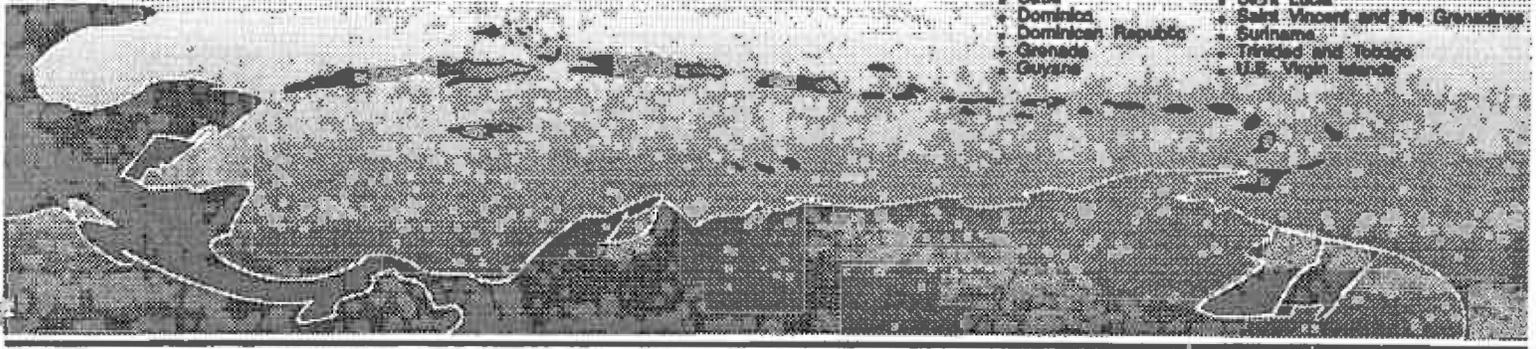




- Antigua and Barbuda
- Aruba
- Bahamas
- Barbados
- Belize
- Br. Virgin Islands
- Cuba
- Dominica
- Dominican Republic
- Grenada
- Guyana
- Haiti
- Jamaica
- Montserrat
- Netherlands Antilles
- Puerto Rico
- Saint Kitts and Nevis
- Saint Lucia
- Saint Vincent and the Grenadines
- Suriname
- Trinidad and Tobago
- U.S. Virgin Islands



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**THE WORLD SUMMIT FOR SOCIAL DEVELOPMENT:  
 A CARIBBEAN PERSPECTIVE**

*(Note by the secretariat of the  
 ECLAC Subregional Headquarters for the Caribbean)*



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## **THE WORLD SUMMIT FOR SOCIAL DEVELOPMENT: A CARIBBEAN PERSPECTIVE**

*(Note by the secretariat of the  
ECLAC Subregional Headquarters for the Caribbean)*

### **I. INTRODUCTION**

The General Assembly of the United Nations decided in 1992 (through resolution 47/92), to convene a World Summit for Social Development in 1995, with the objectives of: (a) the enhancement of social integration, particularly of the more disadvantaged and marginalized groups; (b) alleviation and reduction of poverty; and (c) expansion of productive employment. The World Summit, it was hoped, would contribute to converting the goal of "social progress and better standards of living in larger freedom" into reality through international cooperation.

In the context of recent global, political and economic developments and the spread of open, market-based, growth-oriented development strategies across all regions of the globe, there has also been a greater appreciation of the need to incorporate greater social development consciousness into this approach and to complement it with targeted strategies for employment expansion and poverty reduction. In the words of the Report of the United Nations Secretary-General: "Policy-makers and practitioners are actively seeking to devise a new development style that puts people at the centre, is responsive to social needs, seeks the alleviation and eradication of poverty and hunger, is predicated on and promises the development of human resources and is environmentally sound and sustainable".

A number of Caribbean countries have been a part of this process -- as measures of economic adjustment have had perverse social consequences, at least in the short- to medium-term. Those governments concerned in some cases with the support of the international community, have become increasingly conscious of the dynamics of the relationship between economic growth and social development and of the need for strategies and measures specially targeted towards the latter.

This document seeks, on the basis of the limited resources of the secretariat of the Economic Commission for Latin American and the Caribbean/Caribbean Development and Cooperation Committee (ECLAC/CDCC), to contribute to a coordinated subregional input into the Social Summit. It is expected that as many of the Caribbean countries as are able to, will be preparing their respective national papers or presentations for purposes of the Summit. It is also expected that the document will be finalized on the basis of the Second Caribbean Meeting preparatory to the World Social Summit, and that this meeting will agree on a set of guidelines for action which governments and policy-makers of the Caribbean may find useful.

## II. BACKGROUND AND CONTEXT

### General

| SELECTED INDICATORS OF CARIBBEAN COUNTRIES |                         |               |                       |                     |                    |                    |
|--|-------------------------|---------------|-----------------------|---------------------|--------------------|--------------------|
|  | SIZE<br>Km <sup>2</sup> | POPN.<br>1992 | GDP <1><br>Per capita | Infant<br>mortality | Total<br>fertility | Life<br>expectancy |
| Antigua/Barbuda                            | 440                     | 81            | 4870                  | 20.0                | 1.7                | 74                 |
| Aruba                                      | 193                     | 69            | 16411                 | ...                 | ...                | ..                 |
| Bahamas                                    | 13942                   | 263           | 12020                 | 25.0                | 2.1                | 72                 |
| Barbados                                   | 431                     | 259           | 6530                  | 10.0                | 1.8                | 75                 |
| Belize                                     | 22960                   | 200           | 2210                  | 41.0                | 5.9                | 69                 |
| Cuba                                       | 110860                  | 10495         | ...                   | 10.2                | 1.7                | 76                 |
| Dominica                                   | 750                     | 72            | 2520                  | 18.0                | 2.5                | 72                 |
| Dominican Republic                         | 49000                   | 7321          | 1040                  | 41.0                | 3.0                | 68                 |
| Grenada                                    | 345                     | 91            | 2310                  | 28.6                | 2.9                | 71                 |
| Guyana                                     | 214970                  | 806           | 330                   | 48.0                | 2.6                | 65                 |
| Haiti                                      | 28000                   | 6715          | ...                   | 93.0                | 4.7                | 55                 |
| Jamaica                                    | 11424                   | 2394          | 1340                  | 14.0                | 2.7                | 74                 |
| Netherlands Antilles                       |                         | 141           | ...                   | ...                 | ...                | ..                 |
| Puerto Rico                                | 8800                    | 3309          | ...                   | 13.0                | 2.1                | 74                 |
| St. Kitts/Nevis                            | 269                     | 42            | 3990                  | 34.0                | 2.6                | 68                 |
| St. Lucia                                  | 616                     | 156           | 2900                  | 18.5                | 3.2                | 70                 |
| St. Vincent                                | 388                     | 109           | 1990                  | 20.1                | 2.5                | 71                 |
| Suriname                                   | 163265                  | 467           | 3700                  | 36.5                | 2.8                | 69                 |
| Trinidad/Tobago                            | 5128                    | 1268          | 3940                  | 15.0                | 2.8                | 71                 |

Source: ECLAC on the basis of official data.

<1> In current US dollars; data are for 1992

Caribbean countries vary quite widely in size, population, resource endowments and levels of living. Yet they face a common destiny, with many similarities in the social and economic problems they must overcome in the immediate future. In land area, the variation is great with Guyana, Suriname and Cuba covering over 100,000 km<sup>2</sup>, while all the remaining countries are below 10,000 km<sup>2</sup>, with the exception of the Bahamas and Jamaica. Population size varies, only Cuba exceeding 10 million, while all other countries have populations of less than 1 million, exceptions being the Dominican Republic, Haiti, Puerto Rico, Jamaica and Trinidad and Tobago. At the lower end of the scale, Montserrat has a population of less than 11,000. The variation in population density is similarly wide, from Barbados at one extreme, with 6,000 persons per 1,000 hectares in 1991, to Belize, Guyana and Suriname, with less than 100 persons per 1,000 hectares. Most countries, however, have densities clustering between 1,000 and 3,000 persons per 1,000 hectares.

Demographic factors also diverge, although total fertility rates are moving closer together and cluster around a mean of about 2.8. Extremes are to be found in Haiti and Belize at 4.7 and 5.9, respectively, at the high end and in Barbados, Cuba and Antigua and Barbuda, at between 1.7 and 1.8, at the low end. The rate of decline in total fertility rates over the last 30 years is significant, most countries now being considered in the middle-to-late stage of demographic

transition. Exceptions are Barbados and Montserrat, which have completed the transition and Belize and Haiti, which are still in its early stages.

Whatever the vicissitudes of social and economic life, average life expectancy remains a robust indicator of well-being. On average, Caribbean people gained 16 years in life expectancy, since the period 1950-1955, when the average was 52.6. These gains were greatest among women and the divergence in life expectancy between the sexes is expected to increase. Nevertheless, the variation in life expectancy between countries is still evident, with Haiti scarcely above the average of 1950-1955, while the Dominican Republic and Guyana remain below the current average. Rates of natural increase averaged about 1.8 percent per year for the subregion as a whole which, if sustained, would have the effect of doubling the population in 40 years.

Migration complicated the demographic picture. Population movements were quite significant among Caribbean countries, from those with relatively stagnant economies or political instability, such as Guyana and Haiti, to those with buoyant economies and labour shortages, such as the Bahamas, the British Virgin Islands and St. Maarten. The migration of skilled workers, such as nurses, teachers and other professionals and skilled middle-level technicians to North America, is a long-standing characteristic of the Caribbean. It continued to be a serious drain on skills much needed for regional development, although remittances to family members and investment by migrants provided some compensation.

For the most part, Caribbean populations are young, with over 50 per cent under the age of 25, although the age cohort 0-14 is declining. Simultaneously, the population of age 65 and over is increasing, from 4 to 10 per cent, between the years 1950 and 1990 and is expected to grow further to reach 14 per cent. Accordingly, while some pressure was removed for the provision of care in early childhood and primary education in most countries, large numbers of teenagers and entrants to the job market now have to be trained and absorbed into the labour force. At the other extreme, provision is necessary for an ageing population.

### **Trends in productive activity**

Small size, which renders Caribbean economies relatively undiversified and, therefore, unusually dependent on external trade, make them inherently sensitive to global developments. Not surprisingly, the subregion has been affected early and in acute form by these developments which have revealed new opportunities but have also exposed unforeseen challenges to established modes of action. Severe social and economic dislocations are accordingly being experienced worldwide and the Caribbean has not been spared these strains.

For Caribbean countries, many of the accepted tenets of development policy are rendered moot by global developments. The task of evolving appropriate policies, in a context where the modes of production, the composition of the export baskets and the rules of the game are in rapid flux, is daunting. The capacity of governments to cope with these changes is uneven, some

getting the early stages right only to falter at later hurdles. Often policies are postponed, contradictory or subject to reversals. Despite international turmoil, the quality of economic policy is the major determinant of performance over the past decade and is likely to remain so for the foreseeable future.

For most Caribbean countries, export performance is the major determinant of growth. It is also the major factor affecting the resources available for public expenditures. The level of social services is, therefore, directly related to the success of export performance. For its traditional exports, the Caribbean has experienced a steady erosion of the preferences granted by developed countries, while pressures are placed on them to open their markets in accordance with globally accepted norms. Foreign aid and technical assistance inflows to the subregion have been steadily curtailed, in response to newly emerging priorities in the donor countries.

