment of the society. Factors such as access to health care facilities, unhealthy environment, lower levels of education and stress are said to account for the differentiation: Robert Sapolsky, “How the other half heals”: Discover Magazine, April 1998. Sapolsky also points out that there are diseases that have an inverse SES gradient, but statistics from the wealthy countries seem to suggest that these are outnumbered by those illnesses that move in the opposite direction to the gradient.

being in better health than the non-poor might have been due to the fact that the poor paid less attention to common ailments.

In formulating the questionnaire for Grenada, a distinction was therefore made between illnesses that resulted in confinement to bed, and illnesses that merely manifested themselves in the form of discomforting symptoms, but which did not incapacitate the individual. On the basis of the response to the question as to whether the respondent had to be confined to bed due to illness during the past 30 days, the non-poor were found to have a higher rate of illness than the poor, 61 per thousand as opposed to 46 per thousand. See Table 4.13.

In terms of illnesses involving mere discomforting symptoms the pattern remained the same. Once again the non-poor seem to display higher rates of illness than the poor.

Table 4.13: Rate of Illness among Poor and Non-poor

	<i>All</i>	<i>Poor</i>	<i>Non-poor</i>
Incapacitating	56 (n=228)	46 (n=60)	61 (n= 168)
Non-Incapacitating	73 (n=298)	70 (n= 91)	75 (n=207)
Total Rate of illness	129 (n=526)	116 (n=151)	136 (n=375)

Another concern relating to health had to do with the fact that previous surveys did not address the question of levels of exogenous as opposed to endogenous-type illnesses. The former are caused by organisms and vectors that live outside of the human body. They are generally associated with poor housing and sanitation and lower levels of socioeconomic development. The latter arises as a result of bodily dysfunction and is generally regarded as ill-health that is related to lifestyle. These diseases include hypertension, diabetes, heart conditions and cancer. This group of illnesses tends to be predominant in those societies that have moved beyond primary stages of socioeconomic development. A central issue in the study of the epidemiology of the region has to do with the relative importance of these two types of illnesses in the society as a whole, as well as their relative importance among the poor and non-poor.

The Grenada survey allows for the answering of these questions since it asks specifically whether or not individuals suffer from diseases such as diabetes, high blood pressure, heart conditions and cancer. In addition to the 13 percent of the sample that reports itself sick in answer to the questions on incapacitating and non-incapacitating illnesses, an additional 6 percent of the population answers in the affirmative to a specific question relating to the chronic,

endogenous illnesses.²⁵ These persons did not indicate that they were ill in answer to the usual health question and therefore represent a segment of the population that has not been captured by these types of surveys before. When combined with those persons who reported that they suffered from endogenous diseases in answer to the other two health questions the rate of endogenous illness (diabetes, high blood pressure, heart conditions, cancer) implied for Grenada is 88 per 1000.

The epidemiological profile suggested by these figures is one of a population that has made the transition from exogenous type illness to endogenous type illness as the most serious cause of sickness. In keeping with the trend evinced so far, the non-poor display a higher rate of endogenous illness than the poor did. This is shown in Table 4.14.

Table 4.14: Rate of Endogenous Illness Among the Non-Poor and Poor

	<i>Rate of Endogenous illness per 1000 population</i>
All	88 (n= 357)
Poor	63 (n=82)
Non-poor	100 (n=275)

Care should be taken in interpreting these figures. On the face of it would appear that the non-poor suffer from this type of illness at almost twice the rate of the poor. It is possible that higher levels of inaccessibility to proper health care and a disinclination on the part of the poor to make preventive visits to the doctor, conceal the existence of higher levels of these types of illnesses among them.

As much as 35 percent of the poor and 21 percent of the non-poor who were sick did not respond to the question asking if they sought medical attention as a result of their illness. It is therefore difficult to draw definitive conclusions as to the health-seeking behaviour of the two socioeconomic groups. However, the hypothesis about the greater reluctance or inability of the poor to seek medical care than the non-poor seems to find support in the percentages that did respond to this question. Some 30 percent of the poor that were ill, sought medical care. This compares with 48 percent of the non-poor. However, on the basis of the Chi Square tests, it is difficult to establish any major statistical difference between the poor and non-poor (Tables 7 and 8, Appendix IV).

²⁵ The question asks “Does [respondent] suffer from any of the following diseases, Diabetes, High Blood Pressure, Heart Conditions, Cancer”?

Table 4.15 shows that although the poor made most use of the public health facilities, with 61 percent of their number who sought medical attention doing so, as much as 38 percent of the non-poor did so as well. The non-poor, however, made greatest use of private health facilities, with as much as 51 percent of those that sought treatment doing so. The poor made use of private health facilities mainly in the form of the private doctor.

Table 4.15: Use of Healthcare Facilities by Poor and Non-poor

<i>Place First Visited</i>		<i>% Poor</i>	<i>% Non-poor</i>	<i>%Total</i>
Public Hospital		24.0	9.3	12.5
Public Health Centre		36.7	28.7	30.4
Pharmacy		-	2.1	1.6
Private Clinic/Hospital		-	4.8	3.8
Private Doctor		31.6	46.4	43.2
Other		2.5	3.1	3.0
Not Stated		5.1	5.5	5.4
Total	%	100	100	100
	No.	79	289	368

4.1.4.9 Household Headship

Household headship is important because the characteristics of the head of the household have been found to be associated with the life chances of the individual members of the household. This is more so the case with children. Therefore, this variable holds important implications for intergenerational poverty. From the standpoint of policy this is an area in which intervention can lead to the breaking of the cycle of poverty. This section of the report addresses the issue of the characteristics of the household heads and the way these characteristics are related to socioeconomic status.

Headship, though, is a complex phenomenon. Its determination, for example, has traditionally been done on the basis of response to the question “who is the head of this household”? This means of determining headship has recently been called into question. The argument here is that stated headship oftentimes amounts to nothing more than nominal headship. In actuality someone other than the stated head is the person who makes the major decisions affecting other members and contributes the most money or other material resources to the household. This person, rather than the stated head, is the significant individual who really determines the fortunes of the household.

In order to understand the relationship of headship and poverty it is necessary to clear up the uncertainties relating to stated and actual headship. In particular there is need for a clear understanding of the relationship between gender of head and poverty. This is so because it has been suggested that the special problems faced by women in society find expression in the labour market as well. This is said to place those households in which they are in charge in a disadvantageous position. On the basis of the traditional marker of headship there is therefore the possibility of either over-counting or under-counting female headship among the poor.

The data indicate that overall, males head 52 percent of the households and females 48 percent. When socioeconomic status is taken into account the picture changes somewhat. Among the poor stated female headship is greater than stated male headship 52 percent to 48 percent respectively. Among the non-poor, the position is reversed with females being identified as heads in 47 percent of the households. It is this state of affairs that highlights the importance of the distinction between nominal and real headship. Do these figures overstate or undercount the incidence of female headship and therefore present an untrue picture of the relationship between gender, headship and poverty? The questionnaire included questions that sought to ascertain whether or not the stated head is the major contributor of resources, or is the one who takes the major decisions in the house.

The data indicate that 64 percent of the stated heads that were female contributed the most money to the household. In the case of males the figure was 88 percent. Among poor households 62 percent of stated female heads and 82 percent of stated male heads contributed the most money to the household. The corresponding figures for the non-poor were 65% and 89 percent respectively.

In terms of principal decision maker, the data show that 75 percent of the males and 71 percent of the females identified as heads of poor households were the major decision makers in the household. These included 8 percent of male stated heads and 36 percent of the female stated heads that did not contribute the most money to the household. These female heads would represent an over count of female headship. Conversely, there are the females who cede nominal headship to the male even though they contribute the most to the household and take the major decisions. The non-identification of these females would represent a source of undercount of female headship. Some 19 percent of the males who were stated heads of poor households did not contribute the most money and in the main did not make the major decisions in the household.

The data seem to suggest that in terms of these objective criteria the males identified as household heads were more likely to be the de facto heads than the females so identified. They also suggest the possibility of a slight over count of female headship.

As a general comment it would appear that there is a strong correspondence between stated and actual headship although this is more the case with men than women. The over count does not appear to be of sufficient magnitude to warrant the abandonment of nominal or stated headship in the identification of female headed households. However, in terms of understanding household dynamics, proceeding on the basis of stated headship alone will not always allow for effective intervention to correct the maladies that might need to be addressed. Women’s involvement in decisions relating to the distribution of the resources of the household for example has implications for the welfare of its members that override the significance of stated headship.

Figure 4.11 presents a graphical distribution of female heads of households by parish.

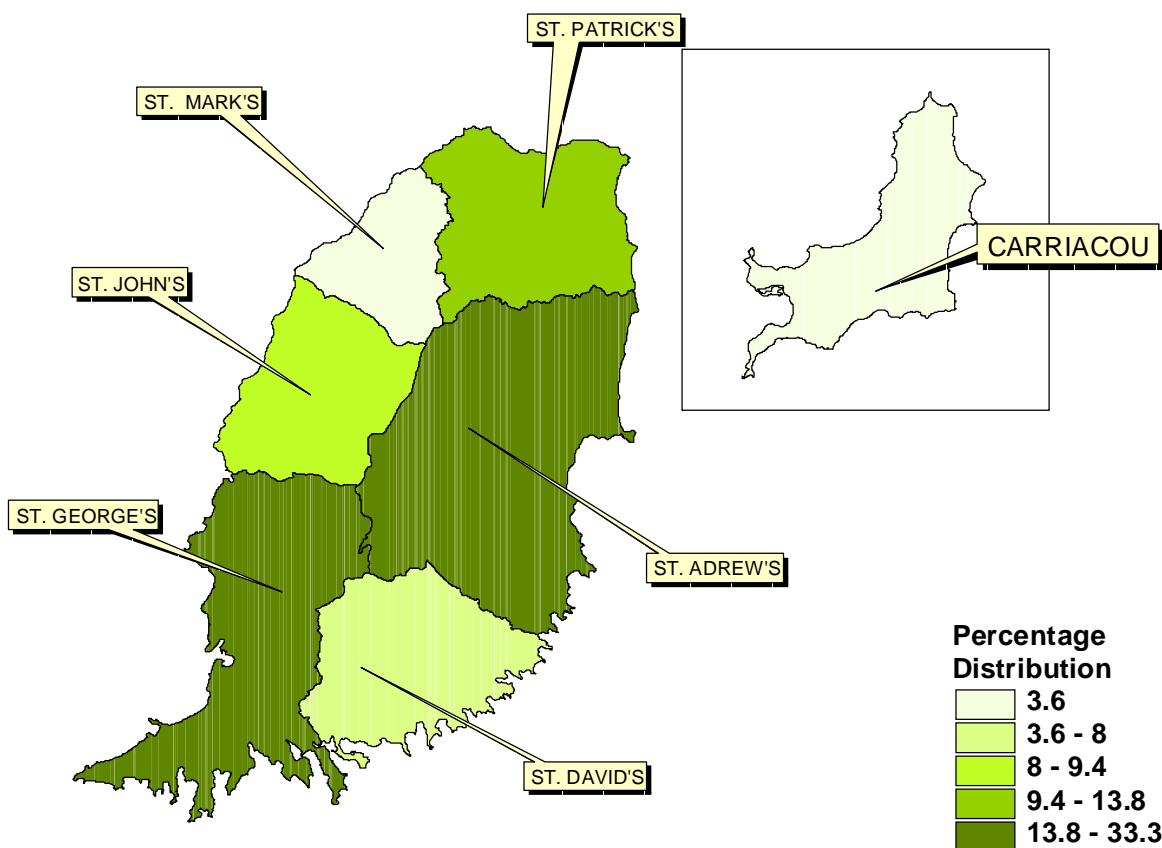


FIGURE 4.11: DISTRIBUTION OF POOR FEMALE HEADED HOUSEHOLDS BY PARISH

Table 4.16 shows the relationship between age, household headship and socioeconomic status.

Table 4.16: Household Heads by Age and Socioeconomic Status

<i>Age Distribution</i>		<i>All</i>	<i>Socio-Economic Status</i>	
			<i>Poor</i>	<i>Non-poor</i>
	15-19	0.4	0.7	0.2
	20-24	2.2	0.4	2.8
	25-29	6.0	6.4	6.0
	30-34	9.2	7.9	9.6
	35-39	11.0	13.1	10.4
	40-44	8.7	8.2	8.9
	45-49	8.3	10.5	7.6
	50-54	7.1	6.7	7.2
	55-59	6.9	7.9	6.5
	60-64	8.7	5.6	9.7
	65+	20.7	21.7	20.4
	Not Stated	10.7	10.9	10.6
Total	%	100.0	100.0	100.0
	No.	1124	267	857

As is to be expected, levels of household headship increase from the early adult years and peak in the 35-39 age group across the socioeconomic grouping. Larger percentages also occur in the 65+ age group. This is to be expected given the fact that this group is an amalgamation of more than one age group. Nonetheless, the higher figures in this terminal age category also point to the importance of age as a determinant of headship.

The other immediate characteristic of headship worthy of note is sex of head. In terms of this variable, males headed 52 percent of the households in all Grenada.²⁶ Among the poor the figure was 48 percent.

Labour force participation is a variable that is closely associated with socioeconomic status. In general the participation rates were high among household heads. Among poor males, the rate was 89 percent, while among poor females it was 76 percent. The corresponding percentages among non-poor males and females were 84 and 69 respectively. These and other labour force characteristics of household heads are shown in Table 4.17.

²⁶ These factors raise the question of nominal as opposed to real headship, a matter to which reference will be made below.

Table 4.17: Labour Force Participation and Employment Status of Household Heads by Sex and Socioeconomic Status

		% Poor			% Non-poor		
		Male	Female	Total	Male	Female	Total
Employed		86.1	79.0	82.7	91.8	87.5	90.0
Unemployment Rate		13.9	21.0	17.3	8.2	12.5	10.0
Total	%	100	100	100	100	100	100
	No.	115	105	220	379	280	659
Participant		89.1	76.1	82.4	84.2	68.8	76.9
Non-Participant		10.9	23.9	17.6	15.6	31.2	23.0
Total	%	100	100	100	100	100	100
	No.	129	138	267	449	407	856

The disproportionate share of the poor in unemployment was reflected in the rates among the poor and non-poor heads, 17.3 and 10.0 percent respectively. Some 21 percent of all poor female heads were unemployed and 24 percent were outside the labour force. This compares to 14 percent of poor male heads and 13 percent of non-poor female heads that were unemployed and 11 percent and 31 percent of both categories that were outside of the labour force.

Table 4.18 shows that 33 percent of all female headed poor households in the country were to be found in St. George's. St. Andrew's followed St. George's with 28 percent of all poor female headed households. Carriacou had the least of the share with only four percent. In other words, the distributions were consistent with the population distribution.

Table 4.18: Distribution of Poor Female-headed Households by Parish

<i>Parish</i>		<i>% Poor Female-Headed Households</i>
St. George's		33.3
St. John's		9.4
St. Mark's		3.6
St. Patrick's		13.8
St. Andrew's		28.3
St. David's		8.0
Carriacou		3.6
Total	%	100.0
	No.	138

Table 4.19 shows the distribution of poor households heads by occupation and gender. Occupationally, most of the poor employed female heads were involved in skilled agricultural and the elementary or unskilled occupations.

Table 4.19: Poor Heads by Occupation and Sex

<i>Occupation</i>	<i>% Male</i>	<i>% Female</i>	<i>%Total</i>
Legislator/Manager	3.0	2.4	2.7
Professional	2.0	1.2	1.6
Technical	3.0	4.8	3.8
Clerical	1.0	2.4	1.6
Service/Sales	12.1	3.6	8.2
Machine Operator	18.1	7.2	13.2
Skilled Agricultural	24.2	3.6	14.8
Craft	8.0	-	4.4
Elementary	12.1	16.7	14.3
Not Stated	16.1	57.8	35.2
Total	%	100.0	100.0
	No.	99	83

CASE STUDY:FEMALE HEADED HOUSEHOLD

JUDY SMITH, AGE MID 30S, SINGLE MOTHER OF SEVEN CHILDREN. DISTRICT: VICTORIA

Judy is a Grenadian of African stock in her late 30s. Her physical appearance suggests that she lives in a state of absolute poverty. Her clothes are tattered and soiled, her front teeth are missing and her haggard face presents a picture of distress.

Life History

Judy grew up with her single parent mother in the same district in which she now lives. Her mother made her living as a landless agricultural labourer, working in nutmeg and cocoa. ¹ She was the sixth of eleven children. She left Primary school at an early age with no certification and no trade, to do nothing in particular. At age 15, she had her first child. Twelve years later she had her second child and since then she has had five more children, the last one as recently as two months ago. Her children (six girls and a boy) are aged 23,9,8,6,3, and 2 months. They are by five different fathers, none of whom provide support for their children.

The "house" in which Judy and her children live is in an extreme state of dilapidation. It is made of wood and concrete and gives the impression that it is on the verge of collapse. Its rickety appearance is highlighted by an unsound roof that appears to 'leak sunlight'. The glass panes in the windows have been replaced by bits of weather-beaten cardboard. The condition of the 'walls' makes it difficult to discern exactly what type of material they are made of. The dwelling consists of a 'bedroom' of about 4 feet by 6 feet and a 'kitchen' of about 3 feet by 6 feet. Judy and five of her children live in this 'house'. The eldest child, now 23 years of age, lives with her 'babies-father' for whom she has 3 children. The eldest of these children is eight years old. Another child lives with Judy's mother 'up the road'. There is no electricity, no running water and the family uses the public toilet which is contiguous to their home. Cooking is done on a 'table model' gas stove.

Judy lives on the edge of the main road that passes through Victoria. The only work she has done in recent times is two weeks of work repairing the road. The road is now fixed so that opportunity no longer exists. In days gone by, Judy used to obtain work occasionally in the nutmeg 'pool' or government station where the crop is prepared for commercial undertakings. These opportunities no longer exist.

Judy and her children survive through the generosity of her family. Her eldest daughter does not work but is able to give her an occasional '20 or 25' dollars, which she obtains from her 'babyfather'. He makes his living by acting as an 'unofficial' guide for tourists who come to Grenada on cruise ships. The other family that supports Judy and her children are her mother and a brother who owns a shop. Her mother, she reports, occasionally gives her money and her brother seems to be the main source of food for the children who live with her.

Her children, Judy tells us, are bright in school and get a lot of encouragement to stay in school from the teachers. Given her state of affairs this is very difficult to ensure. They attend school very irregularly. Judy is committed to the care of her children. Recently she was in the hospital and was beside herself with worry over the safety of her children. She left them with her mother, but realizes that she is too old to properly care for them. By the same token she is unable to search for work properly since she is unwilling to leave them unprotected to go in search of work. Judy feels that conditions now are worse than those that obtained 5 years ago, at least in those days she could get a little work at the "pool."

4.1.4.10 Housing Amenities

Socio-economic differentiation within Grenadian society finds expression in the area of housing and housing facilities. Under this heading we examine house and land tenancy, type of building material used in the construction of the house, source and type of water facilities and kitchen and sanitation facilities.

Although home ownership was found to be very high among all socio-economic groups in Grenada, the poor were more likely to own their home than the non-poor. The data indicate that some 94 percent of the poor owned their house as opposed to 88 percent of the non-poor. This finding is in keeping with the trend throughout the Caribbean where the poor tend to own the houses and the small plots of land on which their houses are located. Furthermore, sections of the non-poor that are upwardly mobile tend to live in rented accommodation.

Approximately 71 percent of the houses in Grenada are situated on land that is owned by the householder. Of those persons below the poverty line, 75 percent owned the land on which they lived, while 69 percent of those above the poverty line owned the land on which they lived. St. Patrick's had the highest percentage of the poor owning the land on which their house was located. Here virtually every home belonging to the poor was on land that was owned by its residents. At the other end of the spectrum came St. David's, followed closely by St. Mark's with only slightly more than a half of the poor owning the land on which their homes are located. Among the poor, 45 percent of the landowners had purchased the land while 53 percent obtained the land through inheritance. These figures did not vary much among the non-poor, where 43 percent purchased and 55 percent inherited the land they owned.

Squatting is, therefore, not a major problem. It amounted to only 2.3 percent of all forms of land tenancy. Less than four percent of the poor squatted and 44 percent of this amount was to be found in the parish of St. George's.

Virtually all households in the country had galvanized zinc as roofing. There was virtually no variation among the socio-economic groupings.²⁷ Socio-economic status, on the other hand, is a good predictor of type of material of which the walls of the houses are made. The use of wood increased, the lower down the socio-economic scale the household found itself. Among the poor, 55 percent used wood in the construction of the walls of their houses, as opposed to 47 percent of the non-poor. Similarly, 34 percent of those belonging to the non-poor used concrete for the building of their walls, while only 27 percent of the poor used this material. However, the combination of wood and concrete in the construction of walls was similar for both socio-economic groups. (See Table 4.20).

²⁷ What this information does not convey, though, is the varying quality of this roofing.

Table 4.20: Household Characteristics: Main Material of Outer Walls

Socioeconomic Status	Type of Wall							
	Wood	Concrete	Wood & Concrete	Plywood	Mud-Stucco	Other	Total	
							%	No.
Poor	54.9	26.9	17.7	-	-	0.5	100	54.9
Non-poor	46.7	34.0	18.2	0.7	0.4	0.1	100	46.7
Total	49.2	31.8	18.1	0.5	0.2	0.2	100	49.2

Most of the people living in Grenada had indoor kitchens that were not shared with anyone. The main cooking fuel was gas. Approximately 82 percent of the poor, as opposed to 93 percent of the non-poor, used this type of cooking fuel. The other most popular cooking fuel used by the poor was wood. (See Table 4.21).

