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ECLAC  
Economic Commission for Latin America and the Caribbean

**DRAFT REPORT OF THE TECHNICAL MEETING  
ON POVERTY IN THE CARIBBEAN\***

(Santo Domingo, Dominican Republic  
30 September-2 October 1992)

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\* This report has been prepared by the ECLAC Statistics and Projections Division. Participants have 30 days in which to forward their comments and observations regarding the draft report of the meeting. After that date, the report will be prepared in its final form. The draft report has been reproduced without formal editing.

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## I. BACKGROUND AND OBJECTIVES

1. This report sets forth the basic elements dealt with at the Technical Meeting on Poverty in the Caribbean, held in Santo Domingo, Dominican Republic, from 30 September to 2 October 1992.
2. The meeting was organized by the Economic Commission for Latin America and the Caribbean (ECLAC) with support from the United Nations Development Programme (UNDP) and ECLAC subregional headquarters for the Caribbean in Port of Spain.
3. The meeting constituted one of the activities of the UNDP/ECLAC Project to Support the Preparation of the Third Regional Conference on Poverty in Latin America and the Caribbean (RLA/92/013).
4. In its capacity as the technical secretariat for the Third Regional Conference on Poverty in Latin America and the Caribbean, ECLAC has carried out numerous activities relating to the updating of poverty estimates, the description of the poor population, and the assessment of policy impacts on that population.
5. These activities have been conducted within the framework of the UNDP-funded Project to Support the Preparation of the Third Regional Conference on Poverty in Latin America and the Caribbean. One of the stated objectives of this project is to carry out the necessary activities to support the preparation, implementation and follow-up for the special subregional conference on poverty for the Caribbean.
6. This objective, in its turn, forms part of the agreements reached by the representatives of the States signatories to the Declaration of Quito, paragraph 22 of which states:

"To give priority to the definition of the characteristics of poverty in the subregion comprised of insular Caribbean countries for the Third Regional Conference. To this end, the Technical Secretariat and the governments of the Caribbean subregion have agreed to hold the first workshop on poverty in insular Caribbean countries in 1991 to be sponsored by the Dominican Republic and attended also by relevant regional and subregional organizations."
7. In accordance with the above-mentioned objective and in view of the offer made by the representative of the Government of the Dominican Republic in 1991 at the conference in Quito, ECLAC proceeded to organize a technical meeting for the purposes of:
  - i) Discussing the papers on poverty in Guyana, Jamaica, Saint Lucia and Trinidad and Tobago, these being countries on which specialized studies were available;

ii) Disseminating the experience gained by ECLAC in the field of methodologies for the analysis of poverty in the Latin American countries and discussing the feasibility of implementing these methodologies in Caribbean countries; and

iii) Exchanging experiences with regard to the implementation of poverty-reduction policies and programmes in Caribbean countries and in relation to follow-up and evaluation activities.

## II. ATTENDANCE AND ORGANIZATION OF WORK

### Place and date

8. The technical meeting was held on 30 September through 2 October 1992 in Santo Domingo, Dominican Republic. The sessions were held in the Acuario Room of the Hotel Lina.

### Attendance

9. The meeting was attended by 22 experts from seven Caribbean countries (Antigua and Barbuda, Dominican Republic, Grenada, Guyana, Jamaica, Saint Lucia, and Trinidad and Tobago) and by two representatives of ECLAC.

### Coordination

10. The preparatory work for the meeting was the responsibility of the ECLAC Statistics and Projections Division and was carried out in collaboration with ECLAC subregional headquarters for the Caribbean in Port of Spain and the UNDP office in Santo Domingo.

### Organization

11. The meeting was conducted on the basis of the presentation of papers together with the participants' comments and the discussion of documents presented by ECLAC consultants. The chairmanship of the meeting was exercised by rotation.

### Agenda

12. The following items were addressed by the meeting:

1. Measurement and analysis of poverty in Latin America: Recent ECLAC experiences.
2. Poverty and social policy in the Dominican Republic, and structural reforms and their impacts on poverty and human development.
3. Poverty in Guyana.
4. Poverty in Trinidad and Tobago.

5. Poverty in Jamaica.
6. Poverty in Saint Lucia.
7. Availability of data: Monitoring of anti-poverty activities in the Caribbean and future action.