Adjustment has been most complex for those countries hitherto dependent on the export of minerals, whether bauxite-alumina in the Dominican Republic, Guyana, Jamaica or Suriname, or petroleum in the case of Trinidad and Tobago. The bauxite exporters experienced a prolonged period of boom throughout the 1960s and early 1970s. This was eventually curtailed by the boom in petroleum prices. For example, in Jamaica, the United States dollar earnings for bauxite/alumina in 1982 were only 63 per cent of those for 1980 and by 1990 they had not yet attained the 1980 figure. Global contraction also adversely affected the demand for petroleum and lowered its price, causing a precipitous fall in the income streams flowing into Trinidad and Tobago. Oil earnings in Trinidad and Tobago, measured in United States currency, for the period 1990-1992 were only 60 per cent of those earned for the period 1980-1982. In general, minerals earnings stagnated in all Caribbean countries since the early 1980s and the sector was no longer being relied upon to be the engine of growth for these countries.

The major sugar exporters were also severely affected, as preferential sales to the United States or the former Council for Mutual Economic Assistance (CMEA) were curtailed. In the former case, most Caribbean sugar producers were affected, the Dominican Republic most severely. In the latter instance, the major victim was Cuba, which in 1989, the year before the collapse of the CMEA, derived 92 per cent of its sugar earnings from that source. Some respite was available for those trading sugar to the European Union (EU), although future preferential arrangements are uncertain. Nevertheless, total sugar exports from the Caribbean declined by 40 per cent in volume between the period 1980-1982 and 1990-1992<sup>1</sup>. Foreign earnings during this period fell by 30 per cent. Barbados' sugar production fell by over 60 per cent for the decade and by 1993 had reached its lowest level in 70 years.

The banana producers benefited throughout the decade from preferential access to their traditional markets. Many producers were able to increase the output and quality of bananas exported. For the subregion as a whole, banana earnings increased fourfold between the period

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<sup>1</sup> This review excludes Cuba, for which recent data are not available. Available evidence suggests, however, that the decline in Cuban production is even more severe.

1980-1983 and 1990-1993. The industry was strategic in the development of some of the smaller OECS countries, since income streams flowed directly to small independent growers. Nevertheless, the level of access accorded to the Caribbean will be steadily eroded in future. Productivity will have to increase to the level of competitors outside the subregion, if the industry is to survive.

The upheavals evident in the minerals sector and in traditional agriculture were also evident in manufacturing, despite the security which the CARICOM market initially seemed to give to its members. Subregional manufacturing was sheltered from many of the changes taking place globally, but the consequence was inefficiency. Market deregulation further threatened the sector which now urgently needs to increase its efficiency.

Most Caribbean countries were able to benefit from the growth of international tourism, which provided some respite from the declines experienced by the traditional goods sectors. Earnings from tourism for the Caribbean as a whole, increased by 150 per cent over the decade. Yet as this exceptional growth rate moderates, the industry will become more competitive and destinations will need to upgrade the quality of the product on offer.

The quality of the contribution that tourism makes to the society as a whole will also need to be improved. Ultimately, it will need to involve a wider spread of indigenous providers in all the sectors and more attractive small indigenous hotels. There is a strong correlation between the factors needed for improving the contribution of the sector to the host society and for improving the competitiveness of the industry as a whole.

### **Public expenditure and the social fallout**

In those countries where economic disequilibrium necessitated adjustment, the social fallout was considerable. The contraction of government spending based on hitherto buoyant revenues created awkward policy choices for the political directorate and raised the spectre of severe dislocation. Efforts to postpone the shock of revenue shortfalls and sustain government spending resulted in growing budget deficits, augmented external debt, increased inflation and ultimately further reduced future income streams. But since policies of deficit spending were unsustainable, measures to curtail public spending and reduce the existing debt became inevitable.

These measures caused considerable controversy and efforts to contract expenditures to match reduced revenues took longer than desirable. Nevertheless, short-term policies, those for re-establishing equilibrium, generally managed to meet the narrow objectives set for them, although contraction was often achieved at a high social cost. Perhaps some of this social cost was inevitable; nevertheless, it can be argued that the various components of public expenditure were not reduced in an optimal manner, in part because the bargaining power of the affected parties was uneven and consequently, the policy choices might have impacted more heavily on the least privileged.

Debate surrounded the priority to be accorded to debt repayment, especially foreign debt repayment. Significant efforts to repay the debt on the part of the most seriously affected debtor countries, together with debt relief, slowly reduced the urgency of this issue. With respect to expenditure reduction, debate surrounded the priority to be accorded to the reduction of recurrent expenditure as opposed to capital investment, that portion needed to secure new economic activity. In all cases, capital expenditure was the casualty, so that economic reactivation remained elusive. Once recurrent expenditures had to be reduced, priorities were necessary regarding the reduction of subsidies, the reduction of funds allocated to salaries or the purchase of materials and equipment.

Next, the spotlight fell on subsidies. These took many forms, from price supports for basic foods to transfers to public enterprises, which sold their product to locals or to foreigners at prices below cost. The volume of resources flowing into subsidies had grown rapidly and was concealed while inflows were strong. They were usually indiscriminately applied, the major beneficiaries often including members of the non-poor. Nevertheless, the blanket removal of subsidies did greatest harm to the poorest. The selection of more appropriate means and institutions to target and distribute income supports was slow and remains incomplete.

The next stage of expenditure reduction placed emphasis on reducing maintenance and materials, with consequent deterioration of existing infrastructure and the shortage of teaching and health materials. Health facilities deteriorated as equipment was not maintained or replaced and education was affected by inadequate teaching materials, rundown schools and even a shortage of desks and chairs.

Reduced public expenditure also impinged on public employment. The first workers dismissed were beneficiaries of make-work schemes, which had been initiated in an effort to provide income to hitherto unemployed and indigent people. While these schemes were subject to some abuse, they also provided a form of safety net for the poorest people. Straightened fiscal circumstances demonstrated, however, that such schemes were only feasible in good times and that more lasting benefits would have flowed to the society if such persons had been outfitted for independent viability.

Where job losses were initiated in the formal public sector, the bargaining power of some workers, especially those in the central bureaucracy, protected them for longer periods than other less visible workers. Often, valuable but neglected workers on fixed salaries became estranged from the public sector, in the face of inflation which made their salaries no longer viable. Many skilled professionals in the fields of health or education drifted into private sector employment or took their skills abroad.

The consequences of these expenditure reductions impacted the society accustomed to hidden transfers. A general decline in health and education services became evident. Infrastructure deteriorated, since subsidies were removed and cost recovery schemes were insufficient to rehabilitate it in the face of increased demand and widespread inefficiencies. The level of performance of the public sector was subject to widespread criticism, services seeming

to entail inordinate overheads and red tape for their delivery. Where job creation was a central objective, overmanning seemed a virtue. Once resources diminished downsizing became traumatic, with reduced morale contributing further to industrial action and inefficiency.

For the hard-core poor, the consequences were manifold. Their eating habits were adversely affected, where food subsidies were removed. Transportation costs increased, where petrol prices or public transportation expenses could no longer be supplemented, sometimes making it uneconomic for the poorest to travel to work or adversely affecting school attendance. Utility costs rose in the face of cost recovery schemes designed to make the utilities viable and health services became more expensive, causing the poorest to postpone or to omit health care. For some, cost recovery schemes made school books and uniforms prohibitive.

### **Development policies for the medium to long term**

Aside from the short-term measures intended to achieve fiscal balance, action was also necessary in the medium- to long-term to better manage the process of development. This included a tentative move back to medium-term planning, through the widespread adoption of the Medium Term Policy Framework (MTPF). The objectives of the MTPF were manifold. To secure greater policy consistency between the short- and medium-term than had been evident when adjustment commenced: to mitigate the impacts of economic contraction on the poorest; to improve the quality of human resources and to increase empowerment. To revitalize those existing productive activities that held the prospect of future viability and to encourage new sources of productivity and employment. All of these initiatives were putative, since they needed to be integrated into various aspects of the society. Many also required changed attitudes.

Policy reforms were also initiated with the objective of widening perspectives beyond the narrow national or subregional focus, in an effort to calibrate with changing global circumstances. Some of these policies were taken in conjunction with regional partners, since policy was not amenable solely to national action. One such was trade policy. The objective was to reduce the level of closure of regional markets and to gradually strengthen CARICOM-oriented enterprises so that they could trade successfully in larger markets. The first stage was to gradually reduce the tariff and other protective measures granted within the integration grouping, followed subsequently by the widening of the trade grouping to include adjacent countries, through the instrumentality of the Association of Caribbean States (ACS), itself having as one of its objectives the strengthening of its trade capability for an envisaged hemispheric trade arrangement.

Policies relating to finance were modified to complement emerging trade policies. In many countries, restrictions on the ownership and use of foreign currency by nationals were reduced, together with regulations regarding the inward and outward flows of investment. One objective was to make the subregion more attractive to international capital. The Caribbean was

tardy in this process so the international investment flows and the gains in employment which they brought, were limited.<sup>2</sup>

Planning initiatives refocused on the social aspects, with the objective of establishing greater complementarity between economic and social concerns. The renewed effort was prodded by the social deterioration alluded to above, which was essentially a function of economic contraction. But, with the benefit of hindsight, the social impacts on the poorest might have been mitigated had the adjustment process not been postponed and had the initial stages of adjustment focused more closely on the qualitative aspects of re-establishing fiscal balance.

Finally, considerable policy attention was devoted to reforming the system of governance, intended in part to involve the whole society in its development. The view that the public sector was inherently more effective in performing most societal tasks was increasingly questioned in the light of current performance. In public administration, emphasis was slowly moving towards greater policy focus, to retain and develop only those tasks that government alone could be entrusted to perform. These were seen to relate to policy management, setting and overseeing the system of rules governing the society, securing equity, preventing discrimination and exploitation and promoting social cohesion. The process of divesting economic activities concerned with investment, wealth creation, efficiency and profit to private actors was initiated. Private people-based organizations of an essentially voluntary nature were increasingly being coopted to deal with social tasks requiring a high proportion of voluntary labour, those that provide little or no profit, that require the promotion of individual responsibility, commitment to community and the welfare of others.

In the face of greater specialization it was also essential that greater team work was fostered among the social partners. Private actors could only perform effectively in the context of an appropriate economic framework at the macro and micro-economic levels. The trade unions needed to widen the support which they provided to their membership to encompass skills diversification, attitude training and familiarity with issues, such as productivity and management rather than relying on adversarial tactics, since workers and managers were equally threatened by inefficiency. While the voluntary organizations were best qualified to identify and administer to the hard-core poor and to resist widespread abuse of welfare, they needed the support of the public and private sectors, if they were to acquire the wherewithal with which to operate.

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<sup>2</sup> Foreign Direct Investment (FDI), was increasingly moving to developing countries. Since 1985, over 60 percent of new employment by multinational corporations took place in developing countries. The value of FDI into developing countries increased from US\$31 billion in 1990, to US\$80 billion in 1993, 60% of it going to Asia. Source: UNCTAD, World Investment Report, 1994.