Table 4.21: Distribution of Kitchen Facilities by Socio-economic Status

Socio-Economic Status	Location of Kitchen				Kitchen Shared		Main Cooking Fuel		
	Indoor	Outdoor	Both	None	Yes	No	Gas	Wood	Other
Poor	81.1	16.0	0.9	2.1	4.0	96.0	81.6	12.3	6.1
Non-Poor	92.4	5.6	0.8	1.2	3.4	96.6	92.8	2.5	4.7
Total	88.9	8.8	0.8	1.5	3.5	96.5	89.3	5.5	5.2

Among the poor the pit latrine was the most used of all types of toilet facilities. A little more than two thirds of the poor used this facility. Approximately 31 percent used water closets. Among the non-poor 51 percent of the population used pit latrines, while 46.8 percent used water closets. On the whole, households tend to have exclusive use of their toilet facilities (Table 4.22).

The main sources of water for the poor are indoor piped water obtained from the public supply — 55 percent, followed by indoor piped water from tanks — 13.6 percent, and water publicly supplied to a pipe in the yard — 8.2 percent. This accounts for over 76 percent of the poor. Among the non-poor, 59 percent of the persons have access to indoor piped water obtained from the public supply, while 12.5 percent use indoor piped water from tanks, and approximately 6 percent use water publicly supplied to a pipe in the yard.

Table 4.22: Distribution of Water and Sanitation Facilities by Socio-economic Status

Socio-Economic Status	Type of Toilet			Sources of Water				Bathing Facilities		
	Pit Latrine	Water Closet	Other	1	2	3	4	Indoors	Outdoors	None
Poor	66.1	30.7	3.2	14	55	8	21	34.7	55.1	10.2
Non-Poor	51.1	46.8	2.1	13	59	6	22	47.4	46.8	5.8
Total	55.7	41.9	2.4	13	58	7	22	43.5	49.4	7.2
Socio-Economic Status	Garbage Disposal						Dumping River/Sea	Other		
	Dumping/Compost	Burying	Burning	Garbage Truck	Dumping	Other				
Poor	7.5	4.8	14.9	71.6	1.1	0.0				
Non-Poor	8.1	4.5	10.8	75.7	0.3	0.6				
Total	7.9	4.6	12.0	74.5	0.6	0.4				

Legend: 1 – Private, piped into dwelling 2 – Public, piped into dwelling
 3 – Public, piped into yard 4 – Other

As much as ten percent of the poor and six percent of the non-poor report that they have no bathing facilities. In the case of those who have, 55 percent of the poor and 47 percent the non-poor use outdoor bathing facilities, while 47 percent of the non-poor and 35 percent of the poor have indoor bathing facilities. Over 90 percent of both groups have exclusive use of these facilities. Interestingly, approximately four percent more of the non-poor than the poor share their bathing facilities. This is probably due to the greater use by the non-poor of rented accommodation.

More than 70 percent of the poor are serviced by garbage trucks in the disposal of their garbage while approximately 76 percent of the non-poor enjoy the same service. The next most popular method of garbage disposal is burning. Fifteen percent of the poor use this method of garbage disposal while 11 percent of the non-poor do the same.

4.1.4.11 Anthropometric

Tables 26-31 in Appendix III provide information on children less than 5 years of age. Not unexpectedly, the anthropometric information demonstrates that the majority of children with diarrhoea had not been breast-fed, and some 64% had received formula milk or some other combination. By and large, not many differences have been discovered between the poor and the non-poor.

The level of immunisation among the poor tended to be at a slightly lower rate (the only exception being tuberculosis) than among the non-poor (Figure 4.12). Even if statistically significant, the fact that the poor have a higher rate of immunisation in respect of tuberculosis, suggests that there may be an underlying convergence in rates, because of the availability of primary health care and maternal clinics across the country. It should be recalled that Grenada is committed to achieving the objectives of health for all in keeping with the Alma Mater Declaration.

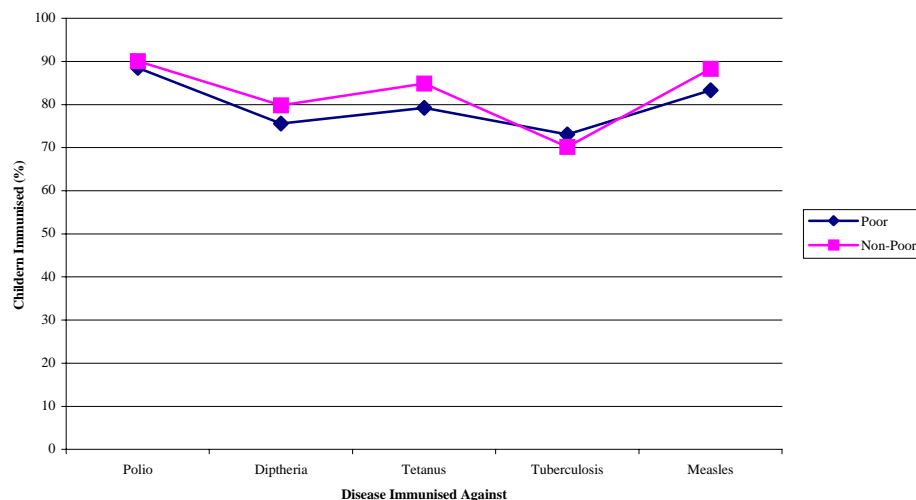


FIGURE 4.12: IMMUNISATION AMONG CHILDREN UNDER FIVE FOR SELECTED DISEASES

4.1.5 RELATIONSHIP BETWEEN EXPENDITURE AND OTHER FACTORS

In addition to examining the relationships through Chi Square tests, regression analysis was conducted on total expenditure of the household and a number of variables. These can be seen in Appendix IV. Almost all the independent variables were discrete or dummy variables. The results were disappointing with very low R squared found for all the regression functions. Interestingly though, the coefficients for being engaged in Management as against Elementary Occupations, having completed Primary Level as against not having any certification, and being a worker in the Construction Industry did seem to have some influence on expenditure. The nature of the data did not permit of the use of continuous variables except in respect of age and age squared. There are inherent weaknesses in the use of a large number of dummy variables in regression analysis: multicollinearity and heteroskedasticity are immediate problems. The quantitative data establish broad general trends, that differentiate the poor from the non-poor in a number of areas.

4.2 COMMUNITY SITUATIONAL ANALYSES

4.2.1 THE POOR COMMUNITIES

Community Situational Analyses afford the opportunity to households and communities to verbalise their thoughts and feelings outside of the narrow parameters set by researchers through structured questionnaires. The feedback provides an alternative source of information that portrays the reality as seen by the people themselves. The use of focus group and other techniques may not allow for reporting on social phenomena with quantitative measurement, but a reality defined by people themselves in their own ways cannot be dismissed as inconsequential if it informs social action, much of which can be identified through other information. The qualitative information from the Community Situational Analyses complements the SLC.

Of the 11 communities that were identified as among the poorest in Grenada, Carriacou and Petite Martinique, five are rural, three are urban and three semi-urban. Three other communities were selected for their having made, allegedly, significant advances out of poverty, based on information that was provided by the NAT and Community Development Officers. These were Chantimelle and Red Mud in Grenada, and Harvey Vale in Carriacou. While the selection of the communities was not random, a random selection was made of households in these poor communities and, collectively, they displayed a higher level of poverty than the national average.

Table 4.23: Selected Poor Communities in Grenada by Urban/Rural Classification

Rural	Urban	Semi-Urban
Clozier	Darbeau	Bogles
Content	Gouyave	River Sallee
La Poterie	Victoria	Waltham
Mt. Horne		
Post Royal		

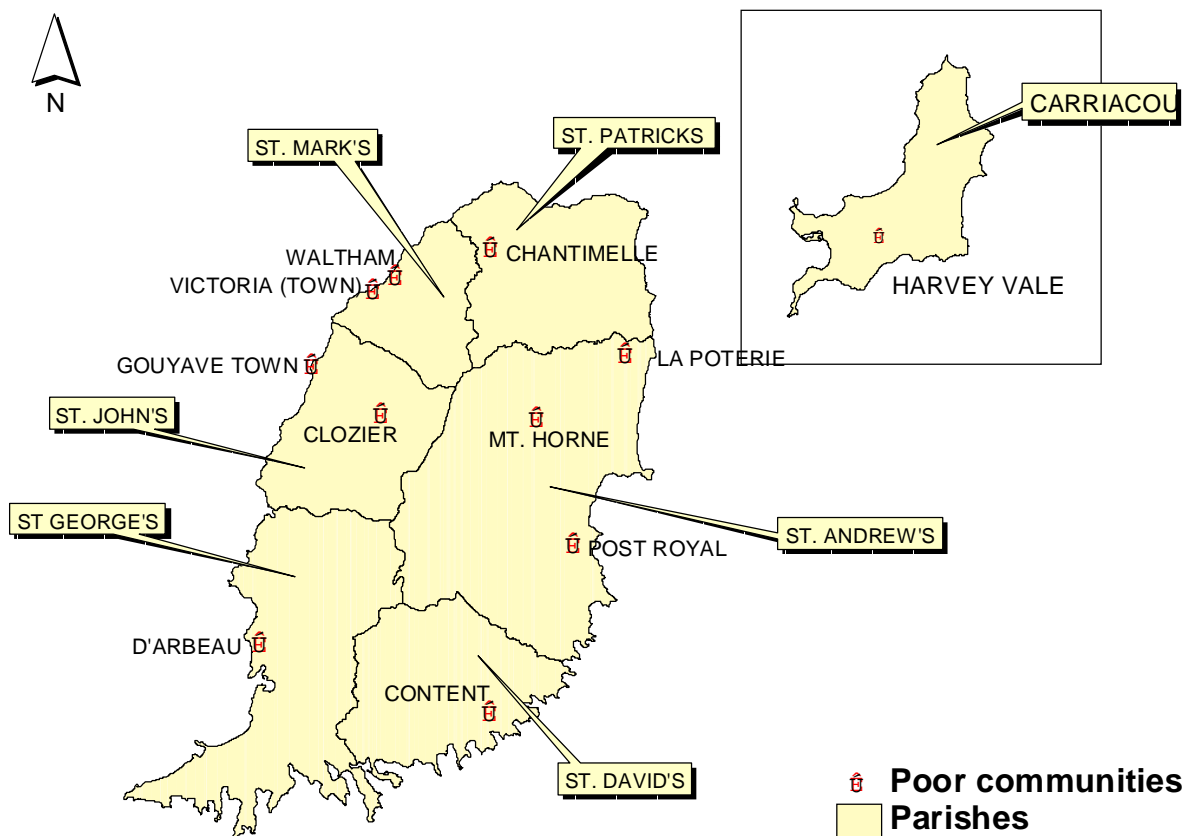


FIGURE 4.13: DISTRIBUTION OF SELECTED POOR COMMUNITIES

4.2.2 PERSPECTIVES OF POOR COMMUNITIES

In each of the selected communities, people were given an opportunity during the Community Workshops to describe and analyse the type, level and degree of poverty that exists. With the help of the Wheel of Well Being and a Quality of Life Index, they gave a rating to different aspects of life in their communities (see Instruments in Appendix V). At the same time, through the mapping exercise community members were able to identify existing facilities and resources as well as to “see” the physical manifestations of poverty and to discuss the gaps. Together, these tools enabled community members to explore the major dimensions of poverty: the spiritual, emotional and psychological, physical and material; the economic and the social.

4.2.3 PHYSICAL AND MATERIAL

The rural communities are located at varying distances from the nearest town centre and for some, especially those located at long distances and in hilly terrain, poor roads, and unreliable and/or lack of transportation limit their contact with the nearest town and with St. George's, the capital. In some of these communities too, facilities like schools and health centres are not nearby, and this, along with bad roads and no transportation, means that in a few communities, e.g. Clozier, children have to walk long distances, sometimes well over five miles to get to and from school.

Adults in some of these communities also have to walk long distances or get transport where and when available, to receive medical attention since the nearest Medical Station is often about five miles away. On the other hand, communities like River Sallée, Victoria, Waltham and Gouyave are better served with good roads, schools and medical stations and people there have more access to regular and reliable transportation.

In some of the urban and semi-urban communities, for example, River Sallee, Waltham and La Poterie, there has been considerable infrastructural development. New roads, imposing buildings, community centres, a Multi-Purpose Training Centre and hard courts, telephones and electricity have been installed in these communities. Community members welcome these facilities and some, like the hard courts and the schools, are well used. There was some concern, however, about the fact that the training facility in River Sallee was fast becoming a white elephant because it was closed most of the time.

While infrastructural development is an important aspect of community development and an essential ingredient for improving living conditions, it would appear that its provision has not made a significant difference to the living conditions of the poor in these communities. For the very poor, food rather than a community centre or electricity is deemed a priority and, as the following statements indicate, they cannot afford to pay the bills.

"The house have lights but I can only afford to burn one bulb at a time."

"Any little money I get is to buy food for dem children, it can't stretch to pay for lights."

These and other similar comments prompted one of the facilitators, who is a Community Development Officer to declare:

"I now realize that the people see us (CD Officers) as only bringing gravel and sand to build road and community centre, but we need to spend more time on human resource development and on helping the people to develop themselves."

Many of the selected communities also lack basic amenities and facilities. Absence of a proper water system, lack of access to good, clean pipe-borne water and use of polluted and contaminated water in rivers and streams are realities in several of these poor communities.

Good, clean, unpolluted water is not available in these communities. There are serious sanitation problems in some communities, therefore. In Post Royal for instance, most of the water used comes from a river, which, according to community members:

“Is contaminated by the time it reaches below.”

“We have to use water from the river just like that to cook, to drink, and do everything.”

“People throw nasty things in the river and we still have to use the water.”

There are other communities like Post Royal and Cornetts Walk in Gouyave, rivers are the main source of water for washing, cooking and bathing, but are also used for dumping garbage and for defecating and/or disposal of excrement. The quantitative analysis of data on respondents in the selected communities shows that over 70 percent dump their garbage in the sea or the river (see Table 50, Appendix III). In some communities, all garbage is dumped in the sea or the river.

Uncovered water containers, drums, tanks and buckets, and clogged drains along with lack of facilities for proper disposal of garbage contribute to poor sanitation and have serious implications for the health of community members. For example:

“In Clozier we have a lot of mosquitoes and diseases like hookworm.”

Even in the urban and semi-urban communities where there is pipe-borne water, many people still either do not have access to or cannot afford it. The majority of poor people do not have taps in their houses and the disappearance of standpipes, the introduction of meters and the high water rates put this essential commodity out of their reach. In Carriacou, the scarcity of water is a result of climatic conditions and the absence of a proper water storage system. Many people there cannot afford to install storage tanks.

In several of the selected communities housing is poor and inadequate and the need for proper housing is acute. Many poor people live in small, one- or two-room wooden houses that are dilapidated and in a state of disrepair. There is severe overcrowding and lack of privacy, as in several cases, families of eight or more people may inhabit a one of these houses.

“Eleven of us living in the house.”

“Things so bad the house leaking sun.”

“The house leaking like a basket, thank God for dry season.”

“Them children getting big. We need more space and some privacy.”

“Some of the children have to sleep under the bed”

“The house belong to he, when we vex and he put me out I does sleep in the plum tree.”

“The house need repairs bad, is two years now since I put my name down in the house repair programme but I ent get call yet.”

Most of the houses are sparsely furnished. There may be a bed, a table, chair and a few cooking utensils but some have no furniture at all. Some have a pit latrine and bathroom outside but many have no toilet facilities of their own. While the housing situation in many of these communities is poor, in some adjacent or nearby communities e.g in Content, River Sallee, Gouyave, Bogles

and Victoria, there are many large, modern, houses built by retirees, returning nationals, and the well-to-do.

4.2.4 ECONOMIC

The economic base of the rural communities is largely agriculture, with nutmeg and bananas being the crops mostly cultivated. Several people in these communities are, or were formerly employed as labourers on nutmeg and banana estates like River Antoine near La Poterie. However, wages are very low and in most cases women are paid less than men. A few people also owned land and were small farmers. However, both farm owners and farm workers have been severely affected by the general decline in agriculture — praedial larceny, the decline in prices for agricultural produce, and the collapse of the banana trade. Some estates have been closed, workers have been retrenched and in communities like Clozier that depended mainly on bananas, there has been a significant loss of income and an increase in poverty.

“The standard of living has dropped drastically since banana failed.”

“After the nutmeg pool send home people, nothing else.”

“Banana flopping cause a lot of families to separate: the men migrate to look for work and leave families at home.”

“We depend on the nutmeg pool, now it don’t have work in the pool, everybody like fish out ah water.”

At the same time, some of the elderly people who had worked on the estates for more than thirty years, were bitter and lamented the fact that:

“After working all yuh life at the end of it you get nothing, no gratuity or pension.”

In all of the communities, unemployment is very high, job opportunities are few. Faced with the high cost of living people will do almost anything to get a little money.

“If I get a work I will do better than how ah doing now.”

“I am qualified but cannot get a job.”

“Next month go make a year since I ent work.”

“I want a job.”

Those who can find employment have to settle for part-time, seasonal, occasional, back-breaking, unrewarding and low paying jobs.

“Wages too low, you get the money but it useless, you can’t see your way.”

“You have to pay bus, you have to find food and the money can’t make.”

“People want to underpay you. Ah prefer not to do anything than get five dollars. That can’t give meh children food.”

Many of the women who participated in the various focus group activities were mothers who were unemployed and had no regular source of income. What they do manage to earn is always insufficient to meet their families’ needs. Several admitted that they often have no choice but to do whatever was necessary, including selling their bodies, to get money to feed their children.

“I may be lucky to get a little washing or road work sometimes.”

“Me, I does dredge gravel from the sea for dem trucks, but they does only pay \$60.00 and they does only come every three or four months.”

“Me I does pick fares to get a little money to give them children something to eat.”

In Gouyave the main source of income is from fishing and this activity is partly responsible for the high incomes of some. But prostitution and drugs are also significant to the economy there. In other communities, small cottage industries and other micro self-employment schemes, pensions and social welfare are the main sources of income. In several of the communities too, there is a thriving drug trade.

“The drug men entice the youth with money because they know that we don’t have.”

Another important source of income is remittances from abroad. Several of the informants indicated that they received money and barrels from relatives overseas. However, some of them also said that sometimes they do not have the money to clear the barrels.

“Relatives from abroad send things sometimes.”

“Thanks for me big brother in America, if was not for him worm would ah walk on us.”

“Sometimes the barrel come and you don’t even have money to clear it.”

Credit facilities and access to credit and the ability to save are all affected by the availability of money, and by people’s ability to pay. In some communities, people live off the credit facilities offered by village shops. In others, because of lack of money, people are reluctant to credit or borrow.

“Save? Poor people don’t have anything to save.”

“I does credit from the shop.”

“Is six years now I owe the shop \$70.00, and up to now I can’t pay.”

“Although there is a credit union here (in River Sallee) there is no privacy so I am not a member.”

Some people found it odd that River Sallée, the community with one of the strongest credit unions, is regarded as an impoverished community.

4.2.5 RESOURCE BASE

In all communities, people not only realized that there were natural resources but were making use of them to help them to survive. The most obvious resource in many communities, especially in the rural areas, was the land. However, the majority of poor people usually do not seem to have access to it, or seem to lack other resources needed to work it. Those who do, may do a little backyard gardening to grow food or plant vegetable crops to sell. At the same time, with the decline of bananas there are a lot of abandoned lands but these are not available.

“Small farmers do not have access to lands for expansion.”

Some of the elderly people do own land but cannot get people to work it.

“I have four and a half acres of land but can’t get workers. My son won’t go into the land. I can’t get anything from the land so I have nothing to go by although I have land.”

The sea, rivers and mangrove are also resources from which people get fish, crayfish and crab. Vegetation like wild pine and razor grass provide material for craft. There was also the recognition that people were a valuable resource, but that many communities were losing valuable human resources because of internal migration from the rural to urban areas and migration overseas. Many people also realized that there were many resources in their communities that were either not being used or were underutilized.

4.2.6 SOCIAL

4.2.6.1 Education

In all of the communities, the standard of education is reported to be low (see Table 40, Appendix III for corroboration from quantitative assessment of the communities). Many adults are illiterate. Large numbers of children do not attend school regularly and significant numbers drop out before completing school. The majority of those who participated in the discussions had only been to primary school. While some of them had completed seventh standard, a significant number had dropped out because of pregnancy, lack of money for uniforms, books and lunch, or because of their having to stay home to care for younger siblings.

“I wanted to go to New Life Organisation to learn plumbing, but I could not go because we don’t have money to pay bus every day.”

“As for me I missed out on school a lot because I am the first and had to stay home to take care of the others while my mother did odd jobs.”

“I had to leave school at age fifteen to go and work in the (nutmeg) pool.”

At the same time, very few people in any of these communities have ever participated in any skills training or adult education classes, either because such programmes do not exist or are not available in their communities or because they cannot afford to travel to classes outside of the community. As a result, there are large numbers of youth and adults in all of the selected communities who, by their own admission, are illiterate, functionally illiterate and unskilled. The communities' self-perception is confirmed by the data from the SLC and from quantitative analyses conducted on the communities themselves (see Tables 40 and 41, Appendix III).