#### Opening meeting

13. Ambassador Kemil Dipp Gómez of the Ministry of Foreign Affairs of the Government of the Dominican Republic opened the meeting. He referred to the subject of poverty in general and to the pressing need to solve the problems posed by poverty in the Caribbean countries. He cited figures published by international organizations to illustrate the extent of poverty in the region and, in closing, welcomed the participants to the meeting.

14. Mr. Trevor Harker, Economic Affairs Officer at the ECLAC subregional headquarters for the Caribbean in Port of Spain, spoke as a representative of ECLAC. He expressed his appreciation to Ambassador Dipp Gómez for his kind words and thanked the host country for the opportunity to hold the technical meeting. He went on to thank UNDP for the funding it had provided and the staff of the UNDP office in Santo Domingo for their assistance in the preparations for the event.

15. He then referred to the main objectives of the meeting, noting that the findings of the participants and the contribution made by the technical secretariat would surely provide further inputs for the Third Regional Conference on Poverty. With respect to policy matters, he said that efforts to lessen the adverse impacts of adjustment processes had often failed owing to a lack of knowledge about the location and characteristics of the relevant groups.

16. The consideration of ways to alleviate poverty had entered into a more mature stage with the recognition of the fact that urgent attention to the problem did not suffice but must instead be coupled with a satisfactory understanding of the problem and a long-term commitment to solving it. Hence the need for continuous monitoring of certain types of data and basic social indicators, as well as ongoing policies aimed at a resumption of sustained growth so that optimum use might be made of all the capabilities, knowledge and skills possessed by the population.

### III. SUMMARY OF THE DEBATES

#### Measurement and analysis of poverty in Latin America: Recent ECLAC experiences (agenda item 1)

17. The ECLAC secretariat gave a presentation which revolved around the following items: i) ECLAC activities in connection with the measurement and analysis of poverty during the 1980s; ii) methods for measuring poverty and the justification for the assumptions made in the papers prepared by ECLAC on the subject; iii) the income or poverty-line method and its principal strengths and weaknesses; iv) some results of the poverty estimates prepared by ECLAC; v) the activities being carried out by the ECLAC Statistics and Projections Division in relation to the generation of household survey databases, the development of poverty profiles for policy-making purposes, and other activities in connection with the Third Regional Conference.

18. Some participants felt that household surveys might not be the most suitable instrument for examining changes in the extent of poverty because such surveys did not permit researchers to monitor the same households over a specified period of time.

19. It was also necessary to compile information on the severity of poverty, inasmuch as the large percentages of the population which were classified as poor necessarily represented a group having widely differing characteristics and needs.

20. Methodological and empirical progress had been made during the past few years in the region, and the work of ECLAC had made a contribution to the measurement of poverty. Furthermore, a "benchmark" stratum of the population had been defined with a view to the formulation of a basic shopping basket, and income data obtained from surveys had been compared with those provided by national accounts.

21. One of the participants said that the poverty estimates prepared by ECLAC using the income method were in a sense a measurement of "short-term" or "cyclical" poverty because a relatively large percentage of the households in question had incomes which placed them quite near the poverty line.

22. Emphasis was placed on the need to develop a typology that would distinguish among degrees of severity, as well as the differing needs of the various strata or types of poor people.

Poverty and social policy in the Dominican Republic. Structural reforms and their impacts on poverty and human development (agenda item 2)