### III. POVERTY IN THE CARIBBEAN

#### Extent of poverty

It is difficult to generalize about the extent of poverty in the Caribbean or to be precise about the number of persons living below the poverty line. There is a considerable paucity of relevant data and available data are country-specific with no uniformity of measurement

**PRELIMINARY ESTIMATES OF POVERTY IN SELECTED CARIBBEAN COUNTRIES**

| COUNTRY      | Total<br>Pop.<br>(1980)<br>( <sup>'000</sup> ) | People below<br>Poverty Line (1980) |             | Total<br>Pop.<br>(1990)<br>( <sup>'000</sup> ) | People below<br>Poverty Line (1990) |             |
|--------------|--|-------------------------------------|-------------|--|-------------------------------------|-------------|
|              |  | ( <sup>'000</sup> )                 | %           |  | ( <sup>'000</sup> )                 | %           |
| Bahamas      | 210  | 3                                   | 1.4         | 255  | 26                                  | 10.2        |
| Barbados     | 249  | 21                                  | 8.4         | 257  | 33                                  | 12.8        |
| Dom. Rep.    | 5647   | 1745                                | 30.9        | 7170   | 2738                                | 38.2        |
| Grenada      | 90   | 21                                  | 23.3        | 91   | 21                                  | 23.1        |
| Guyana       | 759  | 493                                 | 64.9        | 794  | 604                                 | 76.1        |
| Haiti        | 5371   | 4082                                | 76.1        | 6513   | 5490                                | 84.3        |
| Jamaica      | 2133   | 855                                 | 40.1        | 2248   | 856                                 | 38.1        |
| St. Lucia    | 124  | 37                                  | 29.8        | 133  | 21                                  | 15.8        |
| Suriname     | 352  | 62                                  | 17.6        | 403  | 101                                 | 25.1        |
| T & T        | 1082   | 52                                  | 4.8         | 21234  | 194                                 | 18.1        |
| <b>TOTAL</b> | <b>15893</b>                                   | <b>7370</b>                         | <b>46.4</b> | <b>19285</b>                                   | <b>10072</b>                        | <b>52.2</b> |

Source: ECLAC: compiled from various sources.

technique. Differences among the countries in economic structure and performance have called forth varying approaches to economic policy, in some cases involving far-reaching measures of structural adjustment with attendant implications for unemployment and individual economic welfare; in others, the adjustment measures may have been less severe but may have resulted in only minimal alleviation of levels of individual welfare. One conclusion to be drawn from any examination of the poverty situation in the countries of the Caribbean is the need for reliable up-to-date baseline data which might allow the researcher to estimate and disaggregate poverty levels in these countries with a view to informing strategies for poverty reduction or alleviation.

The table above is intended to provide no more than a rough order of magnitude of the extent of poverty in the Caribbean, and is based on various surveys which have been carried out in some of the countries in recent years. The World Bank estimated that in 1990 about 10 million people lived below the poverty line in five Caribbean countries. Haiti alone accounted for about half of this number and the Dominican Republic for about a third. Jamaica, Guyana and Trinidad and Tobago also had a significant number of their populations living in poverty.

Other studies also point to high levels of poverty in the Caribbean. A study on Guyana commissioned by ECLAC/CDCC refers to studies carried out by the Pan-American Health Organization (PAHO), the Inter-American Development Bank (IDB) and the World Bank which estimate that in 1989 between 67 and 75 per cent of the population had incomes below the poverty line. More recent data for Guyana are available from a World Bank study published in 1994, which shows a level of inequality in the distribution of welfare which the study found to be similar to the pattern in other countries, for example, Jamaica, Costa Rica and Venezuela. On a national average, 43 per cent of the population or approximately 315,360 persons fell below the (G\$47,500) poverty line, with 29 per cent having consumption levels below the minimum required to purchase the nutritionally balanced low-cost food basket.

In the case of Jamaica, a government-sponsored Survey of Living Conditions undertaken in 1988, using an approach to the calculation of the poverty line similar to the "food basket" approach used in the later World Bank study on Guyana, found that about 33 per cent of the total population (and 41 per cent of the rural population), had incomes below the poverty line and that the incidence of poverty was much higher (41 per cent) in the rural areas. Using a less restrictive calculation of the poverty line, the incidence of poverty rises to 44 per cent. Another study on poverty in Jamaica completed in 1991 revealed that between 1977 and 1989 the number of individuals earning the poverty line income or less increased from 66.4 per cent of all employed workers to 76.5 per cent; and that individuals earning 75 per cent or less of the poverty line income increased from 51 per cent to 68.6 per cent over the same period.

In Trinidad and Tobago, a study conducted in the early 1970s by Dr. Ralph Henry found that the level of poverty was over 25 per cent. That study also showed an increase in inequality over the period 1957/1958 to 1971/1972. Using 1988 household budget survey data to calculate a poverty line based on a subsistence level of expenditure, he found that 11 per cent of households were living in poverty. Another study traced the evolution of absolute poverty between 1981 and 1988 using data from Household Budgetary Surveys. This study gave a larger weighing to food and accommodation. The absolute poverty rate for the total population was estimated to have increased from 3.5 per cent in 1981 to 14.8 per cent in 1988, the most remarkable increase in poverty coming from the ranks of sales and service workers, agricultural workers and production workers.

An International Labour Organisation (ILO) estimate of poverty in Suriname, using a basic needs approach found that in 1980, 30 per cent of the households were below the poverty line, while in 1989 this figure had reached 39 per cent. A study by a consultant conducted for ECLAC/CDCC in 1994, found a "rapid impoverishment of all social groups in the Surinamese

society" between 1985 and 1992, with 76.5 per cent of households estimated to be below the poverty line in 1992, (although the author concedes that much of this poverty may not be "visible").

Income in Haiti is generally very low and income per capita fell by more than 30 per cent during the 1980s. Income distribution is characterized by a concentration of very high incomes at the top of the scale, a very small middle class and a majority of poor people. A basic needs study adopted by the IDB found that about 65 per cent of families could be classified as poor or very poor in 1987; and the situation has very likely deteriorated since then. Most families in the lower expenditure brackets were unable to consume 75 per cent of the recommended daily allowance of calories and 40 per cent were unable to do the same with respect to protein, suggesting widespread conditions of desperate poverty and chronic malnutrition.

In the Dominican Republic, the Central Bank estimates that the incidence of poverty increased from 47 per cent to 57 per cent between 1984 and 1989, and indigence increased from 26 per cent to 27 per cent.

In three other countries the situation is variable: the Food and Agriculture Organization (FAO) of the United Nations in a 1980 study on rural poverty, found no dramatic signs of poverty in Belize. FAO data for 1983 for Grenada estimated that 24 per cent of the rural population lived under the poverty line; and a study conducted for ECLAC/CDCC on Saint Lucia suggests that poverty levels declined during the 1980s.

The picture which emerges is that, notwithstanding the limitations regarding the availability and comparability of the data, there are significantly high levels of poverty in the countries of the Caribbean and that the situation may have deteriorated over the past 10 to 12 years. There is a clear need for concerted efforts to be made to fill the considerable data gaps which exist in the most of the countries if comprehensive and focused measures are to be put in place and if these measures are to have much potential for efficacy.

### **Characteristics of the poor**

The poverty profiles which emerge from the various surveys carried out in the countries of the Caribbean are clear: higher proportions of the poor are likely to come from the unemployed, women, youth and the rural areas. These conclusions are supported by findings of the various reports which have been produced by non-governmental organizations, which have identified women as an especially disadvantaged group. Women in urban areas are among the more disadvantaged -- their quality of life is precarious, especially those who are heads of household. These women are often unemployed or underemployed and struggle for survival. This is the situation into which many children are born -- a combination of poor or overcrowded housing, minimal financial resources, poor nutritional and health status and parental guidance and support, and little hope of escaping these conditions.

Regarding rural poverty, 1988 figures for Jamaica show that the rural poor accounted for 33 per cent of the total population, while the urban poor made up 10 per cent, a situation not dissimilar to that in other countries of the Caribbean, although a recent report on the situation in one country, Trinidad and Tobago, suggests that "... there are some differentials between urban and rural incomes and in the governmental provision of social services, but the inequalities are not as stark as in many other developing countries...".

There are two features of rural poverty which have been identified: inadequate land titling available to small farmers, which makes them a vulnerable group; and patterns of land distribution which result in these farmers having access to plots of land of uneconomic size and capability.

In the urban sectors, during the 1980s, job creation diminished in medium-scale and small enterprises in the modern urban sector, while employment in small enterprises and the number of non-professional own-account workers increased. This caused a shift in the labour force towards lower-productivity sectors, with regressive social consequences. Poverty in urban areas is often characterized by neighborhoods with poor or overcrowded housing. This poverty can also be expressed in relation to a limited capacity to generate income. Approximately 25 per cent of the jobs are in the informal sector in urban areas in Trinidad and Tobago. These jobs are concentrated in own-account activities which, while they encourage enterprise and creativity, are most times also associated with make-work operations and almost always with low incomes.

Not surprisingly recent analyses indicate that poverty has fallen heaviest on the unemployed. The unemployed are a very vulnerable group and there is a high correlation between unemployment and poverty in Caribbean countries. In Trinidad and Tobago, for example, the correlation has been estimated to be 0.88. Unemployment rates in the Caribbean are generally very high.

Female unemployment is generally higher than male unemployment. In Barbados, the OECS countries and Jamaica, the unemployment rate among females was twice as high as that for males. Teenage mothers in rural and urban areas and unskilled females are especially vulnerable. Increases in the number of female-headed households and increased participation of women in the labor force have combined to account for the fact that among the principal victims of poverty are female heads of households and their dependants.

In all countries the unemployment rate is highest among youth; in Trinidad and Tobago, for example, the youth account for about 40 per cent of the total unemployed. Unemployment has also fallen heavily on young newcomers to the labour market.

One consequence of economic conditions and policies pursued by many Caribbean countries over the past decade has been retrenchment of workers in the public and private sectors, resulting in a larger number of workers who, unless retrained for absorption elsewhere, could possibly remain unemployed and therefore vulnerable to poverty.

Recent analyses indicate that Caribbean children from the poorest households obtain lower quality education, thus perpetuating poverty within these families. Another dimension of this problem is the growing number of street children (especially in Haiti, Dominican Republic, Jamaica and Trinidad and Tobago) and juvenile delinquents. In some countries, malnutrition is one of the leading causes of death among children of poor households.

Although fertility rates have steadily decreased in most Caribbean countries, they remain high in Haiti and the Dominican Republic. Studies by ECLAC/CDCC and others have pointed to the positive correlation between high fertility, unemployment and poverty. The Trinidad and Tobago household surveys of 1988 and 1990, reveal that the incidence of poverty is higher among families with a larger number of children. An analysis of the census data of some Caribbean countries reveals that the probability of rising above the poverty line diminishes with each additional child in female-headed households. Poverty is also very high among the aged, especially among women.

Several Caribbean countries have significantly improved their level of access to drinking water and sanitation, and the quality of housing has improved in recent years. However, pipe-borne water is not readily available in many households. In Haiti, obtaining drinking water is a major daily chore for the majority of the population and only 25 per cent of the population has access to sanitation. The backlog in housing is enormous and urban slums have spread in Port au Prince.

### **Poverty reduction and alleviation**

A critically important reason for the deteriorating social development conditions in Caribbean countries is the slowdown in economic growth which has characterized many of these countries over the past decade. Vigorous and sustained economic growth is an essential precondition for poverty reduction. Economic stagnation and problems of adjustment during the 1980s and the beginning of the 1990s appear to have contributed to poverty in a number of the countries.

The challenge to be addressed in the present situation is to design and implement reforms which will promote growth but not at the expense of social services and the creation of increased poverty.

Ensuring that the poor participate in and contribute to growth requires the adoption of appropriate macroeconomic and sectoral policies and measures to help the poor grasp new income-earning opportunities. Since many of the poor depend on income from labour, from work on their own land, from wages, or from other self-employment, one of the main strategies might be to encourage broadly-based rural development and urban employment, thereby increasing the returns to small farm production and wage labour.

### **Rural development**

Rural poverty can be reduced by macroeconomic policies which facilitate and do not discriminate against domestic agriculture. Within this framework access to small-scale rural credit, extension services, building small-scale irrigation works and feeder roads and the provision of primary health care, education and potable water can all improve the quality of life of the poor. In many countries, land reform and improvements in tenancy laws and practices may be necessary to improve the asset ownership by the poor and to achieve a more efficient use of land resources. Attention to the need to integrate resource management programmes and anti-poverty programmes is important, particularly in ecologically fragile islands.

Land distribution programmes to the poor are one of the more politically sensitive issues in the Caribbean and few experiences exist. There is need for action in this area and for well thought-out policies by governments, especially as they relate to marketing and credit facilities.