Several expressed a concern that this pattern will continue to be repeated because of the excessively large numbers of children who were not attending school regularly because their parents are too poor to afford to provide them with food, books and uniforms. Continued educational deprivation seems guaranteed into the future based on the desultory educational participation of children in some communities. Yet in every community, during discussions with individuals and groups, there was consensus that lack of education and the low level of education were a major contributing factor to poverty. There was also unanimous agreement that education was not only the key, but that it was essential for personal and community development and as a strategy to alleviate poverty.

“Education is the key, if you don’t have education you can’t get away from poverty.”

“Educational opportunities and extension classes after primary school would help create programmes for personal growth and development and help people get skills.”

“It is a privilege to be able to read and write because then we can write our own letters and when our family write no one will know our business.”

Several also referred to the CPE programme that was implemented by the PRG during the revolution. There was unanimity about its success, and positive outcomes among all who identified it in their responses or in discussion. There was an expressed desire for the re-introduction of a similar programme.

4.2.6.2 Family/Households

The data clearly show that in all of the selected communities there are small numbers of married couples or nuclear families, and more common-law and visiting relations. Most households are single-parent and female-headed. Many families are large and consist of a woman with as many as 5 - 9, and sometimes more children.

“My mother raised us without a husband.”

In several households too, there are also three-generation families consisting of a mother, an older woman, her children and grandchildren, usually her daughter’s children. In addition, there are some families in which the grandmother has been left to take care of grandchildren because their mothers have migrated in search of employment and a better life.

However, some grandmothers complained that the parents do not always send back money and that they are too poor to give the children all that they need. At the same time, some of the grandmothers experience a great difficulty in disciplining the children and the latter often become delinquent and indulge in deviant behaviour.

The matrifocal nature of households, coupled with the higher life expectancy of women would result in children being left with grandmothers when parents seek to improve their economic conditions through emigration. The high propensity for migration is evidenced by the number of grandmother-led households.

Family relations are said to be poor and there are many conflicts and quarrels among and between family members, sometimes because of stress, anger and frustration other times because of alcoholism and drugs.

“Men drink out the money in rum.”

“We quarrel, especially when the man drunk.”

Several informants pointed out that:

“There is no love among family members.”

Others, that:

“Yuh can’t make love on hungry belly.”

Parental responsibility and lack of it, as well as the parent/child relationship are also serious issues in these communities. It is widely believed that:

“Fathers don’t take responsibility for their children.”

In some communities, e.g. Gouyave, there was a general feeling that:

“Mothers are very dedicated to the welfare and well being of their families.”

In others, this was not seen as the norm because several parents can be seen:

“Spending money on drugs and party and not supporting their children.”

Lack of parental guidance and supervision have also resulted in high levels of juvenile delinquency in several of these communities, and in a lack of respect by the youth for the elderly.

There is a lack of respect on the part of children and parents alike and much of their communication is through the use of obscene language. Parent/child relations are characterised by verbal and sexual abuse, violence and incest.

“Fathers having sex with daughters and step-daughters.”

“No father to help and children crying for food, all the rage passing on to the children.”

“You can’t provide for the children and they keep bothering you, you have to drop some lash on them.”

“The rage make you curse your children and your man.”

Gender-based violence is also present in several families and there is a significant amount of violence against women. In one community it was stated that:

“Men treat women like beast.”

In another, where most of the women get beaten, it was felt that:

“Battered women should be given assistance so that they could find their own home.”

There was grave concern about the breakdown in family life and that:

“Many families are in pain and hurting.”

4.2.6.3 Social Networks

In all communities, there exist mechanisms through which people, generally, including the poor, help and support one another. These social networks allow community members to interact with one another as well as to exchange goods and services. They also operate as support groups that provide assistance in time of need and trouble. Among these are:

Neighbour to neighbour networks:

“The neighbour does keep my meat in her fridge for me.”

“People in the community help each other by ‘maroon’, a self-help system used for house repairs, planting, and cleaning-up.”

“People does stretch their hand for others.”

Friendship networks not only provide an assistance mechanism, but also play an important role in reinforcing self-worth and in helping to engender a sense of belonging.

“I hang out with my friends so they can share with me.”

“When you need thing to put under your arm and your mother tell you it is not as important as food but your friends talking about you, you shame to move with them so you start to keep to yourself.”

Peer groups are also very prominent. In all communities young and old men “lime” at the village shops, rum shops and street corners. Young people congregate and move in groups and are often subjected to intense peer pressure to become involved, sometimes in illegal activities. This peer pressure has a serious effect on their self-esteem, self-confidence and behaviour.

4.2.6.4 Community Organisations

Community organisations are mechanisms through which community members are able to mobilize and organize themselves to make the best use of available resources to meet community needs and collectively to solve problems. In the areas surveyed, community organisations are at various stages of development and vibrancy. In those organisations that do exist, interest and participation vary widely, and are determined by leadership, the type of programmes and activities being offered, and whether these are meeting individual and community needs.

On the whole people recognized the need for organized groups within a community and in the few, like Clozier, where there were no such groups, the community was seen as the poorer for their absence. In most of the communities, however, there are community groups and

organisations including church groups, community development groups, sports clubs and youth groups.

These NGOs organize activities and programmes designed to assist the poor and to promote the development of the communities. Among these are training workshops, welfare programmes, and feeding projects. In Darbeau and Mt. Horne, there are several community groups that are attempting to cater to the needs of different groups in the community: in Darbeau the Steel Band Group and the Football Academy are attempts to encourage the young people to become involved in meaningful activities.

In several communities, the level of interest and participation in group activities are very low and the same few people are always involved. Reasons given for this included lack of interest, indifference and lack of motivation. Other reasons might be that the activities and programmes being offered are not relevant and, therefore, not meeting people's needs, but the level of organisation skills may be a factor. In Waltham and Content, where there are no organized community groups, comments seemed to suggest this:

"There aren't any groups or organisations in this community."

"Groups don't last long here."

Groups break up because the persons in charge are not able to function in their posts."

4.2.6.5 Political

Several people were of the opinion that:

"Politics cause a division and this cause further poverty. If you don't vote for them you can't get any work, if you not working, you will remain poor."

Although one of the political party groups gives some assistance, in most of the communities people were dissatisfied with their political representation.

"We need a good representative, the one we have always sending you to somebody else."

"We fed up, politicians always fooling us."

"Government must pay some attention to us. Here in the back of Post Royal, nobody knows if we living or dead."

In several instances, people complained that they did not see their parliamentary representative often.

"Only when it is time for election they know us, ah waiting for dem when election come."

"Our parliamentary representative is not doing anything to get work for us."

4.2.7 THE MANY FACES OF POVERTY

The CSAs not only generated data and concrete evidence of the existence, type, level and degree of poverty existing in the selected communities, but they allowed the poor to reflect and articulate their experience of poverty and its effect on them and on their communities. In

addition, the CSAs also increased the Consultants' awareness of the many dimensions of poverty because they provided opportunities for them to listen to the voices of the poor and to hear, see and experience "the many faces of poverty."

4.2.8 DEFINITIONS OF POVERTY

Poor people know what poverty is:

- "When you cannot provide the basic things, food, shelter and clothes for yourself and family."*
- "When you have to depend on people for things."*
- "Not being able to help yourself."*
- "Being poor in material things."*
- "Unable to live in comfort."*
- "No money to give children for lunch for the whole week."*
- "No social life."*
- "Lack of knowledge."*
- "Lacking in attitudes, values and social skills."*
- "Knowing what it is to be poor."*
- "Seeing poor people suffer."*
- "When you go to sleep at night and you don't know what you will give the children to eat in the morning."*
- "Having no work, you looking for months and can't get a job."*
- "Low wages."*
- "Having too many children."*
- "An unhealthy environment."*
- "When you living in a place like Post Royal without good water, without good road, with no job, you can't fix yuh house and people not co-operating."*

The above words from the mouths of the poor, capture poverty in all of its various dimensions.

4.2.9 INHERITED POVERTY AND THE CYCLE OF POVERTY

Many of the people in the selected communities have inherited poverty and are caught in a vicious cycle which they find it difficult to break, and from which they think it is impossible to escape. Several admitted that their parents were poor and that poverty is a way of life for them and that they had no choice. They not only accepted the conditions under which they lived, but seemed unaware of alternatives, and resigned to accept their situation as their lot in life. They live a routine and meaningless life and like "daughters of Sisyphus" continue to walk the treadmill of existence without being able to achieve anything in life. A man in one of the communities referred to this as a state of "mental poverty" in which people have lost the will to develop themselves.

- "I living in poverty since ah born."*
- "Since ah born ah ketching hell."*

“Some people born poor and remain poor, they don’t rise.”

“People feel they are in the gutter and so they just remain there.”

“Poverty is a situation where you do not have a choice.”

“When people poor they can’t do as they like.”

“When you in a certain position, you cannot live a real life.”

“People cannot go on living in this kind of way.”

“You send your children to school, they get big, their children grow up, you have to help them with the children and you cannot find nothing to give them.”

“Parents are in agriculture and domestic workers, their children come and join them in the same position or job and their grandchildren looking forward to do the same.”

“The parent did not have and their children no better off.”

“People make no effort, they remain at the same standard as their grandparents and don’t try to better their position.”

“Catching hell day after day, after day, after day....”

“Better to dead than to live in poverty.”

4.2.10 THE EXPERIENCE OF POVERTY

One good way to assess poverty is to listen to the voices of those who live in and experience poverty on a daily basis. Doing so increases the realization that different groups experience poverty in different ways and that poverty affects and impacts on different people in different ways. The focus group discussions with women, men, young people, the unemployed and the elderly yielded valuable insights on their experience of poverty, as well as on its effects on them.

4.2.10.1 Women

Poor women have been designated as one of the most vulnerable groups in any society and the data from the focus group discussions confirm that this is true of women in the selected poor communities. The majority of community leaders who were interviewed, were also of the opinion that women and children were the ones most severely affected by poverty.

“Women know the heat of iron.”

“I say more so women because of deprivation and neglect. They have to cope with single-parent families.”

The majority of women in the selected poor communities are single parents with several children often by different men. Most pregnancies were unplanned and even unwanted.

“You have to look for sugar to give those you have and you might get pregnant again.”

“Fathers do not provide, so women end up having children for many men.”

They are unemployed and have no regular source of income and no money to feed their children.

“Since Christmas I work and no work again.”

“No money to buy food for dem children dey have to go to school without lunch.”

“I don’t even have money to buy matches to boil water to give the children a little hot water to drink.”

“It real hard on me, no income.”

“People want to underpay you.”

Although a small number attended secondary school, many did not complete or gain any academic qualifications. The majority attended primary school and several dropped out of school, often because of pregnancy. Many of these women are therefore illiterate. They have few if any marketable skills, are unemployed and unemployable and have no regular source of income. Many are therefore willing to do almost anything, including sell their bodies, to get money to feed their children and are therefore open to exploitation and sexploitation.

“All stupidness have to go on. You don’t go to bed with dem, so they don’t give you nothing.”

“Government people who give work won’t give work to women they can’t touch up. They want to play with you first.”

“I ent shame to say it, I does go with two, three men. It better than tiefing.”

They feel insecure, their self-esteem is very low and they lack self-confidence and faith in themselves.

“When you have to depend on a man for everything, you not a real woman.”

“Ah does sleep all about, sometimes ah does sleep with any man just to get a night rest.”

“Women want their own money.”

“Something missing in my life.”

“It limit development.”

“Abuse, violence and no respect.”

They are sad, angry and very unhappy, always tired, stressed out, frustrated and worry a lot. Several are mal-nourished and some are physically ill. One or two also admitted to being mentally unwell.

“ I does worry and get headache studying about dem children and where I goin get food for them.”

Many have grown to accept their situation and several blame men for their situation.

“Things worse for women than men, they don’t have the opportunities that men have.”

“Men to blame, they giving women child and they not turning back’.

“ Men when they get the money buy alcohol and we don’t. Any money is to buy food.”

“Men hand you the money and don’t look back, I have to bus muh brain as to how to get it spend.”

A significant number seem to have lost interest and even the will to try to improve their situation, but several put their faith in God.

“God will provide.”

“A praying woman is a powerful woman.”

4.2.10.2 Men

Because attention is so much more often placed on the situation and needs of poor women, and because men are often seen as contributing to women's disadvantaged position and condition in society, men's experience of poverty is less often examined and its effects on them less understood. The focus group discussions provided opportunities for men to share and reflect on their experience of being poor.

Like poor women, poor men also had low levels of education, lacked marketable skills and were unemployed and unemployable. Those who were able to find employment had to settle for occasional, seasonal and part-time work, for very low wages that were insufficient to meet their needs. They lamented the fact that:

"There are no job opportunities, you go for months looking for work."

"I am not able to meet my needs and commitments."

"You get the money but it is useless, you can't see your way."

"You have to pay bus you have to find food the money can't make."

"I can't maintain the children as I should."

"Ah can't meet my needs and commitments."

Being poor has severely eroded the self-esteem of many men and undermined their manhood. It affects their ability to provide for their families, makes them feel inferior and inadequate, like nobody. It also colours their relations with other men as well as with women and makes them feel ashamed and angry.

"You feel like a dog when yuh poor, especially if you have to wait on people to give you something, You can't feel like a man."

"I have to hide to buy a drink, or buy it and take it home because I can't afford to buy for the fellas."

"I can't sleep by the woman."

"It brings conflicts in the home and cause breakdown in families."

"Neglected homes and a breakdown in family life."

Several pointed out that poverty often leaves them frustrated and leads them to resort to drugs, crime and violence.

"I get angry and frustrated cos times so hard."

"You have to do things you don't want to do."

"When a man don't have work and no money he could rob or kill."

"Sometimes I does contemplate suicide."

"I think about deadly crime."

"I get angry and frustrated."

"Young men especially turn to drugs."

4.2.10.3 Youth

In the selected communities, there are large numbers of young men and women who have grown up in poverty. Some of these are still in school, but the majority either did not complete school or have no formal qualifications or skills. At the same time, even the few who have had a secondary education or have acquired some kind of skill, have very little hope of finding a job in the near future. There are therefore large numbers of unemployed and unemployable young people in these communities.

“We know we can’t find work, but if we have skills, we could go to Canada or America, and try to find work.”

“I graduate from the technical school in Sauteurs, I did technical drawing and I want experience in the field but no way ah could get work.”

“If we don’t work just now, is real hell.”

Some of the young women have had to have boyfriends at an early age and to depend on them for the things that their parents cannot give them. This often results in teenage pregnancies, an end to their formal education, unwanted children and eventually large families.

“I have to depend on my boyfriend for things.”

Several remarked that because of poverty, their dreams and aspirations could not become a reality.

“I wanted to go to NEWLO but my mother don’t have the money to pay bus every day.”

Feelings of insecurity, frustration and anger among young people in these communities are high, and this has led many young men to turn to drugs and crime and a few to contemplate suicide.

“That is why so many young boys drinking rum, ah don’t blame them, we frustrated.”

“When your parents can’t give you the things you want you feel to kill yourself.”

“I does think of committing suicide.”

Many of the young people also feel unloved and uncared for, and are subjected to severe peer pressure, and derision.

“When we vex, we tell each other about how poor their family is.”

The general youthfulness of poverty is corroborated in Table 39, Appendix III.

4.2.10.4 Unemployed

The most serious problem facing poor people in the selected communities is unemployment. Unemployed persons in every community complained about lack of jobs and job opportunities, and about the amount of time spent in their unsuccessful attempts to find work. Some also expressed dissatisfaction with the low wages paid for some jobs, the attitudes of employers and about the bad and unfair treatment meted out by some employers.

“I does get a little washing sometimes for five dollars.”

“People have washing but dey buying washing machines...”

“Some of dem like slave drivers, and dey paying next to nothing.”

“The money too little, it can’t do.”

“What is five dollars, that can’t buy food, I rather don’t work than work for that.”

They pointed out that their inability to get work was the result of several factors including their low level of education and lack of skill, so that even when or if a job might become available they had neither the academic qualification nor the skills needed.

“Sometimes there is a vacancy but you can’t do the job.”

“Some jobs may be available, but people not trained to do different jobs.”

At the same time, they were also aware that some had had the experience and that getting a job did not always depend on qualifications or ability but on whom one knows and which political party one supported.

“You have to have links and contacts with influential people.”

“Dey does give the job to party members.”

Lack of a job means that people are unable to meet their basic needs and to provide for their families. As a result, whole families go hungry for days, and significant numbers of children are under-nourished and mal-nourished.

“In some houses nobody working.”

“Life gets harder every day, more demands and commitments, but I can’t meet them.”

“If mammy could only get some work, she would be able to buy some food for us.”

“We have no money, I can’t get no work.”

“I can’t look after the children as I should.”

“The children don’t ever get sufficient food.”

“No work, no money to buy food, clothes or anything else for dem children.”

“The children does go to school with only a cup of hot water in dey stomachs, no lunch to give them.”

“We catching real hell, can’t get food.”

Failed attempts to find work, and being permanently unemployed, have not only demotivated persons interviewed and eroded the self-esteem, but have engendered feelings of inferiority, shame, inadequacy, stress and frustration.

“I feel like a beggar always having to depend on people for things.”

“I does get mad.” (literally get mentally ill and have to go to the mental hospital)

“Ah so frustrated sometimes ah feel like giving up.”

“Ah worried so Ah can’t look good.”

“I don’t make any shopping, I can’t credit no more.”

It has also led them to become engaged in undesirable and illegal activities to get money to support their families. In addition it has resulted in and contributed to an increase in violence, to crime and prostitution, problems in the home and breakdown in family relations, and deterioration in family life.

“It hard to get by, you have to do things you don’t want to do.”

“It cause people to get into crime.”

“I does steal from my sister or brother.”

“When ah go to look for food for dem children, ah does end up going with different men.”

“When yuh can’t get no work and yuh don’ have no money yuh does feel to do murder.”

4.2.10.5 Elderly

Elderly people in communities are also vulnerable and in need, but seldom have opportunities to voice their concerns or fears.

“When yuh poor yuh exposed.”

“I afraid to tell people what happening to me.”

“I can’t buy food or clothes.”

“The old house falling down, it need repairs.”

“De house leaking so bad, sometimes ah does just sit down and cry.”

“After you work so hard all yuh life, yuh still have to be catching hell.”

“I sick but can’t get to no doctor.”

“Things too expensive.”

“We now live in more danger than before.”

While there is no doubt that they have made sacrifices for their families and valuable contributions to life in their communities, they are often ignored by the latter, neglected by their adult children, and often have to depend on friends or the church for charity.

“You can’t always depend on children to help you, they have their own life.”

“Young people and children have no respect.”

“Old people are not recognized.”

Many feel that they have not only done their best for their children, but that after minding their grandchildren they have been abandoned.

“The children leave to go away to look for betterment, they leave the grandchildren, but they never come back, some don’t even send back any money or nothing.”

“I ent have no communication with the children abroad, dey don’t write.”

“Ah don’t have nothing to give the grandchildren.”

4.2.11 FACTORS CONTRIBUTING TO POVERTY

Informants identified several key factors that, in their view, contributed to, perpetuated and kept them in a state of poverty. Chief among these were **unemployment**, lack of job opportunities, unavailability of regular work, and **unemployability** of the majority of community members, especially in communities where the majority of people depended on agriculture and in which agriculture has declined and the banana production has ceased.

Other related factors include poor attitudes, identified by several people as being manifested in **indifference, laziness** and **unwillingness to do whatever work is available**. However, some people in Mt. Horne felt that **the labour and working system in the country** were a contributing factor that could not be ignored and in some other communities, (for example Waltham and Victoria) **political negligence** was also seen as an important contributor to poverty.

Also seen to be an important contributing factor is the **very low level of education** of large numbers of people in these communities, their lack of knowledge and skills, including literacy and technical skills. Linked to this and mentioned by several is **low self-esteem and lack of self confidence and motivation and high levels of dependency** displayed by many.

At the same time, **lack of resources** including the loss of valuable human resources that has resulted from internal and overseas migration, lack of access and/or limited access to land, and limited credit facilities, as well as **abuse and underutilisation of natural resources** were also cited as contributing factors.

Other factors identified were **crime and drugs and absence of organised community groups**. It is interesting to note that many people in all of the communities also saw drugs and crime as forms of employment, as income sources and as alternatives to living in poverty.

4.2.12 EFFECTS AND IMPACT OF POVERTY

Poverty has had serious adverse effects on individuals, families and entire communities.

4.2.12.1 Effects on Individuals and Groups of Individuals

Data from interviews with community leaders, from focus group discussions and the words of individuals who provided the data clearly reveal the physical, psychological and emotional effects of poverty, and many ways in which individuals have been and are being affected by poverty.

It is the general feeling that children and women are most seriously affected by poverty; the latter, because many are unemployed single parents with the sole responsibility of meeting the needs of their children, and the former, because they have to depend on their parents/mothers and cannot fend for themselves.

In most of the communities children were seen to be the most vulnerable group because their physical and emotional development and health are being stunted. Informants pointed out that two of the main reasons for this was that their parents are poor and do not have the money to provide for their needs. There are resulting high levels of anxiety, stress and frustration.

In all communities too, women were seen, after children, as the next group that was most seriously affected by poverty. In some communities however, for example Victoria, La Poterie and Mt. Horne, it was felt that the elderly and challenged individuals were also being seriously affected by poverty. On the other hand, in Clozier and Gouyave, concern was expressed about the effect of poverty on the youth.