23. The first presentation on the topic referred to the findings of a study on social expenditure in the Dominican Republic which had examined how the economy had changed during the 1970s and 1980s and what had occurred with respect to fiscal spending, social expenditure and poverty in recent years.
24. Generally speaking, the 1970s were a decade of growth in both demand and the domestic market, whereas the 1980s had been a decade of instability and crisis. The increase seen in poverty during the 1980s was at least partly accounted for by the fact that the 1984-1985 adjustment was followed by an expansionary programme which triggered a very high rate of inflation, at least by Dominican standards. And precisely because of the Dominican Republic's lack of prior experience with such levels of inflation, the country had no defense mechanisms with which to protect wages.
25. The poverty figures given were estimated using lines calculated by the Central Bank. Households which spent 60% or more of their budget on food were classified as poor, and households which could not satisfy their food needs were classified as indigent. Estimates based on the 1984 and 1989 surveys indicated that the incidence of poverty had climbed from 47% to 57% between those two years. Indigence had increased from 26% to 27%.
26. During the presentation reference was made to fiscal policy and, in particular, to the level and structure of government social spending. Government expenditure in the Dominican Republic was low, inasmuch as it represented 18% of GDP; that figure remained unchanged. In most cases, the policy on fiscal spending had emphasized expenditure on infrastructure.
27. Many of the comments which were made had to do with possible explanations for the fact that infant mortality and morbidity indexes and life expectancy had either held steady or had even improved during the 1980s despite declining income levels, reductions in social expenditure and increasing poverty.
28. A number of participants responded that it was already well known that those indicators had not deteriorated noticeably during the crisis and that, in some cases, they had actually continued to improve. There were various explanations for the lack of a correlation between declining household income and the trends of those social indicators. Mention was made of several contributing factors, including the maintenance of fiscal spending levels in some categories (such as food programmes for school-age and preschool children), improvements in the targeting and effectiveness of maternal and child care programmes, and demographic changes that had reduced death probabilities at the time of birth.
29. The second presentation on agenda item 2 also referred to the links among structural adjustment, fiscal expenditure, income distribution and poverty. The following topics were addressed: a) the events leading up to the 1989-1990 adjustment and the structural reform process; b) the frame of reference for structural reform policy in the Dominican Republic; c) the impact of that policy on wages, income and employment; d) pre- and post-reform trends in social spending; and e) impacts in terms of poverty levels. A large part of the presentation was devoted to the importance of micro-enterprise in the country and the role it had played in income trends during the 1980s.
30. A diagrammatic representation of the World Bank's concept of adjustment was then presented, and the importance of the position occupied by micro-enterprises within that scheme was then underscored. Micro-enterprises were defined as businesses in which fewer than 10 persons worked. Figures on the



employment and output generated by such firms in the Dominican economy were cited, as was an estimate that about 360,000 micro-enterprises existed in the Dominican Republic.

31. The second presentation was brought to a close with a discussion of government social spending, it being noted that between 1990 and 1991 high-priority social expenditure had declined. With respect to the impact of trade liberalization and tax reform on poverty levels, an analysis of the effect of the tax burden had shown that it had grown lighter for the poor and that tax reform was of a progressive nature. The figures given on poverty and income distribution were the same as those cited during the first presentation on agenda item 2.

32. The comments focused on the role of the micro-enterprise sector, its size and operational characteristics. The participants noted that only between 15% and 20% of micro-enterprises had capital formation capabilities; most were family-run businesses operating on a survival-strategy basis and were concentrated in commerce and services.

33. On the subject of humanitarian spending (i.e., government expenditure on high-priority social needs) questions were raised as to what types of expenditures were included and how their efficiency might be increased. The response indicated that the category included expenditures on primary health care (chiefly preventive care and mother and infant health care), adult education (literacy programmes) and water and sewerage services.

34. One participant felt that caution was called for in interpreting the impact of reforms on poverty and on income trends. Studies prepared by an international body were cited to show that it might take as long as seven years before the positive effects of structural reforms became apparent and that it would therefore be premature to draw definitive conclusions in the case of the Dominican Republic.

#### Poverty in Guyana (agenda item 3)

35. Based on the relevant study, the ECLAC secretariat gave a presentation which touched upon the following questions: i) the efforts made thus far to measure poverty in Guyana, ii) the behaviour of the principal economic variables in recent decades, iii) theoretical and methodological issues relating to the measurement of poverty, and iv) the study's conclusions and recommendations.

36. The comments made by the participants revolved around the difficulties involved in attempting to measure and analyse poverty in Guyana due to the lack of information. Appreciation was expressed for the effort that had gone into the preparation of the study and the figures cited on the incidence of poverty were discussed, especially as regarded the trends to be expected over the next two years in view of existing signs of economic recovery.

37. In order to interpret those poverty figures and probable future trends properly, it was necessary to keep sight of the fact that Guyana was unlike the other Caribbean countries. Guyana had a wealth of natural resources and was in a different league as regarded the potential size of its market —and those factors carried weight when it came to formulating predictions regarding future poverty trends. There had also been a fundamental change in macroeconomic policy during the past two years; that change would have a positive impact, but it would take time to reduce the country's very high indexes of extreme poverty.