### **Increasing urban employment**

Reduction in urban poverty implies greater attention to the informal sector, creation of favourable conditions for small-scale and micro-enterprises and enhanced access of the poor to essential services, such as clean water and electricity, primary education and health care, transportation and improved housing conditions.

The micro-enterprise is important in terms of dealing with urban poverty and employment. Support to raise the productivity of urban micro-enterprises calls not only for complementarity between various agents but also for coordination between steps in the process of moving from training to production. Efficient action requires that the factors that make a micro-enterprise competitive be well coordinated, especially training, access to credit, technical assistance and marketing. It is also important for training programmes to respond to real demand in the labour market. Information about present and future needs of private enterprises and a system to follow up on the graduates of training programmes, once they enter the labour market, facilitate such coordination.

Investments in urban infrastructure, particularly in uncontrolled settlements have also had positive effects on poverty reduction by improving living conditions.

Efforts to reduce poverty are unlikely to succeed in the long run unless there is greater development of human resources among the poor. Improvements in education, health and nutrition directly address the worst consequences of being poor. But there is evidence that investing in human resources, especially in education, also attacks some of the most important causes of poverty. Social services are, therefore, an essential part of any long-term strategy for reducing poverty.

Gains in child health have stemmed largely from the maternal and child health and immunization programmes that have been established and the emphasis on nutrition and primary health care. The composition of health expenditure is of the utmost importance, with need for

emphasis to be placed on the delivery of primary health care, especially the construction and improvement of district health centres and the placement of public health personnel within easy reach of most of the population.

### **Targeted strategies**

Caribbean governments have attempted a number of targeted strategies for poverty reduction or alleviation.

#### **Social security systems**

Countries of the Caribbean have made progress in the establishment of social security schemes. In 1965, Jamaica enacted legislation to provide for a compulsory social insurance scheme covering old age, death and invalidity. This was followed in 1966 by Barbados, in 1969 by Guyana and in 1971 by Trinidad and Tobago. The smaller countries of the English-speaking Caribbean adopted a national provident fund approach as a transition to a more comprehensive social insurance-based programme. There has been a trend towards greater coverage throughout the subregion with a focus on social insurance. In addition, most countries have expanded the benefits payable. By 1980, social insurance schemes in the English-speaking Caribbean had a coverage of more than 65 per cent of the labour force.

These insurance schemes face difficulties caused by the economic recession, since the resources are based on contributions from both workers and employers. Also keeping the administrative costs within viable limits has been difficult. These traditional systems make no provision for unemployment insurance nor any support of a non-contributory nature.

#### **Food programmes**

The poor spend a large part of their incomes on food and can be highly vulnerable to any setback in their ability to obtain it. An important way to protect the living standards of the poor is by guaranteeing their food security. Various forms of food subsidy have been adopted, general food price subsidies, food rations, food stamps, food distribution policies and food supplementation schemes. Such programmes have been implemented in a number of countries of the Caribbean, especially in Guyana and Jamaica.

#### **Public employment schemes**

These programmes usually target the unskilled and the most poor. The goal of providing the poor with food and at the same time work to empower them for the future is a difficult task. Some of these programmes can end up as hand-outs. Many countries in the subregion have initiated programmes to provide unemployment through the provision of short-term jobs. The emphasis of these programmes has been on the provision of employment for the manual, unskilled category of workers. There have been various types of programmes in which labour

has been used. These can vary from construction of infrastructural projects to development of community businesses.

### **Income enhancement**

Other income-enhancement approaches have sought to raise the earnings of the poor by assisting them through credits, training and technical assistance to become small entrepreneurs. These programmes have been undertaken by both governments and NGOs.

A number of the countries of the Caribbean have sought to implement broadly-based social programmes. A notable example is Guyana's Social Impact Amelioration Programme (SIMAP) which finances small, short-term technically feasible projects for intended beneficiaries, mainly operating through a network of community groups, organizations and NGOs. Some of the projects include emergency cash disbursements, emergency employment programmes in construction, infrastructure building, small-scale farming, fishing and handicraft enterprises, feeding and nutrition programmes and technical and vocational training programmes. One weakness of this approach, however, is that these broad categories do not allow determination of the severity of poverty within the groups, and prevent optimal use of limited resources available for poverty alleviation. Optimal use of resources available for poverty intervention can only be achieved through systematic poverty measurement across the country.

Another example is the Jamaica's Social Economic Support Programme, an attempt at a comprehensive social programme. Its components were: temporary employment and income-generating projects, provision of credit to small entrepreneurs, expansion of the school feeding programme, and the provision and upgrading of basic social services. Preliminary data appear to indicate that under the Programme, 26,181 temporary jobs and 600 permanent jobs were created through loans to enterprises in the informal economy; 320 received specific skills training; 1,600 acres of forests were rehabilitated; six vocational training centres with a capacity to train 600 persons per annum were completed; an additional 5,000 school children were fed under the school feeding programme; and 3,500 needy students received assistance for academic expenses. It appears that the programme may have been adversely affected by a lack of sufficient information to accurately target the poorest.

### **Challenges of current poverty intervention approaches**

A shortcoming of some of the efforts of Caribbean governments has been the absence of system-wide monitoring mechanisms to evaluate the effectiveness of social programmes. Tracer studies to follow up on the fortunes of beneficiaries of such programmes are still not components of social intervention programmes. Jamaica is probably the only Caribbean country which has begun annual living conditions surveys to better inform policy makers on the conditions of the poor and enable the construction of an accurate poverty profile. In Trinidad and Tobago, a Living Standards Measurement Survey (LSMS) was carried out in 1990. There are plans to make this an ongoing effort with a view to assisting the more precise crafting of social programmes.

Another problem has to do with the management and implementation of social sector programmes. These are usually administered by central governments with the functions shared out to different line ministries and agencies which can result in overlap and duplication of effort. At the same time, serious omissions result from some objectives falling between ministerial responsibilities.

Greater decentralization of programmes may enhance their efficacy. It may reduce some of the problems identified with such programmes, such as politicization, over-bureaucratization, high cost and inefficiency. Effective delivery of social support could be enhanced through decentralization of activity to outreach workers in health and agricultural extension officers, for example, who know well those in greatest need. Caribbean governments are beginning to work more closely with NGOs which work at the "people" level. This trend should assist in the decentralization of social sector programmes in terms of both formulation and implementation.

## **Policy considerations**

### **Viable economic growth**

Drawing on the experience of the Caribbean and on studies carried out in other parts of the developing world by the World Bank and other institutions, a number of conclusions emerge regarding policies and measures for poverty reduction and about the effectiveness of targeted approaches used. This finding from a 1990 World Bank study is as applicable to the Caribbean as it is to other areas:

"While all studies reviewed treated economic growth as the most important prerequisite for poverty reduction; most of them did not identify growth strategies for poverty reduction instead; most studies follow a sectoral and targeted approach. Only a few integrate their analysis in a broader context including the macroeconomic policy framework and/or complementary sectoral and targeted policies and investments".<sup>3</sup>

The most important requirement in the poverty-reduction mix is the adoption of an appropriate combination of measures for creating the enabling macroeconomic and sectoral policy environment conducive to viable economic growth. Policy makers need to be well-informed as to the poverty effects of policy measures and instruments, for example, the effects of trade, pricing and export subsidy policies on growth and employment generation; the incidence of public revenue and expenditure policy; the scope for reforming tax policy and patterns of public expenditure to increase budget share devoted to agriculture and rural development, social sectors and basic infrastructure; more broadly the choice of policy measures for stabilization and adjustment and its impact on the pace and direction of change in poverty; and more narrowly the

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<sup>3</sup> Nancy Gillespie, Selected World Bank Poverty Studies: A Summary of Approaches, Coverage and Findings, December 1990, p.18. Much of this section draws on this paper.

poverty impact of alternative adjustment policies and of the scope within these measures for protecting the welfare of the most vulnerable.

### **Comprehensive approaches**

There may be scope for adopting a more comprehensive approach to poverty reduction which goes beyond the macro in examining the effects of policies on poor people to trace multisectoral strategies for poverty reduction, that stress implementation and institutional issues at the micro level. Such approaches could extend to examining the constraints on household responses to policy incentives and recommending complementary measures to improve response capabilities. Studies have been carried out elsewhere which have found, for example, that policies to increase the productivity of small holders and to create sustainable employment for the most vulnerable households were preferable to relying on transfers or general subsidies. In some cases, the household survey has been used for comprehensive analyses of the nature and effects of policies from the macro to the household level, with the objective of identifying adjustment and growth strategies for poverty reduction. Such studies have found that in some countries the poor have not benefited from public expenditures, have limited employment opportunities and have little or no access to credit, social security, health care, education and training. Some studies have recommended more efficient direct public service delivery via an emergency social fund. Comprehensive studies have not concentrated on income and consumption transfers alone, but have included specific initiatives to generate income-earning opportunities for the poor.

### **Targeted approaches**

Then there are the sectoral or targeted strategies for poverty reduction - dealing with specific sectoral interventions and with programmes targeted at poor people. A number of these focus on social sectors, expenditure efficiency and incidence issues in service provision. They also ought to pay attention to the demand for social services, an area which has not received enough attention. One approach identified the priority problems of the poor and presented a methodology to rank alternative ways of addressing them. The study on which this was based recommended a strategy to reduce illiteracy and improve family planning services, coordinated with programmes to increase the basic health, nutrition and income prospects of the poor. Some countries have devoted a lot of attention to identifying immediately implementable interventions to protect the vulnerable, as an immediate practical measure to a particular crisis, with deliberately little direct relation to policy issues or long-term sustainability.

### **Role of government**

Cutting across the three types of strategy are four issues which policy makers must grapple with. These are the role of government, financing of poverty reduction, institutional and organizational issues and reaching the poorest of the poor.

Governments have a distributional role - improving equity through redistribution, probably at the aggregate level of public expenditures; some studies which explore the distributional

implications of public policies and programmes have found that they may be fundamental to explaining poverty.

There appears to be a role for government in coordinating poverty reduction efforts - in ensuring that the sum of separate efforts at reducing poverty add up to a coherent whole. There is also a role for government in implementing programmes to provide social services, infrastructure and productive inputs and services needed to help the poor participate in growth. Social service provision includes ways of improving the delivery, coverage and quality of primary education, vocational and literacy training and preventive health, nutrition and maternal and child health services. Studies have found, for example, that a number of efforts are overly centralized and fail to reach the rural poor. In this regard, there may be room for greater governmental support for improving community coordination with informal or NGO-supported education, population and health services. Not only NGOs, but also the private sector may have a role in working with governments on a number of these efforts.

An important role has been identified for governments in providing a safety net for the poorest, although there remains a question as to how this net should be targeted, there being some support for including not only the poorest, but also those hurt most by economic crisis.

### **Financing**

Unfortunately, only a few poverty reduction studies or recommendations indicate the financing implications of recommended programmes or strategies. Among sources or means of finance identified are cross-sectoral and intra-sectoral resource reallocation to finance programmes in the social sectors, more efficient social service delivery and external donor assistance, cost recovery (user fees) and careful attention to subsidies.

### **Organizational issues**

The third area is that of institutional and organizational issues, the primary focus being on the efficacy of service delivery. This includes: institutionalizing local participation in programme or project design and management, tailoring the product mix and delivery to the needs of specific population groups, ensuring cross-programme coordination of service delivery, decentralizing bureaucracy and improving service targeting.

### **Reaching the poorest**

Reaching the poorest of the poor often involves targeted employment schemes and the provision of nutritional surveillance and nutritional supplementation with a view to addressing their basic survival and income requirements.