Poor men, women, young people, old people and unemployed persons who participated in the Focus Group Discussions, discussed their experience of being poor and how this is affecting them. They all feel useless, worthless, inferior and inadequate, in a word less than human. Poverty has robbed them of their humanity and their sense of self. Any confidence that they had, has been eroded by the hardships that they face in their daily struggle to survive and by their unsuccessful attempts to meet their needs and commitments.

Poverty has also limited them in their dreams and aspirations and crushed their hopes. This, along with lack of educational and job opportunities, their low level of education and lack of skills, has caused them to lose faith in themselves and in their ability to change or improve their situation.

They have become down-spirited, frustrated, disillusioned, depressed, worried and stressed out. Some have been and are trying to do things to help themselves but their self-employment initiatives have not produced much and they do not know where to turn.

Others are so fed up that they lapse into a state of helplessness and hopelessness, have stopped trying and just survive how and as they can. Several are malnourished and in poor health. One woman in La Poterie has only stumps for teeth. Another in River Sallee has had an infected foot, for many years, and a young woman in Bogles is excessively obese but insists that she is healthy.

4.2.12.2 Effects on Families

Poverty has affected the relationships among family members and relatives and the quality of family life. Gender relations in the home are strained and there is jealousy, family disputes and conflicts as scarce resources have to be shared. At the same time, while parents, mostly mothers, do care and are concerned about their children, the knowledge that they are unable to provide them with the basic necessities of food, shelter and clothing leave them frustrated and angry. These negative feelings are often translated and transferred in a violent manner to their children so that parent/child relations are also characterised by violence.

Homes are neglected and there has been a breakdown in morals and values in families. Promiscuity, incest, stealing, and drugs have become the norm and are common, everyday occurrences in several families.

4.2.12.3 Effects on the Communities

Poverty has had adverse effects on all of the communities and its effects are evident in the dilapidated physical appearance of some of them. In many cases, an unhealthy environment with piles of garbage, poor sanitation, inadequate facilities, poor housing and a general air of neglect and lack of maintenance or upkeep is the norm. In addition to these obvious physical indicators of poverty, communities suffer other serious consequences of poverty.

In some communities there is poor communication among community members, lack of unity, cooperation, togetherness and community spirit. In several communities too, e.g. Waltham, there is a sense of confusion, feelings of anger, frequent displays of violent and aggressive behaviour and a breakdown in law and order. But in others, for example in Clozier and Post Royal, poverty has led people to come together to help one another and to the creation of a strong community spirit.

Although it was recognized that people had to leave their communities in search of jobs and of opportunities to better their condition, migration and the resultant depletion and loss of human resources were seen as contributing to the underdeveloped state of many communities. People in all of the communities were of the view that poverty has limited community development and prevented progress. This is graphically described in comments made by people in Post Royal, Victoria and Content,

“Not only the people poor, the place poor too, de house and dem twist.”

“The community suffering.”

“We can’t develop.”

“Victoria don’t have avenues for improvement.”

4.2.13 TACKLING POVERTY

Although people in the selected communities have been hit hard by poverty and although many appear to have accepted their condition and have lost hope, they are surviving. Their survival is supported by their own initiatives, by community initiatives and by the intervention of government agencies and NGOs.

4.2.13.1 Individual Coping Strategies

Poor individuals faced with the challenge of meeting their basic needs and of providing for their families are forced to devise strategies for coping. Their coping and survival strategies include legal as well as illegal activities. Many people try to be thrifty, to manage carefully the few and scarce resources they have, and to engage in income generating activities.

“The little I have, I spend wisely.”

“I does pinch what I have.”

“I try to save for a rainy day.”

“I try to do little things to help myself and to get a few cents.”

“I does catch crab in the mang.” (mangrove)

“I does burn coals.”

“I does plant a little thing but when it bear, people tiefing it and animal eating it down.”

“Some people go to the bay and get free jacks or get flying fish from the boats, they go in people land and get some provision.”

“I sell by the school cos I can’t wait on government.”

However, because these strategies do not always have the desired outcomes or produce sufficient to meet basic needs, some people resort to illegal activities.

“I does steal so as to go to gaol and get free food and shelter.”

“Poor people, especially the youth does turn to drugs and crime.”

“Women have to turn to prostitution to feed their children.”

Those who don’t want to be involved in illegal activities and have no other alternative find themselves depending on others in the community and on relatives abroad, and trying to make what they have do.

“Most poor people depend on handouts.”

“I does beg.”

“Keep a cool head.”

“Sometimes my brother in foreign does send a little thing for me, ah does have to pinch it, but other than that it hard.”

“I make use of what I have.”

“The little what we get we does fight up with it.”

“I depend on the \$75 old age pension from the government and I does have to pinch it.”

“People give we clothes we can’t afford to buy.”

Others, especially young men and young people attempt to cope and let off steam by turning to recreation, playing sports and going to parties. Women on the other hand turn to the church and to God to keep their minds off their problems. Some simply ignore their situation and live one day at a time. At the same time, some people's attempts to help themselves can be frustrating.

"A real thing is that you want to plant and it have waste land but is a lot of trouble to get it, they sending you here and they sending you there."

4.2.13.2 Community Initiatives to Tackle Poverty

Discussions and interaction with people in the selected communities revealed initiatives intended to tackle, reduce, and alleviate poverty. And there was evidence of sharing, bartering and exchange of goods and services, including food, water and groceries. People also supported one another in a variety of ways. In some communities too, both the concept and practice of self-help are very much alive and are evident in the existence of the **maroon** through which people share their time, talents and labour to help one another with house repairs, planting and reaping of crops.

"People stretch their hand to help each other."

"The poor helping the poor."

"If I don't have I go out of the community and get and then I share with neighbours."

"We give support to each other."

"We form groups to help people, we wash for them, clean and cook for them."

"We find out reasons why children aren't going to school and try to assist the parents in anyway we can."

Where they exist, community groups and organisations are very much involved in activities designed to alleviate poverty in the communities. These activities range from welfare programmes that provide food, clothes, school books, and uniforms, to education programmes designed to promote and facilitate personal and community development and self-reliance. Groups involved in these activities include church groups, community development groups, PTAs and political party groups.

In many of these communities, the church has recognized and accepted responsibility not only to cater to the spiritual needs, but to meet the material needs of its members as well as those of other needy groups in the community. For example, in La Poterie, the Dorcas Society, members of the women's group of the Seventh Day Adventist Church, visit elderly persons regularly, provide them with food and clothes, bathe them when necessary and clean their homes once per week.

In Darbeau, the Roman Catholic, Anglican and Pentecostal Churches have programmes through which they give food and clothes to the needy; in Victoria, the RC Church gives money and has a housing programme through which people can get help with house repairs and/or replacement. In Clozier, the Adventist Church helps the sick.

In some communities, community development groups are actively working to help community members tackle poverty. The River Road/Darbeau Community Committee raises funds and buys school books and uniforms to distribute to needy families and the St. Mark's Community Development Group gives assistance to poor families to help the children to go to school. Three community groups in Mount Horne — the Community Development Group, the Women's Group and the Sports Group — organize education programmes and sporting activities that are intended to promote and facilitate personal development and to improve conditions in the community. In La Poterie, the PTA invites the Food and Nutrition Council to conduct sessions to educate parents on nutrition and on food preparation. In Clozier, an agricultural group visits a different house every Thursday to assist families.

4.2.13.3 Interventions and Initiatives by Government Agencies and by NGOs

In addition to the initiatives of individuals and groups within the community, external agencies, organisations and groups are also attempting to alleviate poverty and to improve the quality of life in poor communities.

4.2.13.4 Government Agencies

Several government ministries as part of their mandate have responsibility for providing goods and services and for working with community members to improve community life, and facilitate community development. Government agencies identified by community members included the Community Development and Welfare Departments, the Food and Nutrition Council and the Ministries of Health and Works. Poor individuals and families have benefited from programmes of these agencies. For example, several women reported that if it were not for the School Feeding Programme, their children would not be able to go to school.

At the same time, some elderly people depend solely on the government pension to survive and this is the sole income of quite a few families. On the other hand, while several people have obtained help with house repairs and replacement through the House Repair Programme, a significant number have been unsuccessful in their attempts or have been waiting for extended periods for this type of assistance.

Poor people in these communities recognize the benefits that they have derived from the road building and repair programmes of the Ministry of Works as well as from their efforts to bring lights and water to their communities. However, they pointed out that they are often unable to avail themselves of these amenities because they are too poor to pay for them.

On the other hand, while most poor people have no choice but to use the “free” services provided by the Ministry of Health, many of them are dissatisfied with the quality of the service provided in some of the health centres and stations. Some elderly people and mothers with young children

also complained about the distance they had to travel to get to the health station, both because of poor transportation and the lack of money to pay bus fare.

Officers from the Community Development Department are assigned to all of the poor communities surveyed. They run a number of programmes and organize a variety of activities intended to promote and facilitate personal and community development. People in all of the communities recognize the value of their work and the benefits that have been derived from their efforts to provide materials and equipment for community centres, hard courts and day-care centres. However it was felt by some that the emphasis was being placed on physical, infra-structural development rather on human resource, people-centred development.

4.2.13.5 NGOs

Several national NGOs have intervened in the poorest communities in Grenada, Carriacou and Petit Martinique. Like their government counterparts, their work and programmes are intended and designed to alleviate poverty and improve living conditions and the quality of life in these communities. Some of them like ART and GRENCODA are development agencies concerned with the total development of the community, others like the Planned Parenthood Association are concerned with a particular aspect of life in families and in the community, and yet others are concerned with providing welfare to needy individuals and groups. Data from the Community research activities indicate that some communities, for example Mt. Horne and Darbeau, have received more attention from NGOs than others, for example, Content.

The interventions and work of two development NGOs, ART and GRENCODA were mentioned over and over again by poor people in these communities. These organisations have provided assistance to individuals and families to enable them to meet their basic needs. They have implemented community education and training programmes to help community members acquire and upgrade skills, and they have organized community projects to provide goods and services to communities.

In Mt. Horne, ART has a Food Security Programme which encourages people in the community to plant backyard gardens and from which about twenty people are benefiting. It also runs a number of educational activities, including skills training and craft classes. GRENCODA gives school books and uniforms to several poor families in Clozier, Gouyave, Victoria and River Sallée.

The Red Cross gives out food and clothes to the needy and is active in River Sallee and in Gouyave. The Lions Club distributes food packages to the elderly people in Mt. Horne three times a year, and the St. Vincent De Paul Society gives food hampers and clothing to the needy in La Poterie. The Planned Parenthood Association conducts family life education programmes and provides family planning services to communities on request. Political Parties are also active

in some communities. People in Clozier referred to the help and assistance, e.g. clothes and foodstuff, received from their Parliamentary Representative; others in La Poterie to the N.N.P support group that introduced people to the Small Enterprise Project, and several remembered the adult and continuing education programmes implemented by the PRG as part of its CPE programme.

4.2.13.6 Outcomes, Effects and Impact of Initiatives and Interventions

Because neither government agencies nor NGOs have systematically monitored or evaluated their work in the selected communities, it is difficult to measure or assess the effects or impact of their work on individuals, families or on the entire community, or to assess the extent to which their interventions have alleviated poverty or improved the quality of life in these communities. However, people in these communities can point to specific and concrete benefits that they and their communities have received as a result of the interventions.

Among the benefits cited were improved self-esteem, a rise in the level of education because some children are able to attend school more regularly, and some adults are able to learn skills, a decrease in illness and some improvement in health and nutrition especially in the case of young children. Some change in attitude was also mentioned. For example, two of the leaders interviewed in Victoria said that:

“Some people change their ways as they get houses.”

“The moral and spiritual life of those who got help has become better.”

Others in Mt. Horne and Content felt that people have become more aware of their problems and of the extent of poverty and that:

“There is a turn around in people’s life.”

“ there is a need to do more for the less fortunate, the sick and the elderly.”

4.2.14 THE IMPROVED COMMUNITIES

Harvey Vale in Carriacou, and Chantimelle and Red Mud in Grenada were identified as communities which were once poor, but in which the situation and the living conditions had improved over the last ten years. The CSAs attempted to identify the factors that had contributed and resulted in this improvement.

4.2.14.1 Harvey Vale

In the case of Harvey Vale there was a general feeling that the standard of living was very high, that job opportunities exist, especially in the construction industry, and that the majority of unemployed are those who do not want to work. It was also believed that 70 percent of the residents are able to take care of themselves and that the other 30 percent who are living in conditions of poverty are immigrants.

Initially people were very poor and depended on help from their relatives abroad. However, over the years, as residents became aware of the potential for generating income by selling local produce and craft to tourists, conditions changed drastically over the years. People invested in small businesses like hotels, guesthouses, restaurants, and nightclubs. The community now has modern buildings, more commercial activity, and benefits from the tourist industry.

In addition, groups of overseas nationals have contributed to the community's development by financing projects: for example, improved health care facilities and furniture for the school.

4.2.14.2 Chantimelle

Through the Wheel of Well Being and the Quality of Life Index, residents in Chantimelle were able to compare living conditions in their community as they were before, and as they are now. The economic situation has moved from being average to being very high. The reason given for this is firstly, the availability of more job opportunities and higher levels of employment deriving a general improvement in the level of education, and secondly, the remittances from abroad.

“Chantimelle people are employed at all levels of the society as magistrates, bankers, teachers, police officers, nurses, dispensers, contractors...”

There has also been improvement in housing and there are several large concrete houses.

“When I was five years old seven of us lived in a small wooden house, there was no space, some of us used to sleep under the table, but now I live in a mansion”

The community is also well served with basic facilities and utilities and health services. Collection of garbage and care of the elderly are also said to have improved, and in terms of availability of food, there is an increase in both the quantity and quality.

“Food in abundance, it is not about being hungry it is about quality and quantity.”

People in Chantimelle identified several factors that contributed to a decrease in poverty and to improved living conditions in their community. Among these were self-confidence, determination and the will to get out of the situation:

“I always wanted to be somebody but the situation held me back.”

“People have to be determined to get themselves out of this dreadful situation.”

“I continued to fight, I'm still fighting it but I much better off than before.”

“I just felt that I would get out one day.”

“I always tried something new to get out of it.”

“My life changed so much, I am not living in poverty anymore.”

“I always knew I would be somebody.”

Another factor was education:

“More people are educated, this gives more job opportunities”

“I was able to educate my first child, it was my proudest moment”

Self-employment initiatives, access to land and more job opportunities contributed:

“I bought a snow cone box to support my family and this improved my situation slowly.”

“There were more job opportunities.”

“Even though we didn’t own the land we had access to lands for gardening.”

Some cited migration and remittances from relatives living overseas:

“Those who went away improved but we that stay here remain the same.”

“The brain drain, lots of people with skills and education leave.”

“Almost everybody has a family member abroad who is helping them.”

“A lot of people live on money and things from overseas, they does even sell clothes when they come.”

“We wait for the barrel.”

While acknowledging the positive benefits of this type of assistance, several people were concerned about some of the possible negative effects and that it was helping to build dependency and to inculcate undesirable attitudes, especially in children.

“People like to sit down and wait for their relatives to send them barrel.”

“Children get a ‘barrel attitude’ and abandon school.”

“We are getting a lot of ‘brand name children.”

“Cultural penetration when they return and through the things they send in the barrels.”

In spite of a general improvement in the situation and in living conditions, residents identified some areas that are of some concern. These included low moral values and poor attitudes, poor family life and the way in which women are treated. The women were very vocal about the latter.

“We saying because we know.”

“When we get we face bust up, we hide it, we can’t talk.”

“Family life and treatment of women shaking hands.”

“Children are left to fend for themselves, there is no parental guidance.”

“Moral values are very low.”

“Family life was better in days gone by.”

While there has been a general decrease in the level of crime, there has been an increase in the use of drugs. The smoking of marijuana is common sight. It is seen as a way of life and not illegal by some, especially the youth, but others are concerned about its effects.

“That marijuna, ganja or whatever you call it, is destroying the youth.”

While the general consensus is that:

“Chantimelle is moving on.”

There is a concern that:

“Some people may have moved on but some are still there living in poverty.”

4.2.14.3 Red Mud

The population of Red Mud is predominantly of East Indian extraction. The community is close-knit and, to some extent, displays some cultural traits associated with this ethnic group in the Caribbean. In fact, during the community workshop several references were made to the importance of preserving “our culture.”

“We just want a little Indian dance, yes that is our culture.”

“Our community is mostly East Indians, we have to keep our culture clean.”

These and other similar comments were made in response to suggestions that there was need for a community centre. While some of the young people identified this as a need and felt it would be useful for parties and adult education classes, there was a general feeling that this would not be an asset and that it would hinder rather than facilitate the development of the community.

“We never had a DJ dance up here and it could stay just like that.”

“What we want a community centre for? We don’t want that thing up here.”

“I don’t favour a community centre, that thing would corrupt the place.”

“A community centre in Red Mud would be a disaster not a development.”

Residents in Red Mud provided information that showed how the conditions had changed and improved over time. Most of them and their parents had lived there all of their lives and had originally worked on the plantations for very low wages. Working conditions were bad, money was hard to come by, and everybody was poor. But they saw how other people were living and this had fired their aspirations and dreams.

“You saw the way other people were living and you dreamed of living like them.”

It inspired them to set out to do something to change their situation and their stories of how they did it, and of the lessons learnt, provide information and insights that could be useful for others in poor communities.

First they knew what they wanted in life; they had a goal and the will and determination to succeed.

“We had a goal and worked towards it.”

“We were determined to move on, to get out of this hell.”

They were able to acquire some land when the estate was being sold, they worked hard, they were thrifty and they managed and used their resources wisely.

“The estates had lots of uncultivated land, we worked the lands.”

“We plant the land and eat what we grew.”

“The people had energy, they worked the lands and run animals.”

“People really worked hard to survive.”

“We saved when we could and spent wisely.”

“People managed their scant earnings the best they could.”

“We do lots of things ourselves and save money that way.”

At the same time, they realized that they had to make use of whatever opportunities came their way and that they might have to do whatever job became available even though it might not be the job they wanted.

“People may not always get the job they want, but they can find something to do.”

“We take the jobs we get but always try to improve ourselves.”

They also put emphasis on educating their children because they saw this as a way of ensuring that the cycle of poverty would not be repeated.

“We sent our children to school, sometimes barefooted and with nothing to eat because we did not want this for them.”

“Our children got a good education, we were able to give them more help than our parents gave us.”

Gradually things began to change and they were able to see the results of their labour.

“As people worked hard the standard of living improved.”

“Things got better bit by bit.”

“Things changed slowly but surely.”

“Things have changed a lot.”

“Some people became really prosperous.”

Residents are quick to point out, however, that the improvement in conditions resulted from collective efforts, that people cooperated and worked together and that they contributed their money, time and labour to provide the community facilities and to develop the community. And they see improvement in individual and family situations as important and contributing to improvement in the whole community.

“Everybody worked hand in hand to build this place.”

“We cooperate, we did it all by ourselves.”

“It was one for all and all for one, we had one belly.”

“When everyone in the family improve, the whole village improves.”

“Maroon, cooperation and unity are responsible for the development of this place.”

They are particularly proud of the fact that they provided all the labour to build the road and that they built two cisterns to store water from the stream and to supply all the houses in the village with water.

“Everybody get together and contribute money and labour to dam the spring and today we have enough water, the best in Grenada.”

“We didn’t have any road before, just a narrow track. Government gave the materials and we did the labour ourselves.”

“All that was done the people in the village did it.”

“Every bus that runs here belongs to people who live here.”

“We take pride in what we do.”

Moreover, they have a deep commitment to the community and to its development.

“The old folks started to do community projects and the younger ones just continue.”

“No one from the village went overseas, we stayed here and made the difference.”

“We are faithful to this place.”

Most importantly, they did not let their being poor erode their self esteem or self confidence, and according to them:

“We had a sense of value.”

“We always knew we were somebody.”

4.3 QUANTITATIVE ANALYSIS OF COMMUNITY DATA

The CSA was conducted on communities that were selected on the basis of criteria that departed from the procedure of random selection. The inputs of Community Development specialists, the NAT and other observers, along with data from the last census were the factors that determine the selection of poorer communities for the conduct of situational analyses. The questionnaire administered in the SLC was also applied to these communities and most of the results are provided in tabulations in Appendix III. Logistical problems prevented a collection of quantitative data on three communities, one escapee – Red Mud – and two other poorer communities – Bogles and River Sallee and, in two communities, Content and Harvey Vale, interviewer problems resulted in the polling of a smaller number of households than originally intended. Table 4.24 provides a summary of the findings. Except for Gouyave, the level of poverty in these communities exceeded the national average 43.2 percent collectively, *vis-à-vis* 32.1 percent. The highest levels were recorded in Content and Victoria. Tables 37-50, Appendix III present few surprises, except that the dumping of garbage in the sea and in rivers seems far more acute than suggested by the SLC.