Poverty in Trinidad and Tobago (agenda item 4)

38. Introducing the document, the expert said that most of the data contained therein, which provided a basis for an estimate of poverty in Trinidad and Tobago, referred to the year 1988. After considering the factors that might have contributed to the increase in poverty, he presented figures on income distribution and its evolution in recent years.

39. The discussion focused on comparisons of poverty estimates in the various countries of the region. It was noted that in Jamaica nearly 25% of the population was living in poverty, a more serious situation than that of Trinidad and Tobago, where comparable figures stood at below 20%.

40. An expert from the Ministry of Planning of the Government of Trinidad and Tobago gave a summary of the projects being carried out by that office. Various aspects of poverty had been addressed, and the strategy currently being carried out in the country included improving social programmes—which reached more than 60,000 persons—and conducting research into the causes of poverty.

41. For purposes of quantifying poverty, his country was working on measurements based on the method suggested at the Quito Conference.

42. With regard to the distribution of income and its trends, the document stated that in Trinidad and Tobago, in addition to the decline in household income, the increased concentration of wealth had contributed to the rise in poverty in recent years.

Poverty in Jamaica (agenda item 5)

43. After the document had been read out, one participant discussed the actions being taken by the Planning Institute of Jamaica.

44. He drew attention to its anti-poverty programmes, including the social welfare programme established in 1989 which later became the Human Resources Development Programme. The policies had centered their approach on education and basic services, with emphasis on nutrition. He then described the benefits provided by various welfare programmes and described the beneficiary population.

45. Comments were also made concerning policies being applied in Antigua and Barbuda and in Grenada, and it was noted that many actions, even though they might not have been conceived as poverty-reduction programmes, had had an impact on the poor.

46. Several participants said that, in estimating poverty, emphasis should be placed on the need to use average calorie requirements rather than the lower standards that had been proposed in some studies.

47. Lastly, the participants drew attention to the importance of monitoring and evaluating social programmes through official agencies.

Poverty in Saint Lucia (agenda item 6)

48. A good proportion of the presentation and discussion focused on the difficulties and constraints caused, in the case of Saint Lucia, by the scarcity of data that could be used to measure poverty and design social policies and programmes.

49. It was pointed out, however, that although only a limited amount of information was available, the study under discussion offered useful data for evaluating the poverty situation in Saint Lucia.

50. Some participants made a comparison among the various poverty situations considered under agenda items 3 to 6 and noted the main challenges being faced in that respect by other Caribbean countries. In connection with changing production patterns and reintegration with the world market, the participants emphasized the difficulties posed by the fact that many of the region's economies had only one export commodity.

Availability of data: monitoring of anti-poverty activities in the Caribbean and future action (agenda item 7)

51. The participants suggested various activities and events that could help to create interest in actions being taken to fight poverty in the region. References were made to a conference on human development and competitiveness, to be held in Willemstad, Curaçao, in June 1993, at which the relationship between development and competitiveness in the Caribbean economies and their impact on poverty and human development would be discussed.

52. With regard to the need for information on which to base poverty estimates, the experts noted that it was important to keep the Household Survey Data Bank of the ECLAC Statistics and Projections Division up to date. At the same time, cooperation was requested in the task of obtaining microdata from household surveys to allow ECLAC to incorporate the Caribbean countries into its periodical estimates of poverty.

## Annex 1

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## Annex 2

## LIST OF DOCUMENTS

1. **Poverty in Guyana. Draft report, Clive Y. Thomas, Director, Institute of Development Studies University of Guyana.**
2. **Poverty in Jamaica. A review of recent evidence, Leroy Taylor, Director, Institute of Social and Economic Research, University of the West Indies, Mona Campus, Jamaica.**
3. **Poverty in Saint Lucia. Draft, Bryan Boxill, Head, Statistics Department of the Government of Saint Lucia.**
4. **Poverty in Trinidad and Tobago. Case draft report, Ralph Henry, Head, Economics Department, University of the West Indies, Saint Augustine Campus, Trinidad.**