Much of the work carried out on poverty reduction and most of the approaches adopted for poverty reduction devote far more attention to improving the human resources of the poor and to devising short-term social safety nets for the poorest, than to identifying strategies to raise the incomes of the poor. Studies need to be undertaken to explore the determinants of poverty and

not only the access of the poor to welfare-enhancing goods and services. Particular priority should be given to analyzing the links between economy-wide policies which affect growth in employment, functioning of the labour market, role of complementary public expenditures and investments, and poverty.

## Conclusion

The policy conclusions contained in the 1990 Human Development Report, based on a number of country analyses, constitute six useful policy lessons, all of which policy makers in the Caribbean would do well to heed:

"First, growth accompanied by an equitable distribution of income appears to be the most effective means of sustained human development ... . Second, countries can make significant improvements in human development over long periods -- even in the absence of good growth or good distribution -- through well structured social expenditures by governments ... . Third well-structured government social expenditures can also generate fairly dramatic improvements in a relatively short period ... . Fourth, to maintain human development during recessions and natural disasters, targeted interventions may be necessary ... . Fifth, growth is crucial for sustaining progress in human development in the long run, otherwise human progress may be disrupted... Sixth, despite rapid periods of GNP growth, human development may not improve significantly if the distribution of income is bad and if social expenditures are low."<sup>4</sup>

There is a need for a greater Caribbean consensus on social issues, involving NGOs, governments, unions, private sectors, subregional organizations and the international communities. It is expected that the World Summit for Social Development will play a role in bringing about such consensus.

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<sup>4</sup> See World Bank, Poverty and Development: The Human Development Report and The World Development Report, 1990, March 1991, p.13-14.

#### IV. EXPANSION OF PRODUCTIVE EMPLOYMENT IN THE CARIBBEAN

##### Introduction

Economic policies implemented in the Caribbean after independence created employment largely through the provision and delivery of public services financed by government revenues, the availability of which is sensitive to changes in prices and shifts in demand for commodities exported by the countries. These economic policies proved unsustainable in the latter part of the 1970s and throughout the 1980s with the decline in the prices of and demand for the primary commodities exported by the countries of the subregion, and the continuing decline in financial resource flows to the subregion.

In their efforts to adapt to new global economic realities, Caribbean countries adopted economic policies which were geared towards low budget deficits, lower levels of inflation and sustainable balance of payments positions. The widespread implementation of these policies brought about a process of reallocation of resources, which resulted in an increase in the levels of unemployment in the subregion as well as a decrease in real wages.

##### Some characteristics of unemployment in the Caribbean

As is the case with the poverty situation, statistics on unemployment in the Caribbean are not easily available nor are they always up-to-date or very reliable. There is nonetheless widespread consensus that a large backlog of unemployment is perhaps the most important economic and social problem facing policy makers in the Caribbean, and that this problem may have been exacerbated, at least in the short to medium term as a result of economic recession and measures of economic adjustment adopted in some countries in recent years, including divestment and privatization and reductions in government expenditures. It is also widely accepted that there is a strong positive correlation between poverty and unemployment and that a significant expansion of opportunities for productive employment must be an essential component of any strategy for poverty reduction in the long term. More active policies for the expansion of employment opportunities must be an essential part of the armoury of Caribbean policy makers.

The characteristics of unemployment in the Caribbean bear a close resemblance to those discussed above in relation to the poverty situation, and both of these have a strong relationship with some of the characteristics discussed under the social integration section of this paper. Unemployment rates ranged between 15 and 25 per cent in a number of Caribbean countries in the latter part of the 1980s. For example, in 1989 unemployment rates reached 15.6 per cent in Barbados, 15 per cent in Belize, 18.5 per cent in Jamaica and 22 per cent in Trinidad and Tobago. Female and youth unemployment were generally much higher than male unemployment in the Caribbean. In Barbados, 19.8 per cent of the female labour force was unemployed in 1989 while only 11.1 per cent of the male labour force was unemployed in the same year. The same situation existed in Trinidad and Tobago in 1989 with 24.5 per cent female unemployment as

against 20.8 per cent male unemployment. Also in Trinidad and Tobago, 15 per cent of the unemployed in 1992 were in the 15-19 age group while 27 per cent were in the 20-24 age group.

There was also evidence of the existence of a substantial amount of underemployment in the subregion. For example, underemployment was estimated at 20.3 per cent in 1989 in Trinidad and Tobago with female underemployment at 22.3 per cent and male underemployment at 19.4 per cent.

Given the limited social protection available in the Caribbean, unemployment contributed to the increase in poverty experienced by the countries with particularly negative effects on the most vulnerable groups in society, that is, youth, women, the old and the disabled. Also, it contributed to the expansion of informal sector activities in the countries and encouraged emigration to Europe and North America. In regard to the informal sector, there were significant levels of informalisation of work in Barbados, Jamaica and Trinidad and Tobago. In 1990, the informal sector is estimated to have accounted for 11.7 per cent of total employment in Barbados, 37.5 per cent in Jamaica and 21.7 per cent in Trinidad and Tobago.<sup>5</sup> The extent of the informalisation of work in countries of the Caribbean suggests that unemployment rates may understate the extent of open unemployment, as large segments of the labour force may be engaged in self-employment in agriculture and in the urban or rural informal sectors. Improving conditions of work in the informal sector and, where possible, integrating it within mainstream employment activities constitutes an aspect of the challenge facing policy makers.

That the Caribbean has endured very high rates of unemployment has been attributed to the prevalence of the extended family system, the continuous flow of remittances from relatives abroad, the possibility of outward migration and in some countries a kind of social safety net. However, there is evidence that the extended family system is being eroded by urbanization and by changes in occupational structures; the possibilities of migration have been fewer and the social safety net may have narrowed. There is the possibility that continued very high levels of unemployment, at about 20 per cent or more of the labour force, could become increasingly difficult to tolerate and could lead to increased anti-social behaviour.

In their efforts to mitigate the social effects of structural adjustment, a number of the countries have put in place special employment and training programmes especially targeted towards the unemployed, youth, women and the disabled. For example, in the case of youth, Trinidad and Tobago established the Youth Employment and Training Partnership Programme (YTEPP) in 1988, the Youth Employment Support System (YESS) and the Apprenticeship for Industrial Mobilization (AIM) in 1990. All these schemes were geared towards making the youth more employable. The establishment of Export Processing Zones (EPZs) in Jamaica, Saint Lucia and the Dominican Republic contributed to employment creation in those countries and alleviated their unemployment problems to some extent, even though doubts have been expressed regarding

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<sup>5</sup> See Ralph Henry, *Unemployment in the Caribbean: Reversing the trends in the 1990s*; paper prepared for ILO/ECLAC, November 1993.

the quality of the jobs so created and the overall contribution to economic development of these enterprises.<sup>6</sup>

### **Stimulating economic growth**

While in itself insufficient, a vibrant growing economy is a sine qua non for the significant expansion of opportunities for productive employment. It is an essential element of the required enabling environment. There is convincing evidence from a number of countries (in particular countries in East Asia) of the positive correlation between economic growth and employment expansion; as there is in many countries of the world (developed and developing) of the adverse consequences for employment resulting from declining economic growth.<sup>7</sup> The major challenge facing policy makers everywhere is to ensure that macroeconomic policies conduce to the highest possible levels of economic growth and that all the essential elements to achieve this are put in place. This requires action on measures to increase national savings, to facilitate and encourage investment (national and foreign), to actively encourage export development and export promotion, and to properly manage the external debt and the balance of payments.

It is also clear that economic growth cannot be relied on exclusively to provide the levels of employment expansion which are required:

(a) The large extent of structural unemployment in the countries of the Caribbean would require very high levels of economic growth which may not be attainable in the short to medium term;

(b) The nature and sources of economic growth may not necessarily have a high employment impact;

(c) Measures which may be put in place to correct long-standing imbalances in the structure and functioning of the economies may have adverse consequences for employment in the short to medium term;

(d) There are a number of policies at the sectoral, micro and institutional levels which may need to be put in place, involving the public and private sectors, and the rest of the non-governmental community, which may be essential elements of any concerted approach to dealing with the large challenge of unemployment; and

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<sup>6</sup> See UN-ECLAC/CDCC Export Processing in the Caribbean: Lessons from Four Case Studies. 1994

<sup>7</sup> Oil-driven economic expansion in Trinidad and Tobago which brought about an average rate of GDP growth of 6% in the latter part of the 1970's, produced a decline in unemployment from 15.4% in 1973 to 9.9% in 1980.

(e) The task may be made even more difficult through the operation of factors, such as high population growth, increases in labour force participation rates and the effects of changes in technology.

### **The international context**

The open and dependent nature of the economies of the Caribbean ensures that the economic climate is in large measure dependent on the international economic environment. Vibrant economic growth in the developed countries, access to international markets, removal of trade barriers, increased inflows of investment and financial capital and expansion of international credit are all features of the international economy, which conduce to economic and employment growth in the developing world. Existing preferential trade arrangements (Lomé Convention, CBI, CARIBCAN) already provide Caribbean countries with avenues (as yet underutilized) for targeted export development and export promotion and for employment expansion. The efforts of Caribbean countries to seek special arrangements in regard to the North American Free Trade Agreement (NAFTA), the efforts of some countries to increase trade and economic cooperation with countries of Latin America, and the recent interest in an Association of Caribbean States, reflect increasing awareness on the part of Caribbean governments of the potential beneficial impact on economic growth and employment expansion as a result of expanded opportunities for international trade. The overall expectation is that an open international trade regime and appropriate policies and adjustments at the national level will conduce in the long term to increased economic growth and increased opportunities for the expansion of productive employment.

This expectation may in part be justified on the basis of the experience of the countries of East and South-East Asia, where high and sustained growth rates led to full employment, rising real wages and significant reductions in poverty. Basic features in this performance were: the priority that was accorded to the exploitation of world market opportunities; a welcoming attitude towards foreign investment and technology; strong support to the private sector, continuous enhancement of competitiveness, investment in infrastructure and human resource development, and policies to expand employment and reduce poverty.<sup>8</sup>

### **Policies for employment expansion**

If it cannot be assumed that employment growth is a natural or easy consequence of economic growth, it is true that more than ever before there is the critical need for the adoption of active policies of employment expansion -- policies and strategies which are explicitly pro-employment, which are designed in full recognition of their employment impact and which are tailored to the specific circumstances of individual countries and the structure of their economies.

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<sup>8</sup> See ILO, Contribution of the International Labour Organisation to the first substantive session of the Preparatory Committee for the World Summit for Social Development, 1994.

If it is true that the generation of productive and remunerative employment is the major preoccupation of Caribbean policy makers, this needs to be further evidenced in the design and implementation of additional measures for direct employment creation and by policy interventions aimed at stimulating growth in employment intensive sectors or industries. Plans and policies need to be formulated and implemented specifically to address this problem.

This process calls for action in a number of areas, including designing and implementing industrial policy to help identify and support new or potentially dynamic sectors of the economy and to encourage investment and employment expansion in these sectors; and establishing an institutional capability to provide continuous attention and human resource support to employment expansion and other employment issues. Institutional capacity needs to be put in place to carry out data collection and analysis, to carry out action oriented work on labour market issues, to contribute employment-related inputs into integrated national policy to deal with poverty and unemployment, to conduct action-oriented research on and monitoring of the informal sector, to monitor the situation and make proposals relating to retrenched or displaced workers, and to assist in identifying manpower requirements and employment impacts of policies, plans and proposals.