Table 4.24: Poverty Estimates for Poor Communities

<i>Community</i>	<i>Percent Poor</i>
Victoria	62.4
Waltham	44.4
Clozier	22.1
Gouyave	2.8
Chantimelle	4.2
La Poterie	50.5
Post Royal/Union Golf	17.7
Mt. Horne	52.0
Darbeau	21.1
Content	63.8
Harvey Vale	35.7
All Communities	43.2

While the data are not random, they do tend to corroborate the findings in the SLC. Most of the poor in these communities are participants in the labour force, and employed as well. They are largely in agricultural and elementary occupations. Their educational attainment is very limited. Their homes are more likely to be of wood. A fair number still do not have access to electricity. Large numbers of households dispose of their garbage in the river or the sea in these communities, whether poor or not. Generally, these communities are lacking in social amenities, and fit the picture of poverty identified in the SLC.

4.4 CONCLUSION

The qualitative information supplied by the communities themselves is consistent with the quantitative data. These poorer communities have provided a complete profile on the nature of poverty in Grenada as seen and experienced by the poor themselves, and in their own words.

The CSAs have filled a gap in our understanding of the dynamics of poverty as it is visited on households. The larger macro-economic and institutional structures create a terrain in which some households and communities find themselves trapped. The statistics on individuals and households provided by the SLC have been given shape and form in the CSAs.

The identification of interventions for poverty alleviation and eradication must, therefore, take account of the probable impact on individuals, households and communities, the like of which have been encountered in the CSAs. The intimate details provided on poverty through the latter, define the challenge of the task of poverty eradication and remind us of the connection among the macro-, meso- and micro-levels identified in Figures 1.1 and 1.2.

5.0 CAUSES OF POVERTY

Section 4 provided estimates of poverty for Grenada in the first half of 1998, and outlined the views of the poor themselves with respect to the factors that had contributed to their condition. A number of structural factors have been identified as contributing to the poverty noted in the country, which, in turn, have been exacerbated by societal and other weaknesses in the functioning of Grenadian society. This section draws on the information gathered from the SLC and from the CSA in Section 4 and relates it to the insights gleaned from the institutional analysis presented in Section 3. The exercise allowed us to identify the causes of poverty, which are presented in summary form below.

A major underlying cause of poverty in Grenada has been the untransformed nature of the economy which, from its plantation beginnings, has been inserted into the international economy as a dependent primary producer. The attempts at diversification since political independence from Britain, have created new industries but, together with primary production, these have not created the employment opportunities on a scale and at a level needed to protect the population from the poverty that has been identified in this study. Moreover, while there have been encouraging signs of growth from time to time in these new sectors, their viability in the present and prospective reality depends on their export competitiveness, in the final analysis.

Grenada, as a very small country, has, perforce, to be a highly open economy since it is unable to generate much of the output that it requires for functioning as a modern economy. Imports, therefore, will always be large, relative to GDP, because most of the inputs — raw materials and plant and equipment — have to be sourced from abroad. Although there is some amount of under-utilisation of domestic inputs, import dependence is an inescapable feature in a very small country whose population aspires to all the appurtenances of a modern society.

The viability of the country depends on its ability to generate output that is competitive in international markets. Its primary production has faced secular decline, notably in the case of bananas which have proved highly uncompetitive with the output of the main competing countries, once the protective veil of the Lomé Trade Accord was removed. Moreover, the failure to modernise production and to improve cultivation and post-harvest techniques resulted in WIBDECO having to cease sourcing bananas from Grenada for the European market. This has created hardship for a large number of farmers and agricultural workers in Grenada. Clozier is one example of a community that has been particularly hard-hit.

Light manufacturing has not achieved the expected growth in terms of employment, income and foreign exchange generation. Extra-regional exports have been limited to just a few product areas, and in the highly liberalised environment of the late 20th century, and with the development of export processing operations in a number of competing locations, Grenada has not been able to make a major advance in this area.

In respect of both primary production and light manufacturing, increasing technological and human resource constraints have surfaced. Grenada does not have a technologically sophisticated farming community at present, capable of making the switch from one kind of agriculture into high-yielding alternatives, upgrading its present agriculture to meet the demands imposed by international competition. The limited educational base of the farming population is a major barrier to competitiveness.

Competitiveness in light and other forms of manufacturing and in information processing is also dependent, not so much on cheap labour, but on the availability of a large reservoir of skilled and knowledgeable workers at internationally competitive rates. The structure of education and training in Grenada has not created a workforce with such characteristics, with the result that Grenada is not attractive as a site for export-oriented manufacturing activities, and the wage structure for its unskilled labour is not competitive in labour intensive manufacturing. Tourism has been the one area of above average growth as the country's amenity resource of sun, sea and sand has opened up to the expanding international tourism market.

However, infrastructural and marketing problems have posed constraints. While the number of smaller establishments has grown, providing opportunities for a large number of people, there is need for refocus of the industry, which a Tourism Development Plan is about to address. The net result of all of this is that while the economy has witnessed some expansion, the scale has been inadequate to arrest the poverty, unemployment or underemployment that have been visited on almost one third of the households of the country. These have been the primary or ultimate causes of the poverty in Grenada.

The above factors have been compounded and exacerbated by a range of societal and institutional problems. The Ministry of Agriculture lacks the resources to pursue a thorough ongoing agricultural diversification strategy. The initiatives taken by NGOs such as ART and GRENCODA, while important, are incapable of supporting the level of transformation required in agriculture. Credit facilities are limited. The main development agency of the Government, the Grenada Development Bank, has adopted a conservative stance in respect of agricultural credit because of difficulties with default in the past. Farmers, therefore, are starved of critical sources of credit.

There is no structure in place to help farmers make the transition from one type of agriculture to another. The developing collaboration between the Marketing Board and the Ministry of Agriculture is very recent and other key players like NDF, GRENCODA, ART, are not involved in such a way that the key ingredients of a programme for non-traditional agriculture could be addressed in a coordinated approach.

Meanwhile, the absence or the non-application of appropriate controls has meant that some of the best agricultural land is being abandoned or alienated to other uses, with major implications for agricultural policy formulation in respect of alternative crops to banana or nutmeg. Also, 'slash-and-burn' practices, especially on hillsides, are depleting the country's stock of agricultural land.

Another institutional weakness relates to the operation of farmer organisations. The Government has helped in the development of organisations such as the Nutmeg Association and the Banana Association. The system of pricing and marketing has been designed to provide stability in prices for producers, and to rationalise production among them. From time to time, significant surpluses have been amassed. Unfortunately, these have been utilised almost totally to provide for bonuses, with the result that farmers have come to accept this as a natural entitlement to be paid at key points in time.

Thus, instead of resources being used for product development or for downstream processing to strengthen the industry, bonuses are consumed. Moreover, it has become politically difficult for the Ministry of Agriculture and the Minister of Agriculture to take actions more consistent with the long-term interests of farmers, in the face of the bonus mentality that distracts everyone.

Yet another lacuna is the absence of mechanisms for the effective training and upgrading of farmers. The Mirabeau Farm School, which is an arm of the T.A. Marryshow Community College, does not have the reach to the large numbers of farmers who are in need of training for an internationally competitive agriculture producing a diversified range of produce.

Rural poverty and rural-urban drift have been the outward visible result. Indeed, while Grenada, like the other Windward Islands, was successful in creating an effective and well-integrated system for the cultivation, production and marketing of bananas, it has not been able to replicate a full farm-to-market programme in respect of non-traditional crops, which are the base of any project for agricultural diversification.

Similar institutional weaknesses have marred the development of export manufacturing and the diversification into manufacturing. There is limited credit especially for micro-enterprises. Backward linkages to agriculture are tenuous at best, with the result that agro-processing remains an undeveloped sector, in spite of its undoubted potential.

Some light manufacturing has emerged, but much of it is geared to national and subregional markets and is unable to withstand competition in the current form, let alone when Grenada would need to reduce duties and tariffs in keeping with WTO rules and with such arrangements like the Common External Tariff of CARICOM.

Foreign capital is unlikely to be attracted to Grenada since its wage/productivity structure is not attractive for light manufacturing when compared with competing locations in the Caribbean and Central America. Moreover, with the limitations of its educational system, there is not the depth of skills and knowledge base in the labour force to make it appealing for some of the more demanding technology-oriented industries which have found a more attractive base in such locations like Barbados and Costa Rica.

Government has made substantial investments in the infrastructure both through its own resources and from loans that have been secured. Roads, water, electricity, port and fishing facilities have improved the base for expanding economic activity. On the other hand, some of the more recent infrastructural investment may not have as much of an impact on the expansion of the production frontier of the country, and would not entice or encourage new economic capacity.

Meanwhile, the financial resources of the country under the control of the banking system go disproportionately to the distributive trade and personal loans. Some of the latter have been directed at real estate and at house construction, which contribute substantially to employment creation. However, the former is usually favourable to import growth in that much of the inputs has to be imported.

Grenada has a range of development institutions which, in their number, suggest that most of its development needs are being addressed. Among the NGOs and GBOs can be identified GRENCODA, ART, SAPMA and the River Sallee Credit Union. There has been an attempt at an umbrella organisation. However, their financial resources are limited and their considerable dependence, in most cases, on external funding, has put them at risk, as flows from such sources have dried up. Their reach to poor communities is not universal and while some communities have surely benefitted from their presence and their initiatives, there are many others that have not been as fortunate.

Clearly, some of the poverty identified has resulted from the culture of poverty, the social inheritance of a society that has been in the throes of a painful transition. The land distribution programme of earlier years succeeded in creating a peasantry, some of whom were able to take advantage of opportunities that arose around bananas and other produce, especially provisions, vegetables and fruits targeted at regional markets.

There remains a large number who have been landless agricultural workers. The interviews at the community and household levels established their presence. Invariably, their parents and grandparents had a similar fate before them and today, they lack the resources to provide a ladder of mobility for their own children.

Many interviewees displayed the hopelessness of their condition. They are unable to send their children to school, since, in spite of the social provisions for books and clothing, they are either ignorant of such relief or have not been able to avail themselves of it.

Poor social conditions expose women to numerous risks and increase their vulnerability. In the face of limited employment opportunity in a segmented labour market, they resort to unions that prove unstable, in the hope that liaison with a man would provide some economic protection. A few admit to prostitution as a coping strategy. The heavy emigration in search of employment abroad has robbed communities, and the country, as a whole, of some of the more vibrant young people.

At the same time, emigration has institutionalised the grandmother-centred household, often with an intermediate generation absent. There are many poor grandmothers who have difficulty in the rearing of grandchildren because remittances have been inadequate, and also, because of their advancing years, they are unable to measure up to the task of socializing another generation of children.

The following subsections specify in detail, the primary causes of poverty on households and communities. As implied in Figures 1.1 and 1.2, a composite of factors determines the economic and social well-being of any particular household. Likewise, poverty of a household results from the impact of one or more variables which often is compounded by interrelationships among these variables.

5.1 LIMITED INCOME AND EMPLOYMENT GENERATION IN KEY PRODUCTIVE SECTORS

5.1.1 AGRICULTURE AND FISHERIES

Causal Factors:

- Collapse in earnings of banana producers because of the new EC market regime and rules of WIBDECO, in sourcing bananas in the Windward Islands;
- The limitations in the present infrastructure to provide support to farmers seeking to engage in production of alternative crops;
- Bonus orientation of farmers prevents use of surpluses for transformation and re-organisation of traditional agriculture;
- Underdeveloped marketing and distribution system for non-traditional crops;

- Shortage of arable land for many small farmers and limited infrastructure for effective distribution;
- Depletion of stock of agricultural land by precipitate alienation to other uses, and by environmentally unsound practices; and
- Ability of some fishermen to do well from selling on external markets, but there are limited arrangements for mobilising resources for sustained upgrading of industry.

Maintaining Factors:

- Slow growth in the commercial production of non-traditional crops;
- Marketing and other infrastructure still too weak to support immediate international competitiveness;
- Ministry of Agriculture ill-prepared to support diversification thrust;
- Credit for non-traditional agriculture difficult and inadequate from main funding sources;
- Absence of plan for orderly transfer of marginal farmers to other farming activities;
- Absence of single-stand production in alternative crops works against economies of scale;
- Diversification strategy not clearly elaborated for farming community; and
- Short-term outlook of fishermen prevents development of their communities.

Reducing Factors:

- Linkage with tourism leading to some limited expansion of vegetable and fruit production;
- Marketing and port facilities for fishing have been improved, especially in Gouyave and Grand Mal;
- Some farmers entering floriculture, others reverting to improved banana production; and
- Marketing thrust and other support of Grenada Marketing Corporation creating a few market possibilities.

5.1.2 MANUFACTURING

Causal Factor:

- Limited growth in export-oriented manufacturing and assembly operations by foreign firms because of greater attraction of more competitive countries in Caribbean Basin.

Maintaining Factors:

- NAFTA effect evident on CBI countries;
- Limited skills of workers offer little by way of productivity advantages over other low wage locations;

- Little evidence of interest on the part of both local and foreign investors for manufacturing in the country; and
- Agro-processing potential under-exploited or lacking marketing support.

5.1.3 TOURISM

Causal Factor:

- Slow growth in stay-over visitors and decline in hotel occupancy rates constrain employment expansion.

Maintaining Factors:

- Limitations in tourism infrastructure;
- Problems in marketing small local establishments;
- Limited skills of participants in the industry; and
- Under-fulfillment of employment potential.

Reducing Factors:

- Tourism Master Plan to be implemented;
- Cooperative Marketing Plan being developed for small hotels and guest houses with assistance of CDB; and
- Infrastructure being upgraded in Carriacou.

5.1.4 INFORMAL SECTOR, SMALL AND MICRO-ENTERPRISES

Causal Factors:

- Limited linkages between Tourism Sector and Agriculture, and Domestic Craft Production;
- Limited access to credit facilities for small and informal entrepreneurs; and
- Poor coordination among agencies engaged in micro-enterprise lending and support services, e.g. NDF, SEDU, GRENCODA, GRENCASE.

Maintaining Factors:

- Inadequate promotion of domestic craft production;
- Limited opportunities for skills training and entrepreneurial development for the self-employed and for workers in the informal sector; and
- Many self-employed persons entering or crowding into the same fields, e.g. guava cheese processing.

Reducing Factors:

- GRENCODA promoting screw pine and other activity like cooperative furniture production; and
- SEDU attempting to train micro-entrepreneurs in business operations.

5.2 DIFFICULTIES IN MANAGING THE MACRO POLICY FRAMEWORK

Causal Factors:

- Limited institutional structure in mobilising savings for development rather than consumption;
- Unemployment in the short-term by reduction of public sector employment and expansion of the productive base; and
- Deficit financing not readily available as a measure for employment growth and expansion.

Maintaining Factors:

- Heavy reliance on indirect taxation may have regressive implications;
- Difficulty in creating machinery for import substitution in food requirements without engaging in tariff and other forms of protection;
- Problems in the stimulation of other viable export-oriented industry to compensate for difficulties in banana market, and sluggish growth of the light manufacturing; and
- Some state-funded physical investment not likely to lead to immediate expansion of productive base

Reducing Factors:

- Cut in public recurrent expenditure reduced fiscal overhang and led to redeployment of labour in more productive activity;
- Increase in infrastructure creating direct employment and laying base for some expansion of other directly productive activity; and
- Developing institutional structure for social nexus among Government, Trade Unions, private and NGO sectors for collaborating on strategic issues relating to the economy and society.

5.3 LIMITED SAFETY NET

Causal Factors:

- Fiscal constraints in the face of competing development requirements restrict resources available for safety-net mechanisms; and
- Public assistance unavailable to some deserving cases because of limited resources.

Maintaining Factors:

- Limited reach of subsidies in education;
- Reduced financial inflows to some NGOs from international organisations and other donors;

- Collaboration not well developed between NGOs and the state in respect of social service programmes; and
- Health facilities not easily accessible in some remote communities, e.g. Clozier.

Reducing Factors:

- Distribution of building materials and provision of school books and funds for transport for some students bring relief to some poor households;
- PAM helps teenage mothers to complete education;
- Other NGOs like GRENSAVE, Salvation Army, and GRENCODA, and community and church groups provide support to poorer families, as in Darbeau, La Poterie, Mount Horne and Clozier;
- Family Planning Association extending its reach within budgetary limitations; and
- Community Development Division reaches many poor communities with its programmes.

5.4 LIMITATIONS IN PHYSICAL INFRASTRUCTURE

Causal Factors:

- Growth of squatter settlements with rural urban drift to St. George's;
- Inadequate supplies of potable water in Carriacou; and
- Inadequacy or absence of waste disposal facilities reduces quality of life, e.g. Gouyave and Post Royal.

Maintaining Factors:

- Inadequacy, or absence of, toilet facilities, public bath and laundry facilities;
- Inadequate housing and other infrastructure for expanding communities;
- Inadequate garbage disposal system and poor attitude to safe disposal;
- Lack of coordination of state agencies on respective responsibilities; and
- Use of residential plots for burials.

Reducing Factors:

- Implementation of Basic Needs Trust Fund (BNTF) Projects (funded by CDB) in some communities; and
- NAWASA and GRENLEC expanding coverage throughout the country.

5.5 WEAKNESSES IN SOCIAL INFRASTRUCTURE

Causal Factors:

- Relatively high, though falling, population growth rate contributing to high dependency ratio and to strain on social services, e.g. health, education; and
- High levels of teenage pregnancy.

Maintaining Factors:

- Unwillingness among young population to accept and use family planning services; and
- Limited availability of day-care and preschool facilities within the economic and geographic reach of poor women, prevents them from participation in the labour market and in training.

Reducing Factors:

- Family Planning Programme in the areas of counselling and public education and community level;
- NEWLO gives some youth a second chance at education and training.

5.6 POOR COMMUNITY ORGANISATION

Causal Factors:

- Lack of community organisation in some villages; and
- Alienation from the larger society, e.g. Gouyave.

Maintaining Factor:

- Absence of Local Government organisation centralises decision making in St. George's.

Reducing Factors:

- Major effort being made by Community Development Division to develop communities;
- Some poorer communities receiving focus from national and international NGOs; and
- SAPMA and PEMDECO demonstrating initiative in two poorer communities.

5.7 GAPS IN THE INSTITUTIONAL INFRASTRUCTURE

Causal Factor:

- Institutional underdevelopment results in absence or in delay in addressing social and economic problems.

Maintaining Factors:

- Problems of coordination among state agencies reduce the effectiveness of Government and contribute to inefficiencies in the use of human and financial resources;
- Failure at local level to generate organisational structures results in poor mobilisation of local effort;
- Poor coordination between NGOs and Government agencies resulting in duplication of effort in some areas and absence of initiatives in others, to the detriment of development of the society: some communities are over-researched and are now the *popular poor*; and
- Absence of Local Government structures reducing probability of local initiative to collective issues.

Reducing Factor:

- Establishment of Ministry for Carriacou and Petit Martinique streamlines public expenditure in those islands; and
- Emergence and growth of SAPMA in the east of Grenada and PEMDECO in Petit Martinique to assist development in those areas.

5.8 LIMITATIONS IN HUMAN RESOURCE DEVELOPMENT

Causal Factors:

- Lack of training and educational upgrading constrains expansion of skills and productivity of work-force in all sectors;
- Absence of strong culture for post-school educational advancement and use of leisure time for self-upgrading, especially among young males; and
- Present generation of farmers ill-equipped to adopt new techniques needed for survival of agriculture.

Maintaining Factors:

- Limited public facilities for post-school youth in industrial, agricultural and non-agricultural training and in educational advancement;
- Absence of any provision for retraining as an essential element of facilitation of labour market operations;
- Lack of equity in training system denies access to communities distant from St. George's, and more so on the islands of Carriacou and Petit Martinique;
- Lack of support system for women with children who may be desirous of post-school training; and
- Existing adult education programmes do not compare favourably with their precursor, CPE.

Reducing Factors:

- PAM supports under-aged mothers in continuing education; and
- NEWLO very effective in preparing young people.

5.9 CONCLUSION

In this section, a number of the primary factors causing poverty in Grenada have been identified. The cross-sectional data collected in the SLC establish the level of poverty existing in the country. The interviews conducted for the Institutional Analysis and among the communities, and households in those communities, have allowed for the sketching of how the various factors have impacted, the one on the other, and have confounded cause and effect in each case of poverty identified. Thus, some of the historical elements have been identified at the level of the household and the community.

The overarching effect of the external international economy on a small dependent country cannot be denied. The degrees of freedom open to a Government and a people in such a nation state are limited. But there *are* degrees of freedom, subject to political and social mobilisation of internal forces. That Grenada has not, so far, succeeded in exploiting these limited windows of opportunity is the single most important factor contributing to the spread of poverty and to its intergenerational transmission.

6.0 EFFECTIVENESS OF GOVERNMENT, NGOS AND CBOS IN REDUCING POVERTY AND IMPLICATION

Grenada has a considerable number of NGOs and CBOs, some of which were identified in Section 4. To these must be added governmental agencies engaged in the various areas of the social sectors. Together they are involved in activities that can be categorised as:

- developmental
- remedial
- preventive
- supportive

This richness in structure has added to the quality of life of households and communities, provides for capacity building, credit and income expansion, transferring assistance to those who have no source of income and protecting some of the vulnerable from the ravages of an economic system in which Grenada finds itself inserted, and within which it has been able to exercise few discretionary levers in managing its participation.

On the other hand, while there is the reality of economic dependency, the fact that some Government agencies, NGOs and CBOs have displayed high enterprise in undertaking and implementing developmental approaches to problems and issues, has created positive results, often in unexpected places and unexpected ways. They have created new frontiers and opportunities, and to their credit, have pushed their resources to the limit. ART, GRENCODA, PAM, NEWLO and SAPMA stand out among the NGOs. The Community Development Division has had an impact as well. In that regard, Grenada has a fair measure of development-oriented institutions. The size of the safety net is a function of resources and their effective mobilisation by key agents and by the people themselves. A nascent institutional base exists. That there is a lack of coordination, means that the full effect of the available resources cannot be realised.