Considerable attention has been given in recent times to the role of small and micro enterprises in employment creation and there is no doubt that these will constitute an essential component of overall employment growth in the future, although there is some debate as to whether or not such enterprises form part of the informal sector. Small and micro enterprises may have the potential to comprise a significant component of the response to the employment challenge in developing countries, such as those of the Caribbean. Most of these countries have taken action towards the provision of a supportive infrastructure for the stimulation of small business activity, and towards provision of greater access to financial credit, training and technical assistance, long held to be among the prime constraints on the growth of this sector. An ILO study of one Caribbean country found that there was need for greater focus and concentration of effort on the prime movers in the sector and on ways in which they could be motivated and supported. The study called for a "concentration strategy" to stimulate growth of small and micro enterprises in the agricultural sector, in particular.

Since measures of growth stimulation, institutional capacity-building and reorientation of approaches to policy and planning may take time, and policy-makers face an immediate problem of job-creation for reasons which are social and economic, consideration needs to be given to additional supplementary job-creation measures. In regard to such measures an ILO paper states:

"It should be emphasized that these are supplementary or compensatory measures. They can alleviate some of the worst symptoms of unemployment and poverty, bringing some of the most vulnerable groups in the labour market into productive employment for at least short spells. As such, they have an important role to play, and can in some circumstances, make a lasting contribution to the reduction of unemployment and poverty. But they do not by themselves provide long-

term solutions to the employment problems, and are certainly no substitute for sound economic and labour market policies ..."<sup>9</sup>

There appear to be examples of the successful implementation of such programmes (often linked with targeted antipoverty programmes) in a number of developing countries. In India, for example, the ILO points to "the generally positive role of these special employment programmes ... in particular in mitigating the social effects of the structural adjustment programme initiated in 1990-1991". Mexico's National Solidarity Programme, for example, seeks directly to increase the earnings potential of the poor through credit or the allocation of resources to targeted groups, including indigenous people's or women's organizations. These activities are complemented by the provision of food and social services and by infrastructural programmes. Bolivia's emergency social fund provides funds for small labour-intensive projects targeted at the neediest sectors, and receives extensive overseas donor support. Special employment programmes have also been attempted in countries of the Caribbean, although information on their impact is not yet available.

There may also be a role for special works programmes. The ILO argues that employment-intensive works programmes can have considerable employment and income generating effects, given the importance of the infrastructural sector in most developing countries:

"... correctly designed policies and programmes provide for the long-term as well as short-term impact on the poor, involving not only the productive use of labour in the construction phase, but also the creation of productive assets and social infrastructure. Achieving these results requires careful attention to managerial capacity in the public and private sectors, the elimination of macro and micro-level biases in favour of equipment-intensive construction methods, and the application of innovative policies and modalities to promote the participation of the target population... Recent experience indicates that (this approach) could now become a mainstream method of implementing infrastructural projects ...".

In the matrix of measures for the expansion of productive employment, action to increase labour productivity, to improve human resources development and industrial relations are also of the utmost importance. These are discussed below.

### **The productivity of labour**

For Caribbean countries to take advantage of the global economy in which they operate and be in a better position to compete both in local and international markets, measures will need to be taken to increase the productivity of the labour force and adapt it to the new imperatives of labour markets which are characterized by higher demand for skilled and semi-skilled workers.

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<sup>9</sup> See ILO, Towards full employment, 1994.

An increase in the productivity of the workforce leads to increases in wages and employment when it results in higher investment and growth. Wages cannot be allowed to rise faster than productivity since that will erode the competitiveness which is not in the long-term interest of the economies. Therefore, increases in wages have to be closely linked to increases in productivity.

To improve productivity, there is need to improve the quality of business capital and the quality of the labour force, and to promote the timely introduction in the production process of improved technology and protection of the environment. Governments have an essential role in providing the needed physical infrastructure.

An increase in the quality of capital in the economy can only come about through an increase in investment and this requires increases in and better allocation of private savings, public savings and foreign capital. Reform of the financial systems in the subregion, including the institution of better rewards for private savings could result in an increase in private savings and a better allocation of those savings. Foreign capital should be used to finance productive investment yielding good economic returns, so as not to result in debt burdens which are beyond the countries' capacities to repay, and the management of public finance should aim at achieving sustainable fiscal positions.

#### **Human resources development and employability**

As is evidenced in the development performance of the most successful developing countries, continuous and focused attention to improvement in the quality of a country's human resources is an essential component of national development strategy; and many commentators have pointed to the need for more focused efforts in this direction in countries of the Caribbean. If for no other reason, the skill capabilities of the labour force must be adaptive and responsive to new and dynamic sectors of the economy, and to the changing circumstances and requirements of the international economy.

The production of goods of high standards for both domestic and world markets will require a highly trained work force. The provision of training should include the unemployed, displaced or retrenched workers and those who are coming into the job market for the first time. It should also include employees of small- and medium-scale enterprises and those working in the informal sector. In addition, systems of finance for training purposes should be established. The education system should be reformed with a view to rendering it better able to respond to the needs of changing production structures in the economies of the subregion. The State may have a special role in taking measures to encourage private training programmes, or in otherwise arranging for the provision of necessary training.

The participation of women in the labour force which is already increasing in the Caribbean should be encouraged further through policies especially designed for the needs of this sector of the population, including the removal of all forms of discrimination with regard to access to education and work. Training the unemployed should be geared towards equipping

them with the necessary skills to join the work force as soon as possible. These skills should correspond to those in demand in the expanding sectors of the economy and should also facilitate self-employment. In view of the extent of the problem of teenage pregnancy in the Caribbean, there is also a need for education and training specifically tailored to the requirements of teenage mothers, and orientated towards facilitating their return to school and equipping them to become productive members of society.

First-time comers to the job market lack the experience which may be required for selection for a particular job. It is important to provide these newcomers to the labour market with in-house training or internships to give them the opportunity to acquire more marketable skills. This type of training will be particularly useful for young men and women who would rather have a job than continue their education for a variety of reasons including family circumstances. These newcomers should also be encouraged to become self-employed through the provision of training in business management, special technical skills and assistance in accessing finance. It would also be useful to establish job search assistance programmes to help both the unemployed and the newcomers to the job markets to locate appropriate employment.

The training of people engaged in informal sector activities should be geared towards improving their operations as well as giving them the opportunity to acquire the skills which will make them employable in the formal sector. Because of their low income levels and their dependence on vending, informal sector employees should be provided with the opportunity to earn incomes in the course of their training, through the sale of products they may be making and through access to credit.

### **Need for social consensus**

There may be need for greater national dialogue and consensus involving the major parties which have a role in working towards employment expansion -- this includes the government, other political parties, the business sector, the unions, NGOs and community-based organizations. It is now widely accepted that community participation, empowerment and management can make for more efficacious delivery of social services and thereby contribute to human development. Such social consensus may also prove to be useful in dealing with aspects of the unemployment problem, including possibilities for employment expansion.

Improved industrial relations contributes to the building of social consensus -- it is also an important prerequisite for raising labour productivity and for improving the industrial climate. These are critical elements in improving the climate for domestic and foreign investment and for promoting the creation of productive employment through this route. It is extremely important for employers, labour and government to cooperate effectively in the often difficult task of resolving competing claims for resources within the inevitable financial constraints, while taking due account of the genuine interests of the parties involved.

## **Conclusions**

The expansion of productive employment calls for policies and measures to bring about vibrant economic growth as well as more direct approaches to employment generation. It requires that employment expansion and the employment impact of policies and measures be accorded a position of pre-eminence in their design and implementation, and it also requires that the appropriate institutional capacities be put in place for effective monitoring of the employment situation, and the engendering of an employment consciousness in all aspects of policy making. Active attention needs to be paid to designing and implementing targeted approaches to employment expansion, including possibilities for bringing the informal sector into the mainstream of economic and employment activities, the pre-requisites for expansion of the small and micro-business sector, and the scope for supplementary measures such as special employment programmes. The expansion of productive employment also requires that attention be given to the scope for increasing labour productivity, for improving human resource development and for providing an industrial relations climate conducive to increasing national and foreign investment and employment creation.

While recognising that given their increasing market orientation, Caribbean governments are not in a position to function in the role of employer of last resort, it is undeniable that there remains a strong governmental responsibility to assist the process of employment expansion in every way possible.

## V. ENHANCEMENT OF SOCIAL INTEGRATION IN THE CARIBBEAN

### **The concept of social integration**

Social integration addresses the extent to which categories or groups of people are incorporated as equals into society. It embraces equality of opportunity: every citizen should have the opportunity to benefit from, and contribute to, conditions of life, including health and nutrition, education, housing, human security, employment, income, social and cultural comfort, and participation in economic and social development. The objectives of expanding productive employment and reducing poverty are inextricably linked to the promotion of social integration.

Social integration is not about eliminating differences, but requires that different groups live together in productive and cooperative diversity - within national borders and within the region and the "global village". In the Caribbean the differences are many, and the subregion has lived with most of them throughout its history; but there are marginalized segments of society and there is a degree of social disintegration which needs to be addressed. Social integration is built on a feeling of inter-connectedness on the part of individuals, and groups in society and has various dimensions:

(a) The socio-economic dimension: indicators for this dimension are the number of persons or households living below minimum levels of income or consumption; inequality of incomes and privileges; various forms of discrimination and inequality of opportunity;

(b) The cultural dimension: when cultural world views and practices become the basis for inclusion or exclusion of groups of people in the political, socio-economic or cultural processes of a society, then culture becomes an important aspect of social integration.

(c) The political dimension: this calls for empowering of the marginalized groups and the participation of people at all levels. Political management in a plural society faces numerous challenges arising out of the competing claims of different classes, ethnic groups and political actors.

### **Disadvantaged and marginalized groups in the Caribbean**

These groups have a limited sense of inter-connectedness and little capacity to participate in the construction of social cohesion. Social cohesion and social integration are major elements of social development and both involve participation or non-exclusion; it is measured not only by the extent of access to opportunity but also by the extent of inclusion, acceptance, participation in and control over the institutions and processes of societal life, be they socio-economic, cultural or political.

The Social Summit challenges countries in the Caribbean subregion to define and agree upon a set of criteria for measurement of social integration, and to follow through with the

appropriate collection of data and research which will allow such measurement. The extent of the disparity between groups of people living in the same society has to be an essential criterion. We will wish to measure both the access of groups to opportunity and the outcome of having such access. For example, it may not be sufficient to determine how many students from a rural community attend a primary school -- we may also need to determine the quality and relevance of the schooling received compared to other groups in the society.

There are many social groups in the Caribbean which can be described as being in some way marginalized or otherwise disadvantaged. We consider the very poor and the unemployed, women, young persons, and people who live in rural areas to be among the most disadvantaged and most vulnerable; and in addition to these we consider indigenous persons, the displaced, and the disabled to be among the disadvantaged or marginalized<sup>10</sup>.

### **The most vulnerable groups**

#### **The very poor and the unemployed**

It was observed above that there are more than 10 million poor people in the Caribbean, Haiti alone accounting for half of that number and the Dominican Republic one third. Among the other countries, Trinidad and Tobago, Jamaica and Guyana, have significant numbers. This group of economically disadvantaged has increased throughout the 1980s and early 1990s. Impoverishment has increased, especially in those countries which increased the pace of their structural adjustment programmes in an attempt to increase productive efficiency and competitiveness.

The poorest, despite their access to political power, might not be in a position to use it to influence decision makers to improve their short or long term status; their access to economic power from income earned through employment is diminishing. Their access to education is limited and their access to quality health is decreasing as the cost of such care increases.

Poverty has fallen heaviest on the unemployed, who constitute a very vulnerable group. Unemployment rates in the Caribbean are very high, varying between 15 and 25 per cent. Female unemployment is twice as high as that of males; and in all countries the unemployment rate is highest among young persons. People are unemployed for various reasons: they may lack education, skills and training required for filling employment opportunities; their labour may have become redundant due to displacement by technology or by retrenchment; or they may have opted out of the labour force.