This section draws on the information generated in the analysis above, in assessing the effectiveness of a few key agencies in respect of specific functional areas. These latter are comprised of macro-policy formulation, employment creation and infrastructural support on the one hand, and on the other, of primary health care, community organisation and care for the vulnerable. This selection, though limited, is still helpful in establishing overall efficacy of the structures in place.

6.1 MACRO-POLICY FORMULATION

6.1.1 ASSUMPTIONS

The Government of Grenada is expected, within a parliamentary democracy, to:

- transform and diversify the economy;
- ensure that the proceeds of growth and development are equitably distributed;
- create fiscal surpluses for economic and social infrastructural investment;
- facilitate a policy environment conducive to private, domestic and foreign investment;
- ensure an adequate safety-net for the vulnerable; and
- maintain a peaceable political and industrial relations environment conducive to the fullest participation of the citizenry in the realisation of their potential.

6.1.2 SUMMARY FINDINGS

<i>Issue</i>	<i>Agency</i>	<i>Mechanisms</i>	<i>Results/Situational Analyses/Effects</i>
Macro-Economic Management	Central Government	Provision of stable policy environment to promote private sector growth and equity in system of taxing and expenditure	<ul style="list-style-type: none"> ▪ Central Government through Ministry of Finance and Planning, has managed to maintain reasonable macro-economic stability. ▪ Tight control of recurrent expenditure and reduction in size of public service. ▪ Lack of clarity of equity implications in existing tax structure ▪ Limited number of firms investing in Manufacturing capable of competition in extra-regional markets. ▪ Implementation of Common External Tariff threatening weak industrial structure. ▪ Effective control of mealy-bug facilitating resumption of agricultural exports. ▪ Good export price for spices not being used for effective downstream development. ▪ Resuscitation of Banana Industry but limited growth in other areas of Agriculture. ▪ Little evidence of organised absorption of marginal banana farmers in other agricultural pursuits. ▪ Limited room for industrial strategy in respect of key sectors. ▪ Lack of emphasis in current incentive regime on SMEs and in creating new productive potential geared to export markets. ▪ Tourism has allowed involvement of establishments and operators leading to employment expansion, equity, and poverty reduction. ▪ Developing mechanism to involve social partners in dialogue over the approach to be adopted in the macro-economic framework can facilitate adjustment to international economy.

SUMMARY FINDINGS (continued)

<i>Issue</i>	<i>Agency</i>	<i>Mechanisms</i>	<i>Results/Situational Analyses/Effects</i>
Macro-Economic Management	Central Government	Maintenance of balance between Government Revenue and Government Expenditure.	<ul style="list-style-type: none"> ▪ Government Revenue inadequate in face of expenditure requirements. ▪ Difficulty in abiding by requirement to reduce tariffs and taxes on international trade, given underdeveloped structure in income tax regime.
		Generation of resources to develop infrastructure and expand productive base.	Some infrastructure expenditure likely to expand economic capacity and employment, but some, more of status enhancing nature.
		Development and maintenance of tax structure to ensure equity without undermining efficiency of tax collection.	<ul style="list-style-type: none"> ▪ Government Revenue heavily dependent on indirect taxes. ▪ Tax structure likely to have inherent inequity.

In the first half of the decade of the 1990s, the Government of Grenada engaged in a self-imposed programme of structural adjustment. The nature of monetary and fiscal operations requires that most of the adjustment to macro-economic problems be effected through fiscal measures. Tight control of recurrent expenditure has been applied. The size of the Public Service has been cut by retrenchment of employees, and the statutorisation of some public services. More of this is in the offing, with the hospital services being targeted.

On the other hand, capital expenditure has been expanded with roads and other physical infrastructure programmed, including roads in agricultural communities. A major capital expenditure has recently been made on a stadium, which provided much employment in the short-term but is not likely to lead to expansion in economic capacity, per se, even though it fulfills a social need for first-class sporting facilities.

While generally the economic base has been laid for expansion, the sectoral policies framework has not resulted in the level of growth and development capable of making a major impact on poverty reduction. The Ministry of Agriculture has not been able to push the diversification process along, such that employment and income growth can be maintained in Agriculture, even as the country adjusts to the new regime of the international banana market. Agro-processing remains underdeveloped, and the production and export of non-traditional produce, while showing improvement through the efforts of the Marketing Board, lacks the underpinning of broad but focused support from critical agencies.

The industrial estate at Frequente Industrial Park is almost fully occupied but many operations are dependent on the sub-regional market, and on the remaining protection provided therein. The Seamount Industrial Park has not shown much growth in the number of firms. Meanwhile, SMEs and micro enterprises, though receiving support from agencies like SEDU, are not the object of coordinated policies for credit. SEDU no longer provides finance, and the new arrangements for low cost credit to SMEs do not appear to be effective.

The tourism industry is now to be addressed through the Tourism Master Plan, after a recent period of sluggish growth. The net effect of all of this is that while broad macro-economic policy has been carefully administered to control the gap between revenue and expenditure, in its sectoral dimension, it would not have had a major impact on poverty reduction except through the construction sector.

On the other hand, the increase in social assistance payments, and the expansion of coverage would have alleviated the condition of some of the poor and the vulnerable. This assistance has been in respect of non-contributory pensions and allowances for transport and books to necessitous children. This equity inducing measure helps to mitigate the built-in inequity of a tax system heavily dependent on indirect taxes.

6.1.3 IMPLICATIONS FOR POLICY

The maintenance of economic stability in an economy that has to rely on fiscal adjustment mainly, poses a problem for macro-economic policy. Grenada has to confront the difficulty of creating development nodes that articulate back and forth between the macro-economic controls exercised by Government, and the initiatives and stimulation engendered by households and communities at the micro level. Moreover, expansion must be promoted, especially in the tradable sector which provides the dynamic for growth in a small trade-dependent economy.

This means greater harmonisation of macro policy with sectoral policies. In the case of agriculture, which remains an important sector providing jobs, and earns or saves foreign exchange, policy has to address itself to the selection of key agricultural products to be promoted, to the provision of the supporting research and development, for infrastructure for marketing and distribution from farm to market, including foreign markets.

Planning and policy have to identify sources of credit, to specify the land distribution or rationalisation measures to ensure scale economies are realised, and finally and most importantly, have to ensure the upgrading of the knowledge and technology of farmers. The enormity of the task of fleshing out macro-policy implications in agriculture is replicated in each of the other tradable sectors, all now engaged in a more liberalised international economy. All of this has to be handled in a way meaningful to and well understood by households in their communities.

To its credit, the Government of Grenada has moved to create the institutional structure that brings key social partners together for the discussion of macro-policy matters — Government, Private Sector, NGOs and Trade Union movements are all involved. There is need to link this to discussion at the grassroots level of the society such that economic literacy could be greatly enhanced. Poverty reduction requires a deeper and more universal understanding by the population at large, of how households and communities can maximise their initiatives and contribution and, in the process, derive benefits from the macro-policy framework. In the final analysis, sound macro-economic policy contributes to poverty reduction, but also creates resources for poverty alleviation.

6.2 EDUCATION

6.2.1 ASSUMPTIONS

- The higher the level of education and training of an individual, the more and the better his or her marketable skills and knowledge, and the less the likelihood of experiencing unemployment and of poverty;
- The better the provision for education of the poor today and the greater their participation in the educational and training system currently, the less is the likelihood of their children repeating the cycle of poverty tomorrow;
- A sound education and training system lays the foundation for export competitiveness across all sectors, including agriculture, and contributes to poverty reduction by improving employability.

6.2.2 SUMMARY FINDINGS

Issues	Agency	Mechanisms	<i>Results/Situational Analyses/Effects</i>
Education	Ministry of Education and Religious Denominations	<p>Provision of universal primary education fully paid for by the Government and facilities in most communities owned either by the Government or by religious bodies.</p> <p>Provision of free secondary education to an increasing percentage of the cohort 12-16 through Government and State-aided secondary schools.</p>	<ul style="list-style-type: none"> ▪ Primary school education universal with 98 percent children registered. ▪ Poverty prevents parents from sending children to school regularly. ▪ PAM allows teenage mothers to complete education. ▪ Free secondary education provided for increasing percentage of the 12-16 age cohort. ▪ Eighty percent of secondary places in urban areas. ▪ OECS Education Reform Strategy being implemented. ▪ Tertiary level education provided for very small percentage of the population. ▪ Highest quintile has somewhat greater access to secondary and post-secondary education. Many children withdraw from school after not winning place at secondary school - the start of educational wastage. ▪ Thrust to egalitarianism in official educational policy.
		<p>Provision of school feeding services, and subsidies in the form of school books and transport allowance to some children.</p>	<p>Tight targeting of subsidies to poor children, but deserving cases not gaining access.</p>
		<p>Provision of school feeding services, and subsidies in the form of school books and transport allowance to some children.</p>	<ul style="list-style-type: none"> ▪ Inadequate provision of technical/vocational training in terms of quantum, and geographic distribution. ▪ Limited opportunity for tertiary education in the country. ▪ Student loan fund for tertiary education limited.
		<p>Provision of adult education and literacy classes in some parts of the country.</p>	<p>Adult education not enjoying level of participation given educational status of country.</p>

Grenada is entering the 21st century with a relatively low base in the educational and skills status of its population. While universal basic literacy is being achieved in respect of the younger cohorts of the population, a large percentage of the population has attained only a limited education. Moreover, some poor households find it difficult to ensure regular school attendance of their children, which puts their educational advancement in jeopardy.

There has been some expansion in secondary school places, which would reduce the current urban bias and improve equity and opportunity. The OECS Education Reform Strategy has been a positive ingredient in educational policy. However, Adult Education seems to languish, not eliciting the level of participation required of a country with a limited stock of knowledge and skills in its human resources, but which must prepare for the knowledge and skill demands of its most important tradable sectors.

There are a few bright spots, PAM and NEWLO being the most outstanding. PAM helps to ensure that on becoming pregnant, young girls still have an opportunity of continuing their education. NEWLO provides a second chance to those who had failed to secure an adequate preparation in the earlier years at school. However, NEWLO does not have the reach needed across the entire country. NEWLO has been unable to replicate its results among older age cohorts many of whom are in dire need of upgrading to face the demands of the 21st century.

6.2.3 IMPLICATIONS FOR POLICY

While a considerable budget is allocated to education, the country has to face frontally, the reality that the human resource constraint is possibly the greatest hurdle it faces in its transformation process. Expansion and improvement of facilities for the cohort of school age do not address the needs of the vast number who are already in the labour force and shall be participating for a few more decades. Policy initiatives are needed in respect of compensatory and remedial education for adults. Post-school educational participation needs to be popularised. Grenada may well have to review the factors that apparently made the CPE successful in adult literacy and educational upgrading. The support infrastructure of library and information services will have to be addressed. The special needs of women with children — day care and evening care for babies and children — will be needed to ensure their wider participation in self-upgrading.

There is need for a greater presence of PAM and NEWLO across the country with a widening of the clientele served, and the Division of Foundation Adult and Continuing Education (FACE) needs a much higher visibility and has to become more welcoming and attractive to the population at large. The required investment has enormous poverty reduction potential.

6.3 EMPLOYMENT CREATION

6.3.1 ASSUMPTIONS

- An economy generating an increase in the number of productive jobs, is unlikely to create poverty-inducing conditions;
- There is a greater probability of multiple earners within the household, and of higher total household income and less poverty, in a growing economy;
- The generation of productive jobs is contingent on the expansion of certain key sectors in the economy; and
- The state has a critical role to perform in laying the framework and the institutional structure within which other actors can function and contribute to the expansion of capabilities and to potential income-generating activities.

6.3.2 SUMMARY FINDINGS

Government

<i>Issue</i>	<i>Agency</i>	<i>Mechanisms</i>	<i>Results/Situational Analyses/Effects</i>
Income and Job Creation	Ministry of Finance and Planning	<ul style="list-style-type: none"> ▪ Implementation of Medium Term Plan. ▪ Project identification in association with other Ministries and Departments. 	<ul style="list-style-type: none"> ▪ Promotion of diversification of the economy.
	Ministry of Agriculture	<ul style="list-style-type: none"> ▪ Provision of environment facilitative of private sector investment, foreign and domestic. ▪ Promotion of SMEs. 	<ul style="list-style-type: none"> ▪ Negative effect of trade liberalisation on firms still in infant stage: net loss of jobs possible in short term.
	Ministry of Agriculture	<ul style="list-style-type: none"> ▪ Formulation of policy for the diversification of agriculture. ▪ Identification and promotion of alternative crops. ▪ Coordination among other agencies and stakeholders in diversification thrust. 	<ul style="list-style-type: none"> ▪ Diversification thrust requires greater sense of urgency. ▪ Fishing enjoying good prospects.

Government (continued)

<i>Issue</i>	<i>Agency</i>	<i>Mechanisms</i>	<i>Results/Situational Analyses/Effects</i>
Income and Job Creation		<ul style="list-style-type: none"> ▪ Distribution of lands and promotion of small-farming sector. 	<ul style="list-style-type: none"> ▪ Has not provided organised structure within which small farm can be transformed. ▪ Rural urban flight.
	Grenada Marketing Corporation	<ul style="list-style-type: none"> ▪ Marketing of agricultural produce abroad. ▪ Promotion of alternatives to bananas and spices. 	<ul style="list-style-type: none"> ▪ Has performed important role in stimulating non-traditional agricultural production. ▪ Important player in the distribution sector of country ▪ Non-traditional agriculture still marginal in output and exports
	Tourism Board	<ul style="list-style-type: none"> ▪ Development of Plan for Tourism Industry. ▪ Coordination with other agencies to maximize benefits of Tourism Industry through linkages. 	<ul style="list-style-type: none"> ▪ Concessions provided to small hotel sand guest houses. ▪ Assistance, through CDB, provided for cooperative marketing of small establishments. ▪ Development of events tourism to maintain demand for rooms outside traditional high season: Jazz Festival. ▪ Limited success to date in cultivating backward linkage from Tourism to Agriculture. ▪ Unexploited potential for diving and dive sites in Grenada.
	Industrial Development Corporation	<ul style="list-style-type: none"> ▪ Oversees concessions for industrial development and export-oriented manufacturing. 	<ul style="list-style-type: none"> ▪ Industrial development programme needs to anticipate impact of liberalisation. ▪ Outlines of key initiatives in industrial strategy needed. ▪ Seamon Industrial Park in need of stimulation. ▪ Modest performance in development of viable enterprises.
	Grenada Development Bank	<ul style="list-style-type: none"> ▪ Credit facilities for industrial and other business development. 	<ul style="list-style-type: none"> ▪ Has helped in business development. ▪ Has not been successful in promoting SMEs and micro enterprises.

CBOs

<i>Issue</i>	<i>Agency</i>	<i>Mechanisms</i>	<i>Results/Situational Analyses/Effects</i>
Job Creation	Soubise Fishermen's Coop	Provision of structure for bulk purchase of gasoline and other essential inputs for owners of fishing boats.	Has been effective in providing critical inputs to membership. Unable to maintain good storage facilities.
	SAPMA	Developmental initiatives, and training in Arts and Craft and Agro-processing.	Has created sense of hope and possibility in poorer communities of east and south-east of the country.
	PEMDECO	Development of training, including gender sensitive training in Petit Martinique.	Creating new consciousness as to the possibilities on a very small island. Preparing women for entry level seafaring occupations.
	River Sallee Credit Union	Provision of credit.	Has been effective in mobilising savings to members for development purposes in North-East of Grenada.

NGOs

<i>Issue</i>	<i>Agency</i>	<i>Mechanisms</i>	<i>Results/Situational Analyses/Effects</i>
Job Creation	ART, GRENCODA	Advocacy and promotion of agricultural diversification and development of SMEs. Human resource development in lower income communities.	Helpful psychological preparation of farmers for diversification effort. Has helped cooperatives, SMEs and informal producers to engage in various types of production — furniture, screw pine, craft, garments (school uniforms).
	Chamber of Industry and Commerce	Provision of training and advisory services to businesses	Has been instrumental in the promotion of business culture among young people and of skills in information processing.
	National Development Foundation (NDF)	Development of small enterprises through the provision of credit.	Resource base limited relative to client needs.

Employment creation is a key element of economic policy, which, in turn, is informed by the strategy outlined in the country's Medium Term Economic Framework and the annual budgets. There are a number of Government agencies indirectly involved in furtherance of the objective of employment and income generation, and in the stimulation of initiatives. These include the Grenada Development Bank and its arm SEDU, the Industrial Development Corporation, the Tourism Board and the Ministry of Agriculture. There are also NGOs and CBOs that have done useful work in this area, and have contributed to poverty reduction. However, the sterling efforts of the latter are being frustrated by the reduction in external funding on which they partly depend.

There remains disjuncture in the efforts of the Government departments, let alone in the relationships between them, and the NGOs and CBOs. For example, as critical as is the need for the Agricultural Sector to be reoriented, there has not existed any arrangement through which the Ministry of Agriculture, ART, GRENCODA, NDF and the Marketing Board could coordinate their various efforts for assisting the diversification process, although they all profess a concern, and each is making an effort in this regard.

Meanwhile, in the industrial or manufacturing sector, the requirements for the successful participation of the country in export-oriented activity does not appear to have been addressed. In any event, given the educational base, the country is unlikely to be able to participate, except at the lower end of the market. Its present involvement in information processing could be at risk unless there are coordinated strategies for massive upgrading of its workforce, in light of the shifts taking place in that sector. There is also the area of agro-processing which may offer employment possibilities but requires a certain level of infrastructural support that has been virtually non-existent — Research and Development, single-stand agricultural production, fresh market distribution structure.

6.3.3 IMPLICATIONS FOR POLICY

The employment problems of the country surface in a number of ways: open unemployment, underemployment in agriculture, and sharing of work through informal sector activities. Thus, in addressing the problem of poverty reduction, policy measures that contribute to the expansion of small scale agriculture, to the upgrading of informal sector activities, and to employment expansion in the formal sector will contribute to poverty reduction.

In a country heavily dependent on agriculture, the Ministry of Agriculture is a major agent in combating poverty. There is need for it, as a matter of urgency, to reorganise its operations such that it can facilitate the major changes needed for farmers to select new agricultural crops, obtain training for them, secure land appropriate for the activity, develop marketing and distribution channels and undertake the countless tasks subsumed and often forgotten in the term “diversification.” For example, some crops may need to be planted over larger acreages, while others can be cultivated on small plots. The required land/person ratios will need to be supported with a legal infrastructure and physical planning machinery, the likes of which have not been identified to date.

The fishing industry has shown positive signs of growth. The infrastructure has improved in Grand Mal. The Ministry needs to see the industry in a larger context and help fishermen (especially given the considerable depth in seafaring skills) to see themselves in a larger regional context. Firstly, there is need to address the need for storage facilities with the Soubise fishermen. The equivalent of rural sociology is required in working with fisherfolk and the Ministry has to gear itself in that regard.

There are untapped capabilities in Petit Martinique and Carriacou for the development of a fishing industry that sources supply beyond the coastal waters of Grenada. In that regard, Grenada may need to look at elements of the Korean model to include the waters of the Southern Caribbean and the waters of Guyana and Suriname. There will be need for diplomatic support for such initiatives. The Ministry of Agriculture will need to develop a strategic plan with the full participation of fisherfolk in Soubise, Petit Martinique, Grand Mal, Gouyave, Carriacou and in other fishing communities. There is also the possibility of a base in commercial sea transport given the mix of seafaring skills available in Carriacou.

The Industrial Development Corporation has to deliver on industrial strategy and targeting for Grenada. Much of its export-oriented activity is directed at subregional markets. Grenada has to be able to enter extra-regional markets, and has to be competitive in all aspects of its production system. Industrial targeting is discouraged by the IFIs. However, Grenada needs to identify a few sectors and a few products on which it could focus and develop capacity therein. These include agro-processing with the use of domestic supplies, but also products, the inputs for which would

have to be sourced from abroad. Careful planning and external monitoring would be required of the Corporation.

Tourism has grown, although at declining rates recently, but needs to be more directly anchored into backward and forward linkages to the rest of the domestic economy. The Tourism Master Plan will need to be acted upon and implemented with vigour. Slothful responses usually mean that the target has moved long before required action is taken.

Some of the NGOs and CBOs have contributed substantially at the micro level, especially with small business, micro-entrepreneurs and informal sector operators. They have therefore helped produce new capacity and have pushed the production frontier of the country outward.

There is need for a collaboration between them and the State since there is much to be learned. Just as the government has institutionalised a framework among the social partners for reviewing the macro-economic and policy environment, a similar structure may be useful in respect of the social sectors with the Department of Community Development playing a key role. The need for non-partisan approaches poses a challenge but must be an essential working principle of any such structure.

6.4 INFRASTRUCTURAL SUPPORT

6.4.1 ASSUMPTIONS

- The better the quality of the physical and social infrastructure, the easier it is for the poor to take advantage of opportunities and to create possibilities for themselves, and the higher is the social wage;
- Good access roads in agricultural communities allow the supply of agricultural commodities to be traded from such communities at a minimum of transportation costs;
- The ready availability of safe, potable water allows the poor and in particular, poorer women, to organise their non-market work with less difficulty; and
- Bad housing creates difficult conditions for the rearing of children.

6.4.2 SUMMARY FINDINGS

<i>Issue</i>	<i>Agency</i>	<i>Mechanisms</i>	<i>Results/Situational Analyses/Effects</i>
Housing	Housing Authority Grenada	<ul style="list-style-type: none"> ▪ Develops sites and housing for lower income persons. ▪ Provides technical services in building houses. 	<ul style="list-style-type: none"> ▪ Responsible for housing scheme construction. ▪ Bad housing conditions in some communities, contributing to poor quality life style, e.g. Gouyave.
Water and Sewerage	NAWASA	<ul style="list-style-type: none"> ▪ Provision of potable water to all country by pipe borne water supplies. 	<ul style="list-style-type: none"> ▪ Most communities on main island have a source of potable water. ▪ Supplies problematic in Carriacou and Petit Martinique. ▪ Sewage disposal is an area for urgent attention. Many poorer households lack service for safe disposal of human waste and resort to the sea, rivers and water courses.
Electricity	GRENLEC	<ul style="list-style-type: none"> ▪ Provision of electricity to households and street-lighting to the communities throughout the country. 	<ul style="list-style-type: none"> ▪ A few communities lack electricity supply, e.g. Clozier.
Roads	Ministry Communications Works	<ul style="list-style-type: none"> ▪ Responsible for road systems in the country. 	<ul style="list-style-type: none"> ▪ Feeder roads in poor communities particularly in St. David, in need of repair.
Piers	Ministry of Works	<ul style="list-style-type: none"> ▪ Responsible for the development of piers and ports 	<ul style="list-style-type: none"> ▪ Excellent facilities in Grand Mal. ▪ Piers needed in some fishing villages.
Communication	Radio and Television Stations Newspaper companies GRENTel	<ul style="list-style-type: none"> ▪ Provision of telephone and cable services ▪ Provision of public information. 	<ul style="list-style-type: none"> ▪ Public broadcast media accessible to most of the population with minor deficiencies in a few areas because of topography. ▪ Public readership of newspapers still limited. ▪ Most communities have telephone services including remote locations like Clozier.

There is inadequacy in the supply and quality of housing. While there is a high social demand for home-ownership, the poor were generally in substandard accommodation. The existing low-income housing programme caters for the likes of Government daily rated employees and other public servants like police officers. The cheapest homes start at \$27000 and attract a mortgage of \$230 per month and are therefore beyond the reach of poor households. The Government attempts to assist the very low income homeowner by grants of building materials for aided self-help. Needs exceed resources though.

There are just a few areas in the largest island where potable water is not available from public sources. NAWASA currently makes over 1000 new connections annually. On the smaller islands, a public system is being installed, but many households have their own storage capacity.

The poorer the household, the more likely it would have difficulty in organising its own safe supply.

Sewage disposal is another problem for some communities as is garbage collection. There is also some lack of clarity regarding the relative roles of the Environmental Health Department and the Solid Waste Management Authority over the control of littering. Households in poorer communities resort to the sea, river and water courses for faecal and other waste disposal, creating the risk of water-borne diseases, especially where rivers and streams are a source of water for drinking and washing. Grenada is involved in the OECS project in respect of the treatment of waste including ship waste, and some improvement is anticipated in 1999, when some of the elements of the project become fully operational.

Electricity is in near universal access except for small communities like Clozier, and the road network links most communities. There are pockets of very bad road, e.g. in St. David, but some of these are receiving attention under an infrastructure upgrading project. Communications are fair to good in most places. Public telephones reach even remote communities.

6.4.3 IMPLICATIONS FOR POLICY

The country has made important strides in improving its infrastructure, some of which has been accomplished with multilateral and bilateral funding, e.g., the Basic Needs Trust Fund. Areas requiring urgent attention and policy development include legislation on littering and enforcement thereof. This should be supported by public education. The housing needs of the poor have to be addressed but it must be recognised that most are unable to carry even the smallest mortgages.

While some of the required expenditure connote social service provision and thus are akin to poverty alleviation, the longer term impact is poverty reducing. Access to potable water protects the population from water-borne diseases, and complements expenditures on primary health care. Improved housing provides a better environment for the socialisation and education of the young and contributes to sustained poverty reduction.

6.5 CARE FOR THE VULNERABLE

6.5.1 ASSUMPTION

- The wider and the more sophisticated the safety net in the society, the greater the probability that households will have their minimum needs satisfied whatever their circumstances, or whatever the factors that forced them into poverty.

6.5.2 SUMMARY FINDINGS

<i>Issue</i>	<i>Agency</i>	<i>Mechanisms</i>	<i>Results/Situational Analyses/Effects</i>
Children Day-care/ Preschool	Ministry of Education and Women's Affairs GRENSAVE	Day-care/preschool provided by NGOs and private individuals, with subvention from Government.	Day-care/preschool services by private organisations frequently too costly to be accessed by poor.
Support for Education	Ministry of Education	School Feeding Programme (previously with support of World Food Programme).	Provides some relief for poorer children.
	Salvation Army	School Feeding.	Programme helps poorer children in St. George's area.
Youth Skill Development	NEWLO	Promotion of second chance for students.	Provides training in skill areas with employment opportunities.
	PAM	Provides educational opportunity to teenaged mothers.	Disadvantaged pregnant girls get to complete their education.
Public Assistance to Vulnerable Groups	Ministry of Community Development	Provide social assistance to vulnerable groups.	Recent increases in public assistance should provide better protection.
	National Insurance Scheme	Provides benefits for insured persons only.	Pay as you go scheme may create problems of high migration of the young creating a relatively aged population of contributors.

In Grenada, like in many other countries, a mixture of public subsidy and private philanthropy contributes to the alleviation of poverty, and to the protection of those who are incapable of taking care of themselves. The size of this safety-net is a function of resources, and its efficacy relates to the level of vulnerability in the society. Ideally, the net should help all those in immediate and urgent need, whatever the factors that precipitated their poverty. It should also allow for those who are capable of being restored to viability on their own, to be assisted.

The situation in Grenada is some distance from this ideal. While there are a number of agencies involved, all making sterling contributions, the focus group discussions in communities and the interviews with poor households have emphasised that the quantum of support is inadequate to meet the needs of the large number of the poor who are exposed and vulnerable. There are children in poor communities who experience under-nutrition, even with parents working. School feeding cannot be accessed by children who are unable to walk the long distances to and from school in places like Clozier.

Another difficulty that the study has unearthed is that the Private Sector is prepared to contribute more to the social safety net but would need some level of incentive by way of tax relief. Grenada does not have any such arrangement at the present time, with the result that private benefaction is perhaps much lower than it might be.

6.5.3 IMPLICATIONS FOR POLICY

There is need to move the structure of the social safety net to a higher level of targeting. Grenada is unlikely to have the resources in the short term to provide adequately for all who are currently vulnerable and in need of protection. Moreover, the measures taken to provide employment and to create capacity have the obverse effect of reducing the level of vulnerability among those who, with a little help for a short period, can get (back) into the earning stream whereby they could contribute to the economy and to themselves.

This requires a high level of coordination among the agencies, public and private, and a perspective framework that recognises these relationships and seeks to create a structure with a reach to all of the vulnerable. Most importantly, the structure must have as a major objective, earliest graduation out of poverty of those who can be set on the road to sustainable livelihoods of their own making. This would free resources to protect those whom circumstances leave in a situation of dependency — the aged, the infirm, orphaned children, etc. Ministries responsible for Planning and Community Development, along with NGOs and CBOs, the Private Sector and the Trade Union Movement will need to collaborate in delineating policy and strategy in this area.

6.6 HEALTH

6.6.1 ASSUMPTIONS

- The better the quality of health care that is accessible to the household, the greater the probability that household members would be in good health, and capable of leading productive lives;
- Access to high quality primary level health care allows the children of the poor to fully exploit educational and economic opportunities;
- The availability of good family planning services backed up by information and family life education can prevent the prevalence of teenage pregnancies, and affords women the opportunity of controlling their reproduction; and
- Good environmental health procedures prevent the spread of communicable diseases.

The Ministry of Health is responsible for the health-care needs of the population. Health Centres are accessible to all but a few communities. There have been disturbing levels of undernutrition found in children 0-4 years. In respect of preventive care, the country is still some distance from

universal immunisation of babies and children. Lifestyle diseases are the highest cause of death. There are also problems of environmental sanitation, which suggests the need for greater public education on these matters. Failure to deal with this deficiency has an impact on the quality of the tourism plant of the country, let alone the wellbeing of the citizenry.

6.6.2 SUMMARY FINDINGS

<i>Issue</i>	<i>Agency</i>	<i>Mechanisms</i>	<i>Results/Situational Analyses/Effects</i>
Environmental Health	Ministry of Health Solid Waste Management Authority	<ul style="list-style-type: none"> ▪ Provision of preventive health services. ▪ Promotion of better sanitation. ▪ Provision of education on solid waste disposal and management in general. 	<ul style="list-style-type: none"> ▪ Indiscriminate littering in some communities. ▪ Practice of dumping human and other solid waste in rivers and sea extremely detrimental to health.
Immunisation	Ministry of Health	<ul style="list-style-type: none"> ▪ Preventive health care through immunisation. 	<ul style="list-style-type: none"> ▪ Coverage of children 95 percent at best.
Health Care	Ministry of Health	<ul style="list-style-type: none"> ▪ Provision of curative and preventive care through hospitals and health centres. 	<ul style="list-style-type: none"> ▪ Health Centres readily accessible to most communities in all parts of the country. ▪ Life style diseases major causes of deaths (hypertension and diabetes). ▪ 22 percent of children less than 5 years displaying undernutrition. ▪ Only 32 percent of babies breast fed solely for first 3 months.

6.6.3 IMPLICATIONS FOR POLICY

Grenada has made some limited progress in the field of preventive health care. Poor nutrition seems to be a problem. There is need to address the high levels of undernutrition among children under 5. At the same time, the spread of life-style diseases suggests that with “modernisation”, pernicious eating habits, purveyed through cultural penetration, are impacting on the country’s health status. Environmental sanitation leaves much to be desired. Public education in all these areas seems to be a major imperative, especially in the context of fiscal stringency. The Ministry of Health is about to statutorise its hospital services with the result that user charges are going to figure prominently in future.

Public education serves the purpose of helping the poor and the non-poor alike to maintain good health and thus reduces the need for costly curative care in hospitals. Public education will also assist in the areas of environmental sanitation. There would be need for coordination among the agencies in addressing the various dimensions of the public health and the environment.

6.7 ENGENDERED DEVELOPMENT

6.7.1 ASSUMPTIONS

- The more gender-sensitive are administrative procedures, and the economic and social planning machinery of a society, the less likely is it that one or other gender will be marginalised; and
- Improved gender sensitivity is associated with
 - a) greater participation of women in the labour market,
 - b) more equitable access to education and training, and
 - c) greater availability of family planning services, day-care centres and protective arrangements for women against rape, incest and domestic violence.

6.7.2 SUMMARY OF FINDINGS

<i>Issue</i>	<i>Agency</i>	<i>Mechanisms</i>	<i>Results/Situational Analyses/Effects</i>
Engendering Development	Department of Women's Affairs	Advocacy and research on social disabilities faced by women.	<ul style="list-style-type: none"> ▪ Gender sensitivity increasing in public life. ▪ Barriers alleged to exist for women seeking loans for small business, agriculture and in finding employment in male dominated work situations. ▪ Limited child-care facilities prevent women from full participation in labour market. ▪ Developing sense of marginalisation among some men.
	Legal Aid and Counselling Clinic	Advocacy against violence to women.	<ul style="list-style-type: none"> ▪ Absence of temporary shelters for victims of abuse. ▪ Has helped women in major difficulty.
	Grenada National Organisation of Women	Empowering of Women	<ul style="list-style-type: none"> ▪ Resources for training limited.
	Family Planning Association	Family Planning Services	<ul style="list-style-type: none"> ▪ Programme effective for women who avail themselves of services.

The Ministry of Women's Affairs has contributed to putting gender issues on the national agenda. The Legal Aid and Counselling Clinic has provided protection to women facing abusive situations. In spite of the substantial advances women have made, there remain areas of inequity of treatment in social practice. There is also the Grenada National Organisation of Women (GNOW) that seeks to address training and other needs of women. In the midst of these positive advances, there is evidence that some men experience severe marginalisation, which contributes to violence witnessed against women.

6.7.3 IMPLICATIONS FOR POLICY

Gender sensitivity has to go beyond the confines of empowering women and must address the resocialisation of men so that men and women can complement one another in a world in which the traditional dependence of women on men no longer exists. There is need to institutionalise temporary care for women and children facing abusive situations. Family Planning services need to be extended more directly to sexually active teenagers. Moreover, boys and young men must be targeted more directly. While much of this falls under the rubric of social services, there are important consequences for poverty reduction from the presence of such services.

6.8 COMMUNITY ORGANISATION

6.8.1 ASSUMPTIONS

The higher the level of community organisation and the more cohesive and integrated is a community, the greater the probability that it would be able to:

- address and identify solutions to its own problems;
- mobilise internal capabilities and resources; and
- access public goods and services as available from the State.

The CSA established that in many poor communities there is an absence of internal structure. The communities themselves recognised that they are poorer for the absence of such capacity. On the other hand, communities which may yet be materially poor, but which can mobilise for collective action, are likely to provide more of the required solutions to their problems, irrespective of external resource flows. Indeed, in the absence of internal organisation, inflows are likely to be frittered away. SAPMA and PEMDECO demonstrate the efficacy of internal organisation. Indeed, there is a tradition of the “maroon”, which may have to be nurtured in communities where it does not exist.

6.8.2 IMPLICATIONS FOR POLICY

The Ministry responsible for Community Development has made some impact on some of the poorer communities. Yet there are clearly communities in the country which are unable to mobilise the resources that may exist to address their own problems. Indeed, in some situations, the Ministry has no contact and the existing NGOs may not have a presence either. Thus while some communities may be able to undertake development tasks on their own, there is need for an early-warning system that establishes which communities lack capacity for self-mobilisation and which, at a particular point in time, may not have attracted the attention of NGOs or have CBOs of their own. By the same token, there are communities that attract a disproportionate amount of attention and resources. The Ministry of Community Development may need to utilise GIS mapping in reviewing interventions in communities by the Ministry itself, and by NGOs, the better to deploy resources where they are most needed.

6.9 CONCLUSION

Grenada is possessed of a number of agencies that have contributed to the development of communities and their households or to provide support and protection for vulnerable groups. Government agencies are also part of the environment external to households and the communities in which they are based.

Through them, resources of various forms are mediated to households and individuals. At the same time, households and individuals are participants as members of community-based organisations in the community themselves, and in the NGOs and Government agencies that are formally external to households in the communities of Grenada.

They are in a process of mutual interchange. They impact, or even fail to impact, on households in communities. In this section, a review was undertaken of the efficacy of a number of these agencies and organisations against the backdrop of the level of poverty estimated for Grenada, and revealed by the poorer communities themselves.

Culture, philosophy and ideology are intervening variables in this social integument, coalescing positively for poverty reduction and alleviation in some situations, and negatively in others. This makes the task of poverty eradication, situation and time bound. It is the task of economic and social planners to delineate intervention strategies taking all these factors into account, always cognisant of the fact that the communities themselves must be full members of the planning team. In observing the participatory principle, it is possible to involve the poor and their resources in poverty alleviation, reduction and eradication.

7.0 POVERTY REDUCTION PROGRAMMES FOR GRENADA

Grenada has been engaged in a difficult transition. Its original plantation economy structure, modified by a peasant small farmer agriculture, is forced to diversify its tradable sector in the light of the reduced viability of bananas, nutmeg and cocoa. The effect has been no less dramatic than was the case a century ago: following the collapse of sugar; firstly the disintegration of the plantation occurred with peasants entering an independent production, only to be rendered into a dependent workforce when a reintegration and amalgamation of plots took place for cocoa and nutmeg.

In recent years, Grenada has sought to enter light manufacturing, information services and tourism services, at the same time as it reorganises its agricultural sector. The liberalising international economy of the late 20th century required, for effective participation, a mix of factors differently configured from the Grenada plantation and peasantry inheritance. On the one hand, farmers cast in the mould of the 1950s, adequate to the task of producing for a British preferential market, have not been able to withstand the marketing, and distribution sophistication, and science and technology of Chiquita and Dole in the international banana market.

In other areas of export agriculture, Grenada needs to protect itself from the fluctuations in the prices of nutmeg and other spices with an institutional structure that ensure stability in earnings, and by diversification downstream into derivatives that are competitive in international markets.

Other fault lines can be identified in other areas of production in the country's narrow tradable sector. Manufacturing production for the domestic and regional markets faces stiff competition in the more challenging imminent environment of the early 21st century. Grenada is not yet ready with the kind of infrastructure capable of engaging in competitive extra-regional export manufacturing given the human resource requirements: cheap unskilled labour is no longer as important an advantage, now that skills and knowledge are the factors that count. These weaknesses and deficiencies have been one important dimension of the poverty in Grenada, which the statistical estimates quantify, and to which the communities and their households have testified.

The foundation of poverty eradication is a wide but radical human resource development programme across all sections of the society, embracing cohorts beyond traditional school age, and in all walks of life, to prepare the society and the labour force to engage in meaningful competition in the emerging global market place. The farmer in Mt. Horne must understand that his produce will not compete with Israeli or Chilean produce if he is not as knowledgeable as his Israeli or Chilean counterpart. The Extension Officer must understand that he/she too is in competition with an opposite number in the rest of the world in the quality of the services that he/she provides to the farmer. The building blocks for many of the interventions necessary

depend on human resource transformation. It is the knowledge and skill in the head and hands of the Grenadian population that will save them from poverty. The notion has to be popularised of

'all Grenada in school for Spice Island success in the 21st century.'

The imperatives of transformation take post-school training, adult education and extension services well beyond their existing definition and role in Grenada. They have to be transformational to deliver the “pedagogy of hope” (Freire, 1994) to a population at present ill-prepared with the knowledge necessary for competition in the 21st century, whether this be with agricultural supplies, manufactured goods, or tourism and other services. This is not education for certification, but rather education and training for salvation and self-protection.

Another dimension relates to the internal functioning of the Grenada society and polity that, so far, has not afforded the country the realisation of the most effective levers available to it in managing its transition. As implied above, Grenada has to develop the human resources with science, technology, and a knowledge base effective in their combination with other domestic resources to create a competitive economy. But this requires, most importantly, the specific social knowledge, defined by Arthur Lewis (1955) as the understanding of the social processes most appropriate to organising production in the society.

All of these demands and requirements have to be contextualised against the backdrop of a number of factors. There is, firstly, an increasingly restive population, open to the cultural values of the North Atlantic, which is part of its psychological space and tenancy. There are also the myriad entities that constitute international society with which Grenada has to treat: CARICOM, OECS, WTO and other multilateral agencies, trade blocs and other nation states are part of the constellation within which Grenada seeks to establish its own space.

The Government is a key agent in the process of transformation, but it is also strapped for resources for reasons identified earlier. As in other countries, in the present ethos, Governments are like the private sector — in competition the one with the other, to attract investment by offering low tax rates and other concessions to international and domestic capital. On the other hand, taxes provide the resources to create the infrastructure and the other conditions necessary to promote development. Thus, Governments have to be efficient in the use of limited tax revenues, and are prompted to ignore safety nets. But the absence of the latter may force some members of society who get trapped in poverty, to adopt antisocial behaviour — including private modes of social redistribution — which, in turn, force governments into large avoidance costs of police and prison services to maintain law and order.

The projects outlined hereunder are illustrative of measures that could be taken to address poverty in its various dimensions in Grenada. Their full impact as a group of measures cannot be established with any exactness. By and large, however, they seem contributory to capacity expansion in a sustainable way, and therefore positive to income and employment growth. They also address supportive and remedial functions that are the matrix of the social safety-net. Indeed, many measures that provide alleviation in the short term, can contribute to poverty reduction in the medium and longer term, by protecting the poor from destitution, capacity building and other investments that allow them to pull themselves out of poverty.