Concerted multi-sectoral efforts need to be made towards active strategies for the expansion of productive employment, for reasons which are routed in the requisites of economic as well as social development.

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<sup>10</sup> Rastafarians and the illiterate may also be considered to be disadvantaged or marginalized groups.

## Women

Caribbean women at the tenth anniversary celebrations of the Women and Development Unit of the University of the West Indies declared, "ten years ago we were seeking recognition and integration. Today we are seeking transformation and emancipation". The women's movement in the Caribbean has moved beyond issues of equality with men and the integration of women in development to a vision of the transformation of the Caribbean as part of "a world order where inequality based on class, gender and race is absent from every country, and from relationships among countries".

Women in the Caribbean however, continue to be marginalized in the economic sphere: through their involvement in the informal sector; through their pauperization, caused by unemployment and underemployment; the increasing burden of unwaged work; and in the social sphere through the threat to their safety (from domestic and other forms of violence). They have also not yet achieved political power commensurate with their numbers. Poor women are especially disadvantaged in the Caribbean where a majority of households are headed by women and depend on women for their survival. Women's access to economic power is adversely affected by factors such as: lack of marketable skills; continuing gender bias in wage scales; high levels of unemployment or underemployment; gender bias in credit facilities; education and training programmes which leave women trained in low-wage skills; and involvement in unwaged work.

Urban unemployed women heads of household may constitute a special sub-category. The number of households headed by women is increasing and ranges between 20 - 70 per cent in the countries of the Caribbean, particularly in urbanized areas, where direct access to proceeds from subsistence activity in the communities is absent. Gender relations tend to be more conflictive and violent in these areas. Accompanying pressures of living conditions, including housing and unemployment in particular, and lack of community support and social cohesion aggravate their situation. While employment opportunities for women are particularly scarce in most countries of the region, women heads of households in urbanized contexts are highly disadvantaged, as many households depend on them for their survival.

## Young persons

The West Indian Commission concluded in 1993 that "many youth feel powerless in a world dominated by adults, in which they are not listened to and over which they have no control"<sup>11</sup>. Factors in this feeling of alienation are: the failure and inadequacy of the education systems, drug addiction and drug trafficking, destructive forms of peer pressure, over-exposure to the temptations of the ever growing consumption society and changing gender relations.

Male youth constitute a special problem. In regard to this group concern has been expressed regarding the high incidence of school drop-outs, the trends in functional illiteracy, the

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<sup>11</sup> Time for Action, Report of the West Indian Commission, 1993.

numbers who are unemployed, the growing incidence of youth criminal activity and drug-related activities. From the youth themselves, complaints can be heard of inadequate mechanisms for their voices to be heard; our sociologists point to the dangers from the feminization of the school system, (through the predominantly female teaching force and predominantly female enrolment). Other concerns relate to the role of the male in family life and the high incidence of death from HIV among young men in the region.

Unemployment rates among Caribbean youth are extremely high. Census data for 1991/1992 for Antigua and Barbuda, Grenada, Saint Vincent and the Grenadines and Trinidad and Tobago indicate average rates of unemployment among the 15-19 age group of 21.3 per cent, 38.0 per cent, 47.8 per cent and 62.7 per cent, respectively. In each of these four cases, unemployment rates among females were higher than the average for both sexes.

Male youth are powerless and voiceless. Their access to economic power through wage labour is diminishing; their options are self-employment in the formal or informal sector for which they are not adequately prepared, or illicit income earning activities for which they are punished. They have generally been failed by the education system. Their drop-out rate is very high and they lack numeracy or literacy skills. Where they remain in school they are falling behind the females of similar ages and income levels. The health of the young male is under threat from lifestyle diseases such as HIV/AIDS.

In many countries of the Caribbean, unacceptably high rates of adolescent pregnancy constitutes a distinct problem. This stems from: limited and inadequate education facilities, especially at the secondary school level; the resultant large proportion of young persons which is out of school; high levels of youth unemployment; delinquency and drug related problems; and changing attitudes and values towards early sexual exposure and child bearing. This constitutes a serious problem, in particular lowered living standards among teenage mothers and consequential economic deprivation suffered by teenage mothers and their children. Teenage motherhood can create a burden on the family for child-rearing and financial support, and on the society for the provision of medical, food, health and housing subsidies.

Street children also comprise a distinct segment of disadvantaged youth. Their numbers are increasing in some countries and this constitutes a problem which warrants special attention.

Fortunately programmes have been implemented in some countries to stem the tide towards alienation and marginalization among young persons. SERVOL in Trinidad and Tobago is an example of a programme which works towards the reincorporation of disadvantaged youth into society. A similar programme is offered for young persons at the MASSADE Training School in Saint Lucia.

## **Other vulnerable groups**

### **Indigenous people**

There are societies in the Caribbean with large ethnic diversities, in which ethnicity is sometimes a factor in social dissension. For present purposes however, perhaps indigenous persons constitute the most marginalized and disadvantaged ethnic group. They have been described as one of the most disadvantaged groups in the New World; and their numbers are rather larger in Dominica, St. Vincent and the Grenadines, Belize, Guyana and Suriname. Their levels of political representation, land rights, and participation in the wider society are issues which call for greater attention. The West Indian Commission found that the aboriginal peoples inhabit in general the lower levels of poverty - their right of the vote does not translate into power for them where it matters, and their representation at the highest levels of decision making is minimal.

### **People who live in rural areas**

Although the rural/urban dichotomy may not be uniformly sharp throughout the countries of the Caribbean, researchers point to the fact that people in rural areas evidence a higher incidence of unemployment and poverty. Evidence also suggests that these groups bear the brunt of unemployment and falling real incomes and are the principal victims of economic deprivation. In Trinidad and Tobago it has been noted that "urban/rural balances in the country while not as stark as in many countries, require attention in order to promote better spatial balance and more inter-racial harmony". In most countries health care facilities in the rural areas are inferior to those in the urban areas where most of the secondary and tertiary health care facilities are located.

In general it would be true to conclude that rural persons suffer from less access to government services, less access to health, education and water services and make up the majority of the poor.

Small farmers in rural areas may be a particularly disadvantaged group - they are adversely affected by systems of land titling; they have limited access to fertile land in convenient locations; and often work under difficult conditions, on hillsides and in remote areas.

### **Displaced persons**

Some countries of the subregion have had to deal with the phenomenon of migrants and displaced persons in new environments. Many of these persons remain as illegal immigrants and are used as cheap labour with no rights or social protection. In the Caribbean there are three countries which have had to cope with large numbers of displaced persons -- the Dominican Republic which has become home to some 30,000 Haitians, the Bahamas which are home to some 40,000 Haitians and Belize home to an unknown number of displaced persons from Central America.

To what extent they affect the social cohesion of their new states, and to what extent they are integrated into their new environments, are issues which may need to be explored.

### **The disabled**

Disability is defined by the World Health Organisation as any restriction or lack of ability to perform an activity in the manner or within the range considered normal for a human being. World statistics reveal a gender differential in patterns of disability. Men are more likely than women to be disabled in their 20's, 30's and 40's due to violence or accidents; and in the case of women, because of their longevity, disability rates increase rapidly in their later years.

Evidence in the Caribbean points to the disabled as having less access to education, less access to health and rehabilitation services and little political power.

It has been argued that in many respects, the disability rate is a socio-economic indicator, a type of human development indicator. It is unique in that it has a bearing on the quality of life of survivorship, or of persons who continue living with significant modifications of function. Lower socio-economic status and higher poverty levels are associated with higher disability rates, e.g. higher illiteracy rates, poor nutritional status, lower immunization coverage of children, low birth weight babies, higher unemployment rates and lower occupational mobility. The study of disablement can provide a unique perspective on the long-term consequences to individuals and their families of functional loss from disease, accident, trauma and deprivation.

### **Drug addicts and HIV infected**

The problem with drug-addicts (and former drug addicts) and the HIV infected is mainly the social stigma which they carry with them and in general the incapacity of society to re-open doors for their integration and participation. Some member States have, however, put programmes in place or supported non-government programmes geared towards facilitating this process. Churches have contributed to addressing related problems. However, there may be scope for more concerted action.

### **Towards greater social integration**

The Caribbean, once belonging severally to various metropolitan nations, with which associations and linkages continue to exist, has achieved a high level of unity. Differences of various kinds both among and within nations in the subregion, sometimes causing tensions, have not led to massacres, miseries, violence and war as has occurred in other parts of the world. This is a subregion of rich and poor, of many races and ethnic groups, beliefs, cultures and religions, political convictions and other affiliations. Yet, the people of this subregion have drawn strength from their diversity, viewing their diversity as enriching, and have developed their capacity to live harmoniously.

This is not to say that processes of disintegration have not occurred. Both external and internal factors, mostly in the economic, political and administrative spheres, have influenced developments in the social sphere. In the economic sphere the subregion has suffered its crises. In the political and administrative spheres there have been various experiences of inadequate or poor governance and its effects on social services, human security and social life in general. As in other parts of the world, social relations in the Caribbean are being undermined by human suffering, caused by poverty, lack of access to productive employment, inequality, moral crises and structural changes in the lives of individuals and of micro social units such as the family.

The countries of the Caribbean need to take urgent action to address problems of social integration, and to give attention to dealing with the problems posed by the marginalized or disadvantaged groups. There is a role in this effort not only for the governments but for the private sector and the non-governmental community generally. Successful efforts in this direction will result not only in enhanced social integration but also more generally, in increased social and economic development.

### **The educated**

The rapid process of technological change, which has increasingly marginalized large groups of educated people who as a result have become unemployable in adequate ways, needs to be accompanied by simultaneous re-orientation and re-education of people. Some groups of educated people in the subregion find themselves facing new situations of purposelessness and redundancy, for which they cannot find explanations within themselves. This phenomenon needs attention. Retraining and adult education programmes in some countries have led to successes in this area.

### **Youth programmes**

Several countries have developed programmes which focus on the disadvantaged positions of young people. Most of these programmes offer youth apprenticeship and training, and also upgrading, follow-up and placement of those who have successfully completed them. Exemplary in this connection are "World of Work" in Barbados; Youth Training and Employment Partnership Programme (YTEPP) in Trinidad and Tobago, Fundashon pa Edukashon i Formashon di Fishi i Konstrukshon (FEFFIK) in the Netherlands Antilles and the Human Employment and Resource Training (HEART) programme in Jamaica.

### **Values**

For the purpose of enhancing social integration one of the most important requirements is to achieve a framework of shared basic values and common interests. The more diversity is tolerated and protected, the more unity is fostered. Interaction among diverse people is a positive force. The family is an ideal institution for the construction of shared basic values and common interests. While the establishment of Family Courts has been a positive factor, a further move towards integration would be the acceptance by governments of proposals to introduce a Family Code which recognizes all types of family structures. Basic values and common interests can be

promoted through the inter-faith services, as are held in some countries of the subregion with increasing frequency and where there is cooperation among religious groups.

Culture and sports have functioned as integrative forces in countries where differences in race, class and gender often tend towards disintegration. CARIFESTA and Cricket have shown for years how common shared values have allowed acceptance of diversity, at the same time fostering unity of a people.

Sports policies in some countries have built a fruitful basis for the development of sport in service of national integration, well-being and employment. Decisions taken at least in some countries to insert social modules into sports programmes, will contribute to social development and to imparting values. One interesting development is the use of sports as a vehicle for instilling social values, for personality development among sportsmen and women, promoting the need to excel, developing coping skills, and preparing for productive employment in sports.

### **Upward social mobility**

In the Caribbean social equity is closely related to colour, ethnicity and race. While privileges based on these criteria in some countries continue to cause unnecessary cleavages among groups in Caribbean society, some other countries have managed to reduce such negative social effects significantly. This has occurred as a result of upward social mobility of groups previously discriminated against on the basis of such values. Upward social mobility has taken place as a result of new and increased access to education and employment, particularly in the public sector in some countries.

Women, who as a group have suffered long-standing discrimination based on their traditionally subordinate position vis a vis men, have come a long way in integrating themselves into society on the basis of equal treatment, mainly as a result of policies and programmes to end discriminatory practices against them. Legislation has been enacted, access to and participation in employment, education, public services and other domains have opened up significantly in recent years.

### **Other developments**

Communication is an integrative force. In the Caribbean, language is particularly important in this regard. The move towards greater use of the local creole languages in some countries is worthy because of its potential integrative effects.

Among the disabled, advances made in preparing the blind for productive employment through increased application and use of sound-based computer work is an example to be followed. Such integrative action has been taken by the Society of Computer Users in Trinidad and Tobago and by other associations and groupings in the subregion.

A significant vehicle towards greater social integration might be offered by the recent establishment of "The Assembly of Caribbean People", which launched the initiative to bring

Caribbean people and organizations together for the purpose of addressing problems of unemployment, poverty and deteriorating life conditions.

Most disadvantaged or marginalized groups do not have the power to advance their own causes, but must appeal to social solidarity or the common interest. The Caribbean subregion has been fortunate in accommodating a large number of voluntary and non-governmental organizations, which have made significant contributions to social integration. There is room for increased support of the efforts of such organizations.

### **Avoiding economic decline**

In general, prolonged economic decline should be avoided as it will always tend to reduce the capacities of governments and others to provide social services, social protection and human security. When governments need to embark on structural adjustment programmes, for example, accompanying programmes to address its social effects are not enough. Economic adjustment programmes need to go hand in hand with programmes of social development.

Given the scarcity of resources, a priority for governmental action is support for the development of self-help organizations which provide services and work with governments to improve public services. Governments can be instrumental in establishing an appropriate climate in which such institutions and initiatives can flourish. However, failure of institutions, State or non-State, to safeguard the interests of all citizens, irrespective of race or ethnicity, creed or belief, economic power and powerlessness, may encourage tendencies towards social disintegration.

### **Migration**

Migration has potentially significant effects on social and economic development, one of which is its impact on social integration. Caribbean countries have lost large proportions of their populations through net migration. This applies to the relatively larger countries of Cuba, Dominican Republic, Haiti, Puerto Rico and Jamaica; but it applies to an even larger extent to the smaller countries of the Eastern Caribbean: Grenada lost 56% of its population through net migration in 1980, Montserrat 65% and St Kitts and Nevis 60%. This resulted in several of these countries maintaining stable or declining populations. The volume and pattern of outward migration appear to have been prompted by multiple factors: political crisis, economic forces (poverty and limited employment opportunities), "culture of migration", international linkages to cultural and kinship networks, and changes in immigration policies in destination countries.

Migration has potentially adverse consequences for social integration. It has adverse consequences for the family as a majority of Caribbean migrants are female, consisting of large numbers of young women. It has adverse consequences for youth and children and is a factor in increasing rates of delinquency. Migration causes a net loss of skills, and human resources at the professional and managerial levels, which is a serious cause of concern from the standpoint of the countries' long-term economic and social development.

There are implications for social integration of returning migrants, in terms of the extent to which their skills and other resources can be effectively utilized in the society, and the extent to which they are themselves socially reintegrated into the small societies of the Caribbean.

There is also the problem of illegal immigrants which is an especially significant problem in the very small countries such as the British Virgin Islands, Turks and Caicos Islands, United States Virgin Island, St Marteen and the Netherlands Antilles. In the case of the British Virgin Islands one-third of the population consists of immigrants, mainly from other countries of the Eastern Caribbean. Apart from the potentially adverse effects on social cohesion, such trends can lead to problems of assimilation and political empowerment. The presence of large numbers of illegal immigrants can make large demands on economic, education and social services of these very small countries.

More research is needed on the causes and consequences of migration and on the effects of the human resource losses on the economies and societies of the Caribbean. It may be reasonable to assume however that vibrant economic growth and an expansion of opportunities for employment and participation will effect a significant reduction in its magnitude.

## **Conclusion**

There are issues of social integration in the countries of the Caribbean which require to be dealt with so that their potentially adverse consequences for economic and social development can be avoided. Special efforts are urgently needed to address the problems of the very poor, the unemployed, women and young persons, with a view to integrating them into the mainstream of economic and social life, and to provide them more equal opportunity to contribute to and benefit from society, as well as the opportunity to realise their fullest potential for human development.

Other groups are also relatively marginalized or otherwise disadvantaged to a greater or lesser extent -- among these are the indigenous, disabled and displaced, and persons who live in rural areas, which groups may be excluded from the mainstream. These groups may be deprived of the opportunities and responsibilities which would derive from fuller participation in society.

It is the responsibility of all the mainstream and organized groups - government, business, unions and other non-governmental organizations to collaborate in the reduction of disintegration which deprives the entire society of harmonious interpersonal and inter-group coexistence, and of the potential richness of a society which is integrated though consisting of groups which are various; of a society characterised by unity in diversity.

Development of a capability to measure the extent of social integration of groups in society is a desirable goal for policy makers in the subregion. Such measurement would provide planners with identifiable signals of tendencies towards disintegration or marginalization, and allow them to make decisions which take explicit account of such tendencies with a view to reducing them, and increasing the scope for human development.

## VI. CONCLUSION

### The Social Summit and overcoming social development problems in the Caribbean

It is generally accepted that "GNP growth accompanied by reasonably equitable distribution of income is generally the most effective path to sustain human development". There is, however, no automatic link between economic growth and human progress. The experience of some countries suggests that human development may not improve much, despite rapid GNP growth; and that even in the absence of satisfactory economic growth countries can achieve significant improvements in human development through well-structured public expenditures. "Economic growth seldom trickles down to the masses. Free market mechanisms may be vital for allocative efficiency, but they do not ensure distributive justice. That is why added policy actions are often necessary to transfer income and other economic opportunities to the very poor". ECLAC has made a contribution to acceptance of the need for growth with equity as the optimal combination for achieving desirable economic growth with improvements in human welfare. The essentials for such equitable growth consist of sensible and flexible use of the price mechanism, policies which encourage investments, technology and human resource development, and policies for distributing assets and expanding productive opportunities. The overall objectives of national policy being the increase in human welfare.<sup>12</sup>

There is increasing awareness of the need for direct approaches to problems of social development in the Caribbean, in particular poverty and unemployment. This has been brought about in part by the adverse consequences for unemployment and poverty resulting from measures of economic adjustment, including trade liberalization and privatization. Governments have attempted a mix of measures in the main aimed at alleviation rather than reduction of poverty. If it is true that for purposes of poverty reduction and employment expansion, the pattern of economic growth is more important than growth itself, then it may be true also that insufficient emphasis has been paid in Caribbean countries to the pattern of economic growth, in particular from the perspectives of employment and poverty. If it is true that a critically important aspect of patterns of public expenditure relates to patterns of social expenditure, then there may be scope for more focused attention in this area. In programme and project planning and design, there may be room for more employment- and poverty-consciousness among Caribbean planners in all sectors.

The task is not easy -- because the choices may be limited. One way of looking at the problematique of small economic size of countries is in terms of limited options; and very small

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<sup>12</sup> The Human Development Report 1990 advocates including a human development plan in the process of the preparation of national development planning, with the first chapter of the national development plan consisting of comprehensive human balance sheets. See: UNDP Human Development Report 1990.

countries may not often have the opportunity of choosing between development projects on the basis of their direct effects on employment or poverty as against their effect on economic growth. Yet one is not satisfied that a sufficient effort has been made to imbue the planning process with the required consciousness.

One way of manifesting such consciousness is in the approach to what many now describe as "good governance" - the elements of which include a conscious organization of efforts to decentralize decision-making on matters of social policy and organization and implementation of social development measures. Good governance is critical in any attempt to ensure wide public commitment to social reform and to improve the equity and efficiency of the delivery services. It is argued that enabling non-governmental actors to involve themselves directly in designing and implementing policy will better ensure the success of these measures, given the closer "on-the-ground" familiarity with the issues and the local situations.

The Social Summit should go a long way towards sensitizing policy makers in all sectors to the critical need for action on the social development issues on which the Conference will be focusing, but also of scope for interventions at all levels and by all the actors with a view to reducing the worst effects of poverty, unemployment and lack of social integration. In the words of the Report of the United Nations Secretary-General, the Summit "should provide a valuable opportunity not only to promote a better understanding of these interrelated phenomena and their underlying causes, but should also identify the most appropriate policy responses, at the national and international levels to address them. A closer scrutiny of successes and setbacks should suggest what works and what does not. This would involve filling in the gaps in information which remain large in the case of the poor, the disadvantaged groups and the rural and informal sectors in many countries. It would also require new and innovative approaches to concert actions by governments, communities, non-governmental organizations and other actors in the field to develop a total societal response based on the concept of a 'social compact' or partnership for development."

The three core issues are obviously interrelated -- a fact which must inform policy. Again borrowing from the Secretary-General's Report: "The expansion of productive and remunerative employment is clearly a key requirement for the alleviation and reduction of poverty; it is also an important condition for enhancing social integration since it provides individuals with a recognized role to play in society". The Summit will be taking place at a time when many of the governments of the Caribbean are actively focusing on social development issues, even if only from the perspective of the "social fallout" of economic adjustment; it can only contribute to a better understanding of the issues and about the possibilities. Hopefully the Summit will provide an opportunity for the international community to be better sensitized to the social development problems facing small developing such as those in the Caribbean, and will commit increased resources for supporting the efforts of these countries.

## **Role of the international community**

There is a critically important role for the international community in assisting the Caribbean's efforts at poverty reduction and alleviation. A number of international agencies are already active in these areas. At a recent meeting organized by ECLAC/CDCC, the United Nations Children's Fund (UNICEF), ILO, the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA), the United Nations Conference on Trade and Development (UNCTAD), and ECLAC/CDCC discussed initiatives in the social field in which they were engaged or interested. Within the context of diminishing resources overall, coordination of activities among the agencies to prevent overlap and complement and reinforce the efforts of the specialized agencies is more imperative than ever.

UNICEF indicated its desire to participate in the planning activities in the subregion, since the achievement of specific goals for women and children could only be realized if they became integral to the planning process. The ILO recorded its concern with the issue of structural adjustment as it impacted on employment, since it is generally recognized that unemployment is decidedly the main cause of other social and economic problems. UNDP indicated its interest in the development of methodologies for measuring poverty and in human resource development. The UNFPA suggested that access to family planning and contraceptive services might be a useful indicator of social equity and quality of life, and might be included in efforts to monitor the impact of adjustment programmes and to inform poverty alleviation interventions. UNCTAD, with the current emphasis on trade liberalization, has a role to play in the measurement of cost-of-living impacts arising from the removal of quantitative restrictions and the elimination of import subsidies, designed to achieve export competitiveness.

Even this cursory look at present interests of United Nations agencies in the subregion provides a glimpse of the enormous development potential inherent in closer cooperation and collaboration between these agencies engaged in similar or related issues. Closer cooperation could logically lead to joint initiatives and joint financing of projects and programmes. Consideration should also be given to increased disbursement of funds directly to NGOs and the private sector for purposes of poverty reduction and alleviation.

Other important elements of the international community - the World Bank, the Caribbean Development Bank (CDB), the Organization of American States (OAS), and international NGOs, among others, are also engaged in various ways in formulating approaches for dealing with the poverty problem, or are otherwise engaged in poverty reduction activities. The World Social Summit may provide a welcome opportunity for sensitizing the various interested regional and international communities to the extent and nature of the problem, and may also present an excellent forum for more effective collaboration in these various and multifaceted efforts.