1. MACRO-ECONOMIC MANAGEMENT

<i>Goal</i>	<i>Time Frame</i>	<i>Strategy</i>	<i>Purpose</i>	<i>Implementing Agency</i>	<i>Output</i>	<i>Methods of Verification and Monitoring</i>
Facilitate macro-economic management in the process of diversification of the economy	I	Maintain and deepen dialogue among social partners over changes in the structure of economy	<ul style="list-style-type: none"> ▪ Improve understanding of respective roles in a small trade dependent economy ▪ Formulate changes in key sectors to improve competitiveness ▪ Improve adjustment time in respect of changes over which country has no control ▪ Ensure cooperation in establishing all resources in face of fiscal limitations 	Ministries of Finance, Planning, Agriculture, Tourism, Industry, Chamber of Industry, Trade Union and NGO Movements	Review of plans and finalisation of documents elaborating agreed strategies in the context of international economic realities	Social Partners involved in collaborative framework with mutual respect in decisions over macro-economic and social management
	M	Review system of direct and indirect tax	Examine equity implications of existing distribution of indirect and direct taxes on lower income groups and benefit structure of Government Expenditure	Ministry of Finance	Quantitative and qualitative analysis of the functioning of the tax system vis-a-vis various groups in society and benefits received from Government Expenditure	Ministry of Finance and ECCB

Key: I - Immediate Priority
 S - Short-term Priority
 M - Medium-term Priority

2. INCOME AND EMPLOYMENT GROWTH IN AGRICULTURE

<i>Goal</i>	<i>Time Frame</i>	<i>Strategy</i>	<i>Purpose</i>	<i>Implementing Agency</i>	<i>Output</i>	<i>Methods of Verification And Monitoring</i>
Sustain employment of lower income groups	I	Promote arrangements for forward linkage of Agriculture to Tourism	<ul style="list-style-type: none"> ▪ Increase agricultural incomes, and employment ▪ Reduce importation of food ▪ Create base for agro-processing industry ▪ Expand local cuisine and culinary arts 	Ministry of Agriculture, Board of Tourism, Hotel Association, Marketing Board, and NGOs	<ul style="list-style-type: none"> ▪ Action plan of Ministry of Agriculture elaborating diversification strategy and supporting requirements ▪ Expansion of use of domestic food supply in school feeding programmes 	Social Partners involved in collaborative framework with mutual respect in decisions over macro-economic and social management
	I	Promote training of farmers in non-traditional crops	Expose farmers to short-term user friendly courses that transfer knowledge at frontier, needed for competitive production	Ministry of Agriculture	Well -developed curricula designed to transform traditional farmers to scientific farmers	Farm gate information on diversified output from Ministry of Agriculture and Marketing Board
	I	Promote credit for diversification	Afford farmers resources to undertake adjustment to new modes of agriculture	Grenada Development Bank, SEDU, ART, NDF, GRENCODA, Credit Unions	<ul style="list-style-type: none"> ▪ Rearranged agricultural credit inclusive of crop insurance schemes ▪ Institutionalised programmes for effective loan recovery 	Periodic data on disbursements and repayment performance of farmers

Key: I - Immediate Priority
 S - Short-term Priority
 M - Medium-term Priority

3. INCOME AND EMPLOYMENT GROWTH IN TOURISM/ECO-TOURISM

<i>Goal</i>	<i>Time Frame</i>	<i>Strategy</i>	<i>Purpose</i>	<i>Implementing Agency</i>	<i>Output</i>	<i>Methods Of Verification And Monitoring</i>
Promote employment especially among smaller establishments and operators in sector	I	Establish linkages between agriculture and craft production	Improve employment in tourism and related sectors	Board of Tourism, ART, GRENCODA, NDF, Ministry of Agriculture	Training programmes coordinated by Board of Tourism	Periodic reports of Board of Tourism and Ministry of Agriculture
	S	Train nationals in restauranting, tour guiding, diving, water taxis and other auxiliary services	Provide trained personnel capable of employing themselves in the sector		Expanded number of persons with skills in the sector	Reports of Board of Tourism
	I	Develop craft and visual arts	Develop craft persons and artistes steeped in local culture and appreciative of requirements of market	Board of Tourism, TA, Marryshow Community College	Short modular courses in visual and performing arts promoting professionalism and allowing for growth and development of participants	Reports of Board of Tourism
	S	Develop focal points as popular entertainment centres and others as eco-tourism reserves	Widen range of Grenada tourism product and expand opportunities therefrom	Board of Tourism, Physical Planning Development	Action Plan for tourism/eco-tourism thrust in areas of country e.g. Gouyave, Grenville; promoting popular entertainment and restauranting as in St. James in Trinidad, or Gros Islet in St. Lucia	Reports of Board of Tourism

Key: I - Immediate Priority

S - Short-term Priority

M - Medium-term Priority

4. EMPLOYMENT AND INCOME GENERATION IN MANUFACTURING

<i>Goal</i>	<i>Time Frame</i>	<i>Strategy</i>	<i>Purpose</i>	<i>Implementing Agency</i>	<i>Output</i>	<i>Methods of Verification And Monitoring</i>
Employment expansion and income growth for lower income groups	I	Credit and training support together for SME's in agro-processing and other manufacturing	Provide domestic entrepreneurs with capacity to use domestic resources in productive enterprises	IDC, SEDU, Grenada Development Bank, Ministry of Agriculture, NDF, ART, GRENCODA	Domestic agro-processing and related activities	Reports of respective agencies
	I	Development of programmes of training and re-training for workers in collaboration with industry with costs shared between Government and Private Sector	Facilitate upgrading of workforce and enhance skills	Collaborative arrangement with T.A. Marryshow Community College, IDC, Industry and Ministry of Education	<ul style="list-style-type: none"> ▪ Expansion of technical and vocational education ▪ Development of arrangements for short-term, day release, and similar courses for workers 	Annual reports of relevant agencies

5. INCOME AND EMPLOYMENT GENERATION IN SME'S AND INFORMAL SECTOR

<i>Goal</i>	<i>Time Frame</i>	<i>Strategy</i>	<i>Purpose</i>	<i>Implementing Agency</i>	<i>Output</i>	<i>Methods of Verification and Monitoring</i>
Expand employment and incomes of lower income groups	I	<p>Expand opportunities for small and informal entrepreneurs</p> <p>Develop credit arrangements appropriate for small businesses</p> <p>Train small business people to self-manage</p>	Facilitate self-employment	SEDU of Grenada Development Bank, NDF, GRENCODA, GRENCASE, ART, Credit Union Movement	Plan by Grenada Development Bank for revolving credit for SME's and structure for monitoring disbursements and repayment schedule for credit	Periodic reports of respective agencies

Key: I - Immediate Priority

S - Short-term Priority

M - Medium-term Priority

6. DAY CARE/EVENING CARE FACILITATION

<i>Goal</i>	<i>Time Frame</i>	<i>Strategy</i>	<i>Purpose</i>	<i>Implementing Agency</i>	<i>Output</i>	<i>Methods Of Verification And Monitoring</i>
Expand access to early childhood education	I	Provision of affordable day care across the entire country	<ul style="list-style-type: none"> ▪ Improve foundation of children through early childhood education ▪ Expand opportunities for women to train for and enter the labour market 	Ministry of Women's Affairs, Ministry of Education and Community Development Division	<ul style="list-style-type: none"> ▪ Establishment of services universally for day care/evening care support ▪ Children better prepared to enter formal school system ▪ Mothers better equipped for employment market 	Annual reports of respective agencies

7. TECHNICAL, VOCATIONAL AND AGRICULTURAL EDUCATION AND TRAINING

<i>Goal</i>	<i>Time Frame</i>	<i>Strategy</i>	<i>Purpose</i>	<i>Implementing Agency</i>	<i>Output</i>	<i>Methods of Verification and Monitoring</i>
Improve technical competencies of Grenadian labour force	S	Establish range of links with industry and training system using NEWLO as base model to allow for modular training for new entrants into technical, vocational and agricultural pursuits and for short upgrade programmes for existing workforce	Improve base of skills and knowledge of workers in Grenada across all industrial sectors	Ministry of Education, IDC, Ministry of Agriculture, Chamber of Commerce, T.A. Marryshow	Workforce trained for demands of early 21 st century	Reports of respective agencies and of collaborative structure established
	M	Establish industry fund for training	Institutionalise funding for training and retraining	National Insurance	Structure to assist achievement of flexibility in labour force	Reports of Ministry responsible for Labour and of the National Insurance
	S	Expand NEWLO across entire country, and 'NEWLO' some existing institutions and courses e.g. Mirabeau Agricultural School	Ensure capacity for building competence in population	Ministry of Education, Ministry of Agriculture, T.A. Marryshow, IDC	Workforce upgraded and capable	

Key: I - Immediate Priority

S - Short-term Priority

M - Medium-term Priority

8. ADULT EDUCATION

<i>Goal</i>	<i>Time Frame</i>	<i>Strategy</i>	<i>Purpose</i>	<i>Implementing Agency</i>	<i>Output</i>	<i>Methods of Verification and Monitoring</i>
Develop remedial and continuing education programme to meet needs of large clientele with different backgrounds and objectives	I	Upgrade and increase appeal of adult education and training for all post school age cohorts across entire country	Secure massive improvement in education base of population and labour force in particular	Ministry of Education, T.A. Marryshow and NGO Movement	Improved literacy, numeracy and general preparedness for training and retraining in population	Reports of respective agencies
Inculcate value of life – long learning	I	Promote notion through popular medium of 'all Grenada in school' as basis for 'Spice Island success in 21 st century' Use mass media in popularising concepts	Develop a society capable of adjusting to the rapidly changing knowledge environment and exploiting it	Ministry of Education, Ministry of Community Development	Deepen orientation to educational achievement	Reports of respective agencies

9. SECONDARY EDUCATION

<i>Goal</i>	<i>Time Frame</i>	<i>Strategy</i>	<i>Purpose</i>	<i>Implementing Agency</i>	<i>Output</i>	<i>Methods of Verification and Monitoring</i>
Improve equity in access to secondary education	I	Expand rapidly, number of places at secondary level with special regard for rural areas	Ensure higher transition ratio of primary students to secondary level	Ministry of Education	Secondary school system with better geographic distribution of places	Reports of Ministry of Education

Key: I - Immediate Priority
S - Short-term Priority
M - Medium-term Priority

10. PRIMARY EDUCATION

<i>Goal</i>	<i>Time Frame</i>	<i>Strategy</i>	<i>Purpose</i>	<i>Implementing Agency</i>	<i>Output</i>	<i>Methods of Verification and Monitoring</i>
Improve quality in primary education	I	<ul style="list-style-type: none"> ▪ Upgrade teaching staff and physical plant; reduce overcrowding; ensure high attendance ▪ Expand school meals for needy students 	<ul style="list-style-type: none"> ▪ Ensure all students receive good primary education ▪ Improve attendance levels and reduce repetition 	Ministry of Finance and Ministry of Education	Sound primary level preparation in all students	Reports of Ministry of Education

11. PRIMARY HEALTH CARE

<i>Goal</i>	<i>Time Frame</i>	<i>Strategy</i>	<i>Purpose</i>	<i>Implementing Agency</i>	<i>Output</i>	<i>Methods of Verification and Monitoring</i>
To provide high quality primary health care for population	I	Promote universal immunisation among all children 0–4	Upgrade health of population	Ministry of Health	Reduced illness among children	Reports of Ministry of Health
	I	Popularise breast-feeding as sole nutrition for babies under one year	Reduce illness among babies	Ministry of Health; Ministry of Community Development	Reduced malnutrition among babies	Reports of Ministries of Health and of Community Development
	S	Improve attendance at annual visits of population to Health Centres	Ensure healthy population at lowest possible cost	Ministry of Health	Healthy population	Reports of Ministry of Health
	I	Popularise healthy eating and lifestyles	Reduce lifestyle diseases	Ministry of Health; Ministry of Community Development; Ministry of Agriculture	Population well-equipped for self-care	Reports of respective departments

Key: I - Immediate Priority S - Short-term Priority M - Medium-term Priority

12. CONTROL OF STDs

<i>Goal</i>	<i>Time Frame</i>	<i>Strategy</i>	<i>Purpose</i>	<i>Implementing Agency</i>	<i>Output</i>	<i>Methods of Verification and Monitoring</i>
Eliminate or control STDs including HIV/AIDS	I	Promotion of condom use in casual sex	Protect population	Ministry of Health	Elimination of STDs	Ministry of Health
	I	Public education on the nature of STDs and risk factors	Protect population	Ministry of Health	Well-informed population capable of being responsible at all times	Ministry of Health

13. ENVIRONMENT AND ENVIRONMENTAL HEALTH

<i>Goal</i>	<i>Time Frame</i>	<i>Strategy</i>	<i>Purpose</i>	<i>Implementing Agency</i>	<i>Output</i>	<i>Methods of Verification and Monitoring</i>
Provide services to maintain environmental health	I	Expand solid waste services across country; supply potable water to communities that lack same	Reduce incidence of communicable diseases	Ministry of Health, Solid Waste Authority, and NAWASA	Elimination of incidence of water borne diseases	Reports of Ministry of Health, Solid Waste Authority, and NAWASA
	I	Develop public education on environmental sanitation	Achieve pleasant environment in public and private locations	Ministry of Health	High cleanliness in public places	Reports of Ministry of Health
Reduce environmental degradation and erosion	S	Promote erosion control on hillsides, and cultivate appreciation for maintenance of natural environment	Reduce erosion, protect soil quality and safeguard environment for posterity	Ministry of Health and Ministry of Agriculture	Cleaner rivers, water courses and beaches and the restoration of hillside forest cover	Reports of Ministries of Health and of Agriculture

Key: I - Immediate Priority
 S - Short-term Priority
 M - Medium-term Priority

14. INFRASTRUCTURE SUPPORT

<i>Goal</i>	<i>Time Frame</i>	<i>Strategy</i>	<i>Purpose</i>	<i>Implementing Agency</i>	<i>Output</i>	<i>Methods of Verification and Monitoring</i>
Upgrade physical infrastructure	S	Build or rebuild access roads in rural areas	Improve access to remote communities	Ministry of Works	Easy access to all communities	Reports of Ministry of Works and Ministry of Agriculture
	I	Ensure potable water to all communities	Reduce incidence of water borne diseases	NAWASA	Pipe-borne water to all communities	Reports of NAWASA
	I	Ensure electricity to all communities	Improve quality of life in remote communities and households	GRENLEC	Street lighting and electricity services to all communities	Reports of GRENLEC
	S	Expand low cost housing and aided self-help schemes	Improve housing of lower income groups	Housing Authority	Decent housing for population	Reports of Housing Authority
	S	Encourage saving for home ownership	Mobilise savings for housing	ECCB	Increased resources for housing	Reports of ECCB

15. SOCIAL SAFETY NET

<i>Goal</i>	<i>Time Frame</i>	<i>Strategy</i>	<i>Purpose</i>	<i>Implementing Agency</i>	<i>Output</i>	<i>Methods of Verification and Monitoring</i>
Expand reach of social services to reach more of vulnerable	I	Maintain constant review of system to ensure only deserving receive help	Ensure transfers from Government reach those intended for	Ministry of Community Development	Better service to the vulnerable by means/testing and periodic review	Reports of Ministry of Community Development
	I	Better targeted school meals and book subsidies	Improve school attendance of low income children	Ministry of Education and Community Development	Children in need catered for	Reports of Ministries of Education and Community Development
	S	Collaborate with NGOs, Private Sector and Trade Union Movement in creating structure for monitoring and review of social sectors	Ensure early warning system for protection of those at risk	Ministry of Community Development, NGOs and Trade Union Movement	Social partners fully involved in social sector analysis and planning	Report of Ministry of Community Development
	S	Ensure protection for vulnerable – elderly, disabled, disadvantaged women and children, disabled			Improved capacity to help the vulnerable	Report of Ministry of Community Development

Key: I - Immediate Priority
 S - Short-term Priority
 M - Medium-term Priority

16. GENDER

<i>Goal</i>	<i>Time Frame</i>	<i>Strategy</i>	<i>Purpose</i>	<i>Implementing Agency</i>	<i>Output</i>	<i>Methods of Verification and Monitoring</i>
Ensure equal participation of females in all areas of capacity building and asset acquisition – education, training, access to land, credit and labour markets	I	Provision of facilities that allow girls and women to participate in all areas of national life	Ensure gender equity in society	Ministry of Women's Affairs	Cultivation of gender sensitivity across the society	Statistical data by gender from the Department of Statistics

17. COMMUNITY EMPOWERMENT

<i>Goal</i>	<i>Time Frame</i>	<i>Strategy</i>	<i>Purpose</i>	<i>Implementing Agency</i>	<i>Output</i>	<i>Methods of Verification and Monitoring</i>
Develop capacity in all communities to mobilise for their own development and for addressing their own problems	I	Collaboration between Ministry of Community Development and relevant NGOs and CBOs	Creation of capacity in communities for self-direction, for self-help, and community initiative	Community Development	Training programmes in leadership and organisation	Reports of Ministry of Community Development

Key: I - Immediate Priority
 S - Short-term Priority
 M - Medium-term Priority

7.1 TOWARDS A NATIONAL POVERTY REDUCTION/SOCIAL DEVELOPMENT MECHANISM

Poverty reduction and eradication requires concerted approaches by a range of institutions. Moreover, participatory processes are more effective in generating the level of understanding and support necessary to effect major changes that are needed in policy, and in the implementation of the required programmes. Government, as a key player in the economic, social and political life of the community, enjoys pride of place, and exercises a major influence through its agencies. But NGOs, CBOs, private sector agencies and the Trade Union Movement are also important agents. Their collaboration with Government is more conducive to poverty reduction and alleviation than is their acting independently. The collaboration itself derives from a process in which mutuality of respect for their respective roles and capabilities is accepted.

Grenada has already embarked on the first step, through the establishment of a mechanism for inter-agency collaboration among the social and economic partners. A coordinating agency was established in 1997, and it brings together all the social partners in the review of macro-economic and social policy and planning. This augurs well for the future. Within the structure of this new institution, the NAT, that was established for this exercise, may be located. It will be the working arm of the council referred to above, and should report to it on a regular basis.

The NAT in turn must display three characteristics:

- Sensitivity to the economic factors that impinge on development;
- Good grounding in social and cultural reality of the society; and
- Management capability to ensure effectiveness and accountability.

The NAT must also be able to maintain close links and engender collaborative networks with communities, with NGOs of various types, and with governmental agencies in the field, or in one way or another, relevant to the issue of poverty alleviation, reduction and eradication. It should advise on national policy programmes and receive and review community projects. In other words, it must institutionalise arrangements through which representatives of communities and of NGOs not in its membership can dialogue about national and societal issues with a view to solutions to problems, and in anticipation of possible threats to the vulnerable.

In recognition of the multi-faceted dimensions of poverty, it must be able to address problems with a high degree of specificity. In this regard, it must be able to trace the impact of macro-systemic factors through the meso-policy framework, and down to the household or individual levels, at which, in the final analysis, the effects of poverty are evinced. It must be capable of identifying poverty, in whatever form it emerges in households and communities, and over time and place. In other words, it has to be able to utilise all available information and ferret out more, where necessary, to identify the *real time* situation in respect of poverty. At the same time, it has

to help in interpreting the broad policy objectives in the interface with the specifics of communities. The way education and training of adults is translated into households in Clozier will have to be different to the intervention and collaboration with a community in Carriacou, or in Gouyave or in a newly emerging community on the outskirts of St. George's.

The NAT is the best structure, at the present time, to monitor the poverty situation in the country, and around which to formalise an effective collaboration. As currently structured, it is comprised of representatives of Government Agencies, the private sector, NGOs and CBOs. Its secretariat and the resources for its operation are provided by the Government, through the Ministry of Finance and Planning.

The NAT now possesses some capacity for monitoring poverty and for developing proposals to address it. If it is to function effectively for poverty monitoring for the entire country, it will need to be provided with the resources and invested with the authority, such that data deriving from government agencies and information on the more remote parts of the country can be accessed on a regular basis. There would be need to provide a regular budget for the NAT and its work, and to institutionalise its functioning as an independent advisory organisation, but endowed with the authority to have all its requests for information honoured by Government and other organisations.

The country already generates some statistical data that would allow it to monitor poverty in the country. Labour force surveys are being developed as a regular exercise. A household consumption survey is being undertaken for updating the retail price index. The Statistical Department has the base in its staff for conducting surveys on poverty, and employment and in the compilation of data on the social sector.

There is a range of data that it routinely collects from agencies like the Ministries of Health and Education that could be the basis for monitoring by the NAT, as distinct from the survey material that the Department of Statistics collects. Grenada has maintained the system of having Government Departments generate annual reports, some of which provide substantial statistical information. The Statistical Department will need to assist in identifying the data that can be used to monitor poverty between surveys.

There are some data that provide early warning signals. One such case is the incidence of water-borne diseases. Also data on children collected at Health Centres in the primary care system are usually the first evidence of a decline in living conditions. The Central Statistical Department can systematise data collection instruments and their coordination such that they will serve the purposes of more than one user or groups of users.

The utilities can provide information on new households or communities supplied with pipe-borne water, electricity and telephones. The Ministry of Works can generate data on the number of miles of highway and access roads constructed. The number of new dwellings approved is another statistic that addresses quality of life issues, and can be obtained from the Physical Planning department. Information on factors such as school attendance and retardation at primary schools can be gleaned from annual statistical data collected by the Ministry of Education. Enrollment at secondary level and at other institutions by the 12–16 cohort, can, residually, indicate the size of the out-of-school youth component. The Statistical Department would be a major support to the NAT.

7.2 CONCLUSION

Grenada is undergoing one of the more severe transitions that it has had to undergo in its economic history. The country is seeking to transform a post-plantation economy with a few tradable sectors, to a diversified economy, capable of meeting head-on the challenges of a technological age. It has to shift whether on its own, or forced to by external forces. Its only choice is to respond now, or delay or protract its response mechanism. The transition has already wrought havoc on a large proportion of the population. The assessment has identified the level of poverty and provided intimate details of the way in which the country, its communities and its households have fared.

The proposals put forward have been developed as a possible agenda for a participatory process of review, analysis, projection and policy making. No one constituency has the solution. There is need for a widespread awakening to the threat that the country faces by not being ready in terms of capacity to compete in the 21st century. The farmers and the agricultural labourers have been the first to feel the effects but there are others in the workers in manufacturing who are uncompetitive in the new dispensation of international production.

Grenada already has some of the institutional arrangements to advance the discussion and to develop the implementation and action plans. Hopefully, this assessment exercise would have helped in the process of developing a National Poverty Reduction Strategy that eradicates poverty in the early 21st century.